



Northern  
Ireland  
Office

# ANNUAL REPORT AND ACCOUNTS 2019-20



# **Northern Ireland Office**

# **Annual Report and Accounts 2019-20**

**(For the year ended 31 March 2020)**

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

Annual Report presented to the House of Commons  
by Command of Her Majesty

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*This is part of a series of Departmental publications which, along with the Main Estimates 2020-21 and the document Public Expenditure: Statistical Analyses 2019, present the Government's outturn for 2019-20 and planned expenditure for 2020-21.*



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## DIRECTORS' REPORT

## FOREWORD BY THE SECRETARY OF STATE FOR NORTHERN IRELAND



### The Right Honourable Brandon Lewis CBE MP

I am very happy to present the Northern Ireland Office Annual Report and Account 2019-20 to Parliament, my first as Secretary of State for Northern Ireland.

This year marked the restoration of the Northern Ireland Executive after nearly three years of an absence. This has been crucial for all the people of Northern Ireland and represents the culmination of a huge effort by the political parties in Northern Ireland and by my predecessor Rt. Hon Julian Smith MP, working with a range of partners. Devolved government that is accountable to the people of Northern Ireland is vital for improving public services and delivering economic growth and jobs for all communities.

New Decade, New Approach represents a fair and balanced package that focuses on delivering what matters to citizens in Northern Ireland: better public services; a stronger economy; and a fairer society. I am pleased that progress has already been made in delivering on the commitments in the deal but of course more remains to be done and all parties must never lose sight of the duty we bear to continue to make Northern Ireland an attractive place to live, work, and do business.

The importance of restoring the Executive has been crucial in delivering an effective response to the Covid pandemic and ensuring that measures have been taken that best fit the needs of Northern Ireland. In the face of adversity I have been pleased to see politicians from across all parties working together collegially to tackle a virus that does not heed identity or creed. I have seen at first hand the dedicated work of health care workers and other public servants across Northern Ireland to tackle the virus. Northern Ireland's response to Covid has also demonstrated how the Northern Ireland Executive and the UK Government have been able to work together to support people through these uncertain times by securing jobs with HM Treasury's furlough scheme and other supports, alongside the health and economic response delivered by the Executive. I would also like to pay tribute to the many businesses and communities across Northern Ireland who have selflessly contributed to the Covid response efforts.

During the past year, we have also continued to make progress on security issues in Northern Ireland. In August, we saw 10 people charged with a range of serious terrorist-related offences



as part of an ongoing PSNI-led investigation into the dissident republican group, the New IRA. These arrests were a welcome step in maintaining peace in Northern Ireland and keeping people safe from criminality and violence. Whilst the threat level in Northern Ireland remains 'severe', meaning an attack is highly likely, I am continuing to work closely with our partners, including in PSNI and MI5, to protect the people of Northern Ireland.

In submitting this year's report, and as we look to next year and the future, the challenge of Covid remains, but I am optimistic that Northern Ireland can recover and fulfil its potential. I am also committed to ensuring that Northern Ireland is ready to seize the opportunities presented by the upcoming end of the transition period.

Next year marks the centenary of Northern Ireland and of the United Kingdom in its current form. This will give us all an opportunity to reflect on the past, but more importantly to build for the future to create a prosperous and secure society for all the people of Northern Ireland.

**Rt. Hon Brandon Lewis CBE MP**

**Secretary of State for Northern Ireland**

## Ministers

Northern Ireland Office Ministers as at 31 March 2020<sup>1</sup>



**The Rt. Hon. Brandon Lewis CBE MP**  
Secretary of State for Northern Ireland



**Robin Walker<sup>2</sup>**  
Minister of State

Further information on our Ministers can be found on our website: [www.nio.gov.uk](http://www.nio.gov.uk)

## Board members as at 31 March 2020<sup>3</sup>



**Madeleine Alessandri**  
Permanent Secretary



**Lindy Cameron**  
Director-General



**Mark Larmour**  
Director



**Chris Flatt**  
Director



**Colin Perry**  
Director



**Andy Pike**  
Director

## Non-Executive Board Members



**Dawn Johnson -**  
Lead Non-Executive  
Director, and Chair of the  
Audit and Risk  
Committee



**David Brooker**  
Non-Executive Director

<sup>1</sup> The following ministers left the Northern Ireland Office during 2019-20: Rt Hon Julian Smith CBE succeeded Rt Hon Karen Bradley as Secretary of State from 24 July 2019 until 13 February 2020. Rt Hon Nick Hurd succeeded John Penrose as Minister of State from 26 July 2019 to 16 December 2020.

<sup>2</sup> Robin Walker was previously Parliamentary Under Secretary of State at the Northern Ireland Office from 26 July 2019 to 13 February 2020.

<sup>3</sup> The following board members left the Northern Ireland Office during 2019-20: Sir Jonathan Stephens retired as Permanent Secretary in March 2020 and Rosemary Crawford returned to the Northern Ireland Civil Service in July 2019. Lindy Cameron joined the Board in July 2019 and Andy Pike joined in February 2020.

## PERMANENT SECRETARY'S PERSPECTIVE ON PERFORMANCE



### **Madeleine Alessandri**

Northern Ireland Office Permanent Secretary  
and Principal Accounting Officer

The New Decade, New Approach agreement, reached on 9 January 2020, was a vitally important achievement, restoring devolved government in Northern Ireland after an absence of over three years. Throughout the period covered by this annual report, the Northern Ireland Office (NIO) has continued to work in close partnership with the Northern Ireland Civil Service (NICS), and with wider political, business and civic communities to further the interests of all the people of Northern Ireland. This has been particularly important to enable the delivery of an effective response to the global challenge caused by COVID-19.

Restoration of devolution in Northern Ireland would not have been possible without the professional, committed and dedicated people who make up the Northern Ireland Office team, under the skilled leadership of my predecessor Sir Jonathan Stephens who retired in March 2020.

It has been another demanding year for Northern Ireland. The absence of the Executive until January 2020 hindered progress on many important issues.

**Making Politics work** - During the political impasse, the Northern Ireland Office continued to exercise its responsibility to legislate where necessary to ensure good governance, protect the delivery of public services, and to uphold public confidence. Alongside the political parties, working closely with colleagues in the NICS and, recognising the well-established three stranded approach, with the support of the Irish government, the NIO worked tirelessly to achieve the New Decade, New Approach agreement. This Agreement enabled the full restoration of the devolved institutions established in the Belfast/Good Friday Agreement, including the Executive, the Assembly and the North/South Ministerial Council. This Agreement is focussed on delivering on the issues that matter to citizens in Northern Ireland: better public services, a stronger economy and a fairer society. It paves the way for the new Executive to address problems in the health service, reform the education and justice systems, grow the economy, promote opportunity and tackle deprivation.

**A more secure Northern Ireland** - The department has continued to work closely with security partners to ensure a strategic approach to tackling the enduring threat from Northern Ireland Related Terrorism (NIRT), working to end the harm it brings to communities. We also worked collaboratively with the Northern Ireland Civil Service to ensure that our approach complements the new Executive's programme of work on tackling paramilitary activity in local communities which emanated from the Fresh Start Agreement.

**A growing economy** - To support the restoration of the Northern Ireland Executive, the UK Government provided a £2 billion financial injection to transform public services, turbocharge infrastructure investment and address Northern Ireland's unique circumstances. This year, City Deal and Inclusive Future funding to Northern Ireland increased to £617 million, which the Executive has decided to match-fund. The Government also announced a package of measures to support businesses and protect the economy in light of the growing Covid pandemic. Protecting the unique interests of Northern Ireland also continues to be at the heart of our approach to preparations for the end of the Transition Period. The NIO supported discussions with the EU which secured the Withdrawal Agreement and the Ireland and Northern Ireland Protocol. Since then we have supported discussions on Protocol implementation and Free Trade Agreement (FTA) negotiations, and engaged with a wide range of stakeholders from across Northern Ireland to inform preparations for the end of the Transition Period.

**A stronger society** - The NIO has continued to consider the shape and content of legislative proposals to address the sensitive issue of the legacy of Northern Ireland's past. Following a public consultation the regulations for the Victims Payment scheme were made in January 2020. This scheme provides acknowledgement to people who are living with permanent disablement as a result of being injured in a Troubles related incident. We have also enabled progress on sensitive societal issues in Northern Ireland including abortion and same-sex marriage.

**Northern Ireland Office fit for the future** - Covid-19 has brought about a profound, unplanned change in the way that the NIO works. We transformed at pace to ensure we could continue to deliver government priorities while looking after the wellbeing and welfare of our people. I am proud of the way the NIO team responded demonstrating our core values of flexibility, inclusivity and empowerment.

**Madeleine Alessandri CMG**

## Northern Ireland Office Lead Non-Executive Director's Report



### **Dawn Johnson**

Non-Executive Board Member and Chair of the Northern Ireland Office Audit and Risk Committee

### **Introduction**

This is the seventh and last annual report that I will be involved with as the Northern Ireland Office's lead non-executive director and Chair of the Northern Ireland Office's Audit & Risk Committee. My report looks back at the progress made over the last twelve months and reflects on the work of the Board and the Audit & Risk Committee. It has been prepared in line with HM Treasury guidance.

### **2019-20 Overview**

Last year's report outlined the numerous challenges faced by the Northern Ireland Office as it dealt with frequent periods of significant political uncertainty and refined its financial management arrangements. Over the last twelve months there has been a significant improvement in the politics resulting in the restoration of the Northern Ireland Executive in January 2020. While the Northern Ireland Office will continue to have a role to play in ensuring that the New Decade, New Approach deal is delivered, the restoration of the Executive and the appointment of a new Permanent Secretary nevertheless provided an opportunity for the Board to consider its longer term objectives, reset the Northern Ireland Office's internal governance arrangements and strengthen capabilities in policy delivery and the Department's people.

The challenges of the Coronavirus pandemic have tested the capabilities of the Northern Ireland Office but I have been impressed with the way that the whole Departmental family has dealt with the challenges and embraced different ways of working to continue to deliver business priorities.

### **Board membership**

There were some changes to the Northern Ireland Office Board leadership during 2019-20 in light of the retirement of Sir Jonathan Stephens and the appointment of Madeleine Alessandri as the new Permanent Secretary and Accounting Officer. The Northern Ireland Office also recruited a new Director-General and in recent months has created a new Director of Communications role.

The Board met six times during 2019-20, where it discussed EU Exit preparations, Northern Ireland political developments, strategic risk management, Departmental performance, people and culture matters. In addition, the Board maintained oversight on issues relating to its associated bodies through the regular attendance of senior representatives from its sponsored bodies.

### Board effectiveness

This year's annual Board effectiveness evaluation was conducted as an independent review by the Government Internal Audit Agency. The report found that although there were some minor departures from the Code of Good Practice for Corporate Governance in Central Government these were reasonable given the size of the Northern Ireland Office and overall auditors were satisfied that the Board was operating effectively and receiving the right level and quality of information to make informed decisions.

### Non-Executive Directors

During 2019-20 the non-executive directors continued to use their skills and experience to support the work of the Board and engaged with representatives from sponsored bodies and wider Whitehall networks. The non-executive directors also played an active role in a number of Senior Civil Service and public appointment recruitment panels throughout the reporting period. This provided us with an opportunity to bring objectivity and independence to the process. I am satisfied that all senior level recruitment complied with relevant guidance and all appointments were made on merit.

There were no changes to the non-executives during the reporting period; however, both David Brooker and I will stand down in Autumn 2020 and new non-executive appointments will be made in the next reporting period.

### Audit and Risk Committee

The Audit and Risk Committee, which I chair, met four times during the year, where it conducted regular risk deep dives into functional areas, oversaw the work of the internal and external auditors, and took assurance from senior officials from the Northern Ireland Office's sponsored bodies.

The Audit and Risk Committee's membership includes two external members: Rosanna Wong and Ian Summers. The Northern Ireland Office Permanent Secretary and Accounting Officer as well as other senior officials were regular attendees at the meetings. Representatives from internal and external auditors also attended each meeting during the reporting period and provided reports on the outcome of the audit work. The Committee acknowledges that the overall internal audit opinion reported a 'moderate' level of assurance for 2019-20.

At each meeting, detailed papers were presented on a range of relevant matters that enabled the Committee to discharge its functions and exercise a robust challenge function. I am satisfied

that the Committee received effective support from the Executive Team and that the Northern Ireland Office operates sound governance arrangements that promote the highest levels of performance and accountability.

### Relationships with other Audit Committees

The Northern Ireland Office sponsors three Non-Departmental Public Bodies (NDPBs): the Northern Ireland Human Rights Commission, the Parades Commission for Northern Ireland and the Independent Reporting Commission.

Each of these bodies has its own Accounting Officer and the Northern Ireland Human Rights Commission and the Parades Commission for Northern Ireland operate independent Audit Committees. Due to the limited budget and responsibilities it has been agreed with the Independent Reporting Commission that it would not be proportionate to establish its own Audit Committee and oversight of governance and financial matters will be provided by the Northern Ireland Office Audit & Risk Committee.

During the reporting period, the Committee kept a watching brief on key issues affecting all sponsored bodies and took assurance from the updates provided by sponsor teams, the stewardship statement process and from the National Audit Office on the preparation of the NDPB audited accounts.

### Acknowledgements

As Chair of the Audit and Risk Committee, I would like to thank the auditors, senior officials within the Northern Ireland Office including the Head of Finance, the Directors, Deputy Directors and members of the Corporate Governance Team for supporting the ongoing work of the Board and Committees.

**Dawn Johnson**

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# PERFORMANCE REPORT

## Overview

### Our purpose

The Northern Ireland Office supports the Secretary of State for Northern Ireland in promoting the best interests of Northern Ireland within a stronger United Kingdom. It ensures Northern Ireland interests are fully and effectively represented at Westminster and the heart of Government, and the Government's responsibilities are fully and effectively represented in Northern Ireland.

Our key purpose is to ensure good political governance by working alongside the Northern Ireland Executive to help improve the effectiveness and delivery of the devolved institutions; to ensure a more secure Northern Ireland; deliver a growing economy including rebalancing the economy; ensure a stronger society by supporting initiatives designed to build better community relations and a genuinely shared future; and ensure that Northern Ireland's interests are represented during the negotiations for withdrawal and in the post-Exit settlement.

Our purpose is achieved through our objectives set out in the Northern Ireland Office's Summary Business Plan:

#### Northern Ireland Office Strategic Objectives

Making politics work

A more secure Northern Ireland

A growing economy

A stronger society

Northern Ireland Office fit for the future

Our full Summary Business Plan for 2019-20 is available at:

<https://www.gov.uk/government/publications/northern-ireland-office-summary-business-plan>

The Summary Business Plan is refreshed annually. In-year, progress against the delivery of the objectives is monitored by the Northern Ireland Office Board.

GOV.UK also provides news and updates on progress of work undertaken by the Northern Ireland Office, including details of announcements of achievements. Further information can be found on our website [www.nio.gov.uk](http://www.nio.gov.uk)

## Our values

We have agreed a set of values to support the delivery of the Northern Ireland Office purpose and work on some of the government's most complex and challenging issues. We are passionate about Northern Ireland, flexible, empowering and inclusive. These values ensure that the people and teams that make up the Department have a shared approach to delivering our objectives and creating opportunities to achieve better outcomes.

## Our structure

As at the 31 March 2020, the Northern Ireland Office employed 202 staff across its offices in Belfast and London.

In addition to the core Department, there are a range of matters that are dealt with through a network of associated bodies which operate independently of Government. These differ considerably from each other in terms of their formal status, intended purpose, statutory or other responsibilities, the degree of independence from Government and size.

Our Non-Departmental Public Bodies (NDPBs) are:

- The Northern Ireland Human Rights Commission
- The Parades Commission for Northern Ireland
- The Independent Reporting Commission<sup>4</sup>

We have one advisory NDPB:

- The Boundary Commission for Northern Ireland

We also sponsor a number of office holders, including:

- The Crown Solicitor for Northern Ireland

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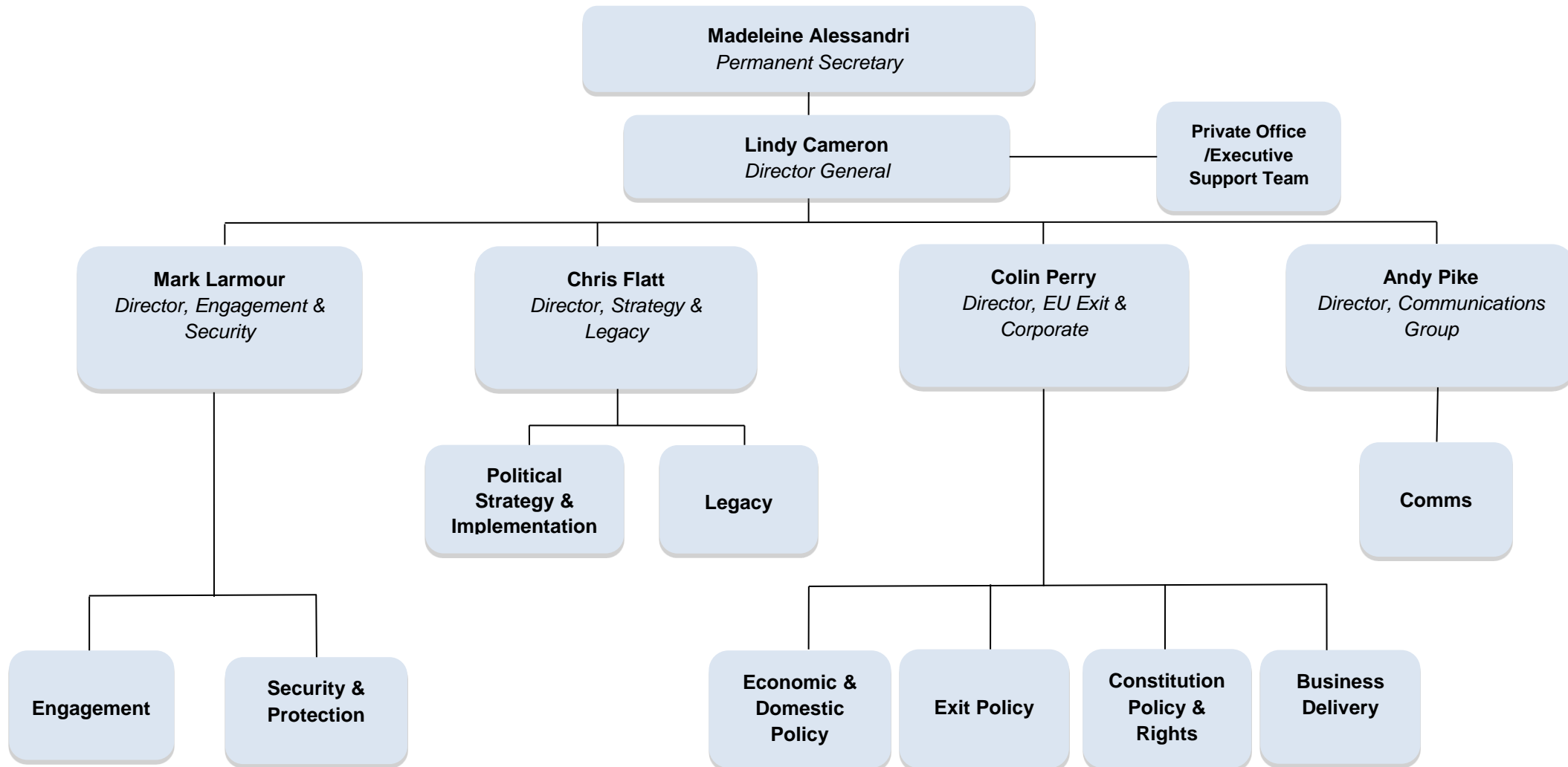
<sup>4</sup> This is jointly sponsored by the Irish Government but for accounting purposes the UK joint Secretary has been appointed as an accounting officer with responsibility for reporting to Parliament on monies made available by HM Treasury.

- The Chief Electoral Officer for Northern Ireland
- The Civil Service Commissioners for Northern Ireland
- The Sentence Review Commissioners
- The Independent Chairman of the Northern Ireland Committee on Protection (non-statutory)
- Veterans Commissioner (non-statutory)
- The Remission of Sentences Act Commissioners
- The Independent Reviewer of Police and Military Powers under the Justice and Security Act 2007
- The Independent Reviewer of National Security Arrangements in Northern Ireland (non-statutory)
- The District Electoral Areas Commissioner (currently in abeyance)

In partnership with the Irish Government we co-sponsor the Independent Commission for the Location of Victims' Remains and provide support for the British-Irish Intergovernmental Secretariat.

In addition, our Ministers are responsible, together with the Irish Government, for appointing the Board of the International Fund for Ireland (IFI). The IFI is governed by a fully independent Board, funded by international donors and administered by the British and Irish Governments.

## How our Department is organised (as at 31 March 2020)



## Our finances

### Spending summary highlights for 2019-20

|  | 2019-20          | 2018-19          | Variance         |
|--|------------------|------------------|------------------|
| <b>Spend By Budget Classification</b>                                    | <b>£millions</b> | <b>£millions</b> | <b>£millions</b> |
| Resource DEL (Voted)<br>(Departmental operations including depreciation) | 30.8             | 25.0             | 5.8              |
| Resource DEL (Non-Voted)<br>(Election Funding*)                          | 8.1              | 0.4              | 7.7              |
| AME<br>(Non-Cash accounting provisions)                                  | (0.8)            | 0.8              | 1.6              |
| Capital DEL<br>(Expenditure on Departmental non-current assets)          | 0.5              | 0.5              | 0.0              |
| Non Budget<br>(NI Executive funding)                                     | 16,117           | 15,217           | 900              |

\* This represents funding of the UK Parliamentary Election in 2019 and funding of the 2019 European Election.

### Funding

The Department's activities are financed by Supply voted by Parliament. Each year the NIO is given Parliamentary approval for its expenditure when Parliament votes the Main Supply Estimates. Subject to Parliament's agreement, the estimates may be amended during the year at the Supplementary Estimate stage. The estimates are published by Her Majesty's Stationery Office (HMSO) and contain details of voted monies for all government departments. The 2019-20 Supplementary Estimates are available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/865500/Supplementary\\_Estimates\\_2019-20\\_-\\_print.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/865500/Supplementary_Estimates_2019-20_-_print.pdf)

**Departmental Expenditure Limit (DEL): £41,444,000 (including non-voted expenditure of £9,119,000)**

## Expenditure arising from:

- overseeing the effective operation of the devolution settlement in Northern Ireland and representing the interests of Northern Ireland within the UK Government;
- expenditure on administrative services;
- expenditure arising from the Stormont House Agreement and the Fresh Start Agreement;
- Head of State related costs and VIP visits to Northern Ireland;
- Northern Ireland Human Rights Commission and other Reviews and Commissions arising from the Belfast/Good Friday Agreement, the Northern Ireland Act 1998, the Northern Ireland Act 2000, the Northern Ireland Act 2009, political development and inquiries;
- work of the Parades Commission for Northern Ireland;
- the Chief Electoral Officer for Northern Ireland, elections and boundary reviews;
- Civil Service Commissioners for Northern Ireland;
- legal services, security, victims of the Troubles including the work of the Independent Commission for the Location of Victims Remains and arms decommissioning;
- compensation schemes under the Justice and Security (Northern Ireland) Act 2007 and Terrorism Act 2000;
- the running of Hillsborough Castle and certain other grants; and
- the Independent Reporting Commission.

This includes associated depreciation and any other non-cash costs falling within DEL.

## Income arising from:

- Recoupment of electoral expenses;
- Receipts from the use of video conferencing facilities;
- Fees and costs recovered or received for work done for other departments;
- Freedom of information and data protection act receipts;

- Recovery of compensation paid; recoupment of grant funding;
- Costs and fees awarded in favour of the crown;
- Receipts arising from arms decommissioning;
- Fees and costs recovered or received for the use of the NIO estate; and
- Contributions from third parties to fund grant programmes and monies from other departments to fund projects in Northern Ireland.

### **Annually Managed Expenditure (AME): £1,000,000**

Expenditure arising from change in provisions.

### **Non-Budget Expenditure: £16,888,240,000**

Expenditure arising from:

- providing appropriate funding to the Northern Ireland Consolidated Fund for the delivery of transferred public services as defined by the Northern Ireland Act 1998, Northern Ireland Act 2000 and the Northern Ireland Act 2009; and
- grants to the Northern Ireland Consolidated Fund and transfers of EU funds.

The Department's final resource Estimate for 2019-20 was £16,930m (2018-19: £16,112m) and the Department's final capital Estimate for 2019-20 was £0.825m (2018-19: £0.481m).

### **Comparison of estimate and outturn**

#### **Resource**

The total outturn shown in the Statement of Parliamentary Supply of these Accounts reflects underspend on both the Resource DEL and Resource AME Estimates due to lower than anticipated expenditure on legal costs and capital projects which were delayed due to COVID and recognised after the Department's Estimates were set in February 2020. The net resource outturn for 2019-20 was £16,155m (2018-19: £15,243m) compared with the Estimate of £16,930m (2018-19: £16,112m). This is a variance of £775m (2018-19: £869m).

The main reasons for this variance are:

- £771m funds anticipated to be required by the Northern Ireland Executive were not drawn down from the Consolidated Fund;
- a variance of £1.0m in respect of lower than anticipated costs for elections held during the financial year;



- a variance of £1.8m against the AME Estimate which resulted from lower than anticipated expenditure related to accounting provisions;
- other small variances across the remainder of the Department and its ALBs.

### Capital

The net capital outturn for 2019-20 was £0.46m (2018-19: £0.45m) compared with the Estimate of £0.83m (2018-19: £0.48m). This is a variance of £0.37m (2018-19: (£0.03m)).

This variance resulted from lower than anticipated capital expenditure in a number of projects across the Department and its ALBs, primarily due to pause in project work as a result of COVID-19.

### Net Cash Requirement

The net cash requirement (note SOPS3) outturn was £16,140m (2018-19 £15,242m) compared with the Estimate of £16,918m (2018-19: £16,110m). This is a variance of £778m (2018-19: (£659m)). This variance resulted from lower than anticipated payments made by the Northern Ireland Executive during the financial year.

Decisions on how funding to the Executive is spent are managed by the devolved administration and funding is allocated to the Northern Ireland departments by the Department of Finance (DoF). Each of the Northern Ireland departments, including DoF, publishes their own financial statements. Additional information regarding the budgets of the Executive and the grants paid by the NIO to the Northern Ireland Consolidated Fund are included in an annex at the end of this document.

### Statement of Financial Position

The net assets at 31 March 2020 of £67m (2018-19: £74m) principally comprise property, plant and equipment of which Hillsborough Castle and its surrounding estate is £68.2m (2018-19: £69.5m) as the remainder of the other assets and liabilities largely offset.

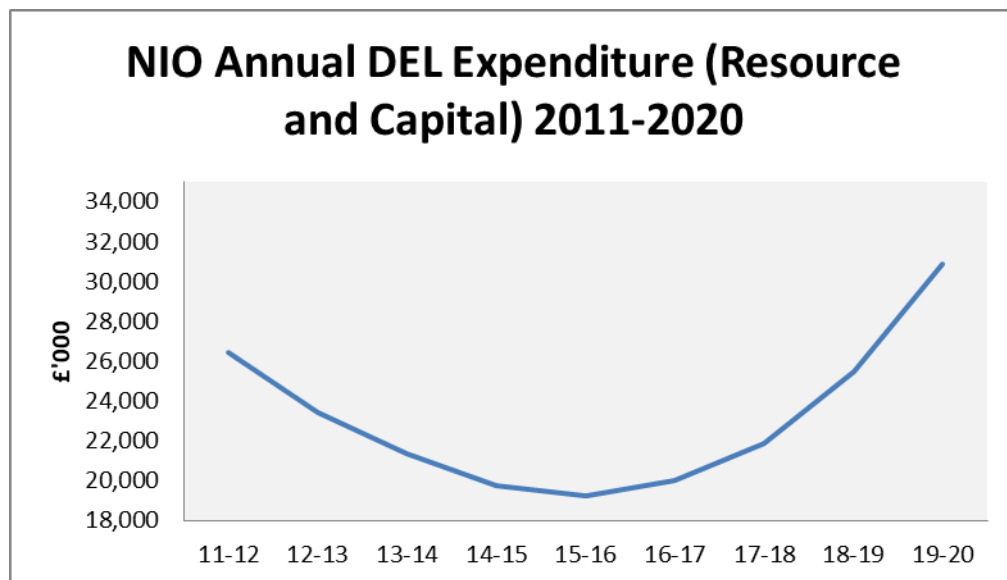
The financial assets include loans issued to DoF under the National Loans Fund, but these are balanced by corresponding amounts in current and non-current liabilities.

### External Auditor

These accounts are audited by the Comptroller and Auditor General (C&AG) who is appointed by statute and reports to Parliament on the audit examination. His certificate is included in the Parliamentary accountability and audit report. The audit of the financial statements for 2019-20 resulted in a group audit fee of £174,000 (cash audit fee £39,000, non-cash audit fee £134,300) (2018-19 £138,500; cash fee £31,500, non-cash fee £107,000).

The C&AG may also undertake other statutory activities that are not related to the audit of the Department's accounts such as value for money reports. No such reports were published during the year.

### Long Term Expenditure Trend



The outturn figures have been adjusted to exclude the impact of significant one-off additional areas of expenditure when additional funding was provided e.g. the electoral canvass in 2013-14, European Elections and Assembly Elections in 2014-15, 2016-17 and 2019-20, as well as General Elections in 2015-16, 2017-18 and 2019-20. The increase since 2016 represents additional funding for new areas of expenditure and to address additional pressures e.g. EU Exit as well as increased capital expenditure on IT and infrastructure projects.

**Madeleine Alessandri**  
**Accounting Officer**  
**30 September 2020**

## STRATEGIC PERFORMANCE ANALYSIS

In addition to our published objectives, during the reporting period the Northern Ireland Office continued to support the United Kingdom's effective exit from the European Union and ensure that Northern Ireland's interests were represented during the negotiations for withdrawal, and considered as part of the discussions on the post transition period.

The implications of Exit for Northern Ireland, which is the only part of the United Kingdom with a land border with another European Union member, are unique and this work impacts across all of our policy objectives.

The Northern Ireland Office has worked closely with other departments across Government, as well as the Northern Ireland Civil Service, to support wider work to negotiate and agree our withdrawal and to prepare for our future relationship with the European Union.

Our work throughout the year has been based on the following underlying priorities:

- **Getting the best deal for Northern Ireland** - the Government has been clear that nothing agreed with the European Union should risk a return to a hard border, or threaten the delicate constitutional and political arrangements underpinned by the Belfast/Good Friday Agreement. We have focussed in particular on those areas where the impacts of Exit for Northern Ireland are unique and/or where the Northern Ireland Office has a particular role or expertise.
- **Safeguarding the Belfast/Good Friday Agreement** - We have also led on work to deliver a commitment to ensure 'no diminution of rights, safeguards and equality of opportunity' as set out in the Belfast/Good Friday Agreement results in Northern Ireland from exiting the European Union. The Northern Ireland Office recognises the guarantees of equality and rights for all communities in Northern Ireland being a fundamental part of the Belfast/Good Friday/Agreement and we will continue to work to ensure that rights are protected in the withdrawal arrangements.
- **Making sure Northern Ireland is ready** - we have ensured that preparations are made which best support Northern Ireland when the transition period ends. We have worked with the Cabinet Office and Northern Ireland Civil Service on common frameworks where powers will return from the European Union to Westminster and Devolved Administrations.

The COVID pandemic has had a significant impact on all aspects of society and the economy. During the closing stages of the reporting period we worked with colleagues across Whitehall, the Northern Ireland Civil Service and other stakeholders to ensure that appropriate response plans were in place. The impact on the delivery of our published business objectives is discussed in more detail in the following section.

## Business plan objectives 2019-20

The section below sets out in detail the range of published business plan objectives and how we have delivered these during 2019-20.

### Objective 1: Making politics work

The Northern Ireland Office's overarching priority for 2019-20 was to work with the political parties and the Irish Government, consistent with the three-stranded approach set out in the Belfast/Good Friday Agreement, to restore the devolved institutions. Political talks resumed early in the reporting period. Following the publication of the New Decade, New Approach agreement on 9 January 2020, the Northern Ireland Assembly nominated a new Northern Ireland Executive and was restored on 11 January 2020.

Over the course of the reporting period, the Northern Ireland Office continued to support the Government's objective to deliver on its commitment to restoring power-sharing devolved government as the best means of delivering political stability. The Northern Ireland Office also continued to exercise its responsibility to legislate where necessary to ensure good governance, protect the delivery of public service and uphold public confidence.

In the absence of a devolved government, the Northern Ireland Office made a number of critical public appointments under the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 to ensure that public service delivery was not impacted by the lack of a Northern Ireland Executive. This legislation ceased to have effect following the restoration of the Executive and the appointment of Northern Ireland Ministers.

In May 2019, the UK and Irish Government held a British Irish Intergovernmental Conference (BIIGC). The BIIGC was established under Strand Three of the Belfast/Good Friday Agreement "to promote bilateral cooperation at all levels on all matters of mutual interest within the competence of both Governments". The Northern Ireland Office supported the Conference, which discussed a range of issues including legacy, security cooperation, East-West matters and political stability.

In delivering its commitment to improving public services, the Northern Ireland Office continued to work closely with the Chief Electoral Officer to ensure that the electoral register was as accurate and comprehensive as possible and all the people of Northern Ireland had access to electoral services. The Northern Ireland Office also supported the operationally independent Boundary Commission for Northern Ireland.

### Objective 2: A more secure Northern Ireland

Violent dissident republican terrorist groupings continue in their efforts to attack police officers and prison officers, as well as those in their own communities. Numerous dissident republican

terrorist attacks have been prevented through vital support provided by members of the community.

The Northern Ireland Office worked closely with MI5, the Police Service of Northern Ireland, the military and colleagues in An Garda Síochána, to tackle the enduring threat from Northern Ireland related terrorism and to limit the impact on people going about their daily lives. MI5 keep the level of threat from Northern Ireland related terrorism under constant review. The threat level from Northern Ireland-related terrorism in Northern Ireland has remained at SEVERE since March 2009, meaning an attack is "highly likely".

The UK Government has also actively supported a dedicated programme of activity to tackle paramilitarism as part of 'A Fresh Start - The Stormont Agreement and Implementation Plan'. Additional funding was provided in-year that is not only supporting the law enforcement aspects of the programme but also, crucially, providing communities with the tools and resources they need to reject paramilitaries. During the year the Northern Ireland Office continued to work with partners on this programme to ensure alignment with our strategic approach to tackling terrorism.

In November 2019 the Independent Reporting Commission (IRC), which was established via an International Treaty between the UK and Irish Governments, published its second substantive report on the Northern Ireland Executive's programme to tackle paramilitary activity and organised crime. The Commission will continue to consult with a broad range of stakeholders in conducting its work.

In addition, the Northern Ireland Office continued work to ensure that Northern Ireland has a legislative framework appropriate for the threat. We consulted on, and have now implemented via legislation, changes to the Code of Practice for the video recording with sound of interviews of persons detained under section 41 of, or Schedule 7 to, the Terrorism Act 2000 which take place in a police station in Northern Ireland. These changes brought the Northern Ireland Code into line with the equivalent Code used in England, Scotland & Wales.

The Northern Ireland Office also worked closely with counterparts in the Ministry of Justice and Department of Justice in advance of the introduction of the Counter-Terrorism and Sentencing Bill 2019-21 in July 2020. The Bill aims to give greater confidence to the public that the sentences served by terrorists reflect the severity of their offending and the risk they present.

The legislative provisions for non-jury trials contained in the Justice and Security (Northern Ireland) Act 2007 are time-bound and must be renewed every two years by an affirmative Order approved in both Houses of Parliament. The Northern Ireland Office launched a public consultation in December 2018 seeking views on whether the time-bound provisions should be extended for a further two years. The majority of respondents supported or accepted the need for another two-year extension of the non-jury trial provisions and, in June 2019, the Northern Ireland Office implemented the necessary legislation to renew the non-jury trial provisions before their expiry.

We supported Home Office colleagues in their engagement with the relevant Northern Ireland Executive Departments and law enforcement agencies to ensure that provisions in the Air Traffic Management and Unmanned Aircraft Bill appropriately apply to Northern Ireland. The Bill, *inter alia*, confers police powers relating to unmanned aircraft (drones) and provides for fixed penalties for certain offences relating to unmanned aircraft. This legislation complements the UK Government's Counter-Unmanned Aircraft Strategy which sets out our approach to mitigating the highest-harm risks to the UK resulting from the illegal use of aerial drones.

### **Objective 3: A growing economy**

The Government has continued to uphold its commitment to deliver a stronger, more secure and stable economy that works for every part of the UK. The Northern Ireland Office, working alongside Northern Ireland partners and other Government departments, has continued to prioritise strengthening and rebalancing the Northern Ireland economy.

The Northern Ireland Office and the Secretary of State have worked to promote Northern Ireland as a great place to invest and do business and during the political impasse emphasised the need for the devolved institutions to be restored, with an Executive working with the UK Government to promote Northern Ireland internationally and in a positive light.

To provide financial certainty in the absence of an Executive, the Secretary of State set out a budget for Northern Ireland for 2019-20. To recognise the lack of opportunity to reform public services over the previous two years due to the absence of an Executive, the budget was supported by funding and flexibilities, including £140 million of additional funding for key areas of public services, particularly health and education. £333 million of funding was also made available from the Confidence and Supply agreement to provide £100 million in support of health transformation, £30 million for mental health and severe deprivation, £3 million for broadband and £200 million for capital spending on key infrastructure projects.

Further certainty was provided through additional legislation progressed in tandem during the year to enable the collection of rates, which provides the basis for collecting much-needed revenues for the Northern Ireland administration and cost-capping measures on the Renewable Heat Incentive scheme. These measures provided clarity during 2019-20 so that Northern Ireland had sustainable public finances and the delivery of essential public services was protected.

Towards the end of the reporting period the Government announced a package of measures to support businesses and protect the economy in light of the growing COVID pandemic.

The terms under which the UK left the EU were of particular significance to Northern Ireland, recognising the unique circumstances. The Government made clear that Northern Ireland is and will remain part of the customs territory of the UK, with a key priority being to prevent a hard border on the island of Ireland. The Northern Ireland Office represented Northern Ireland's interests, politically, socially and economically, working extensively across Whitehall and with

the Northern Ireland Civil Service to ensure preparations were in place for all potential outcomes, and shaping the approach to negotiations that led to the final Withdrawal Agreement and the Protocol on Northern Ireland and Ireland. The Protocol meets the Government's objectives, protecting the peace process and avoiding a hard border, and provides the new framework within which Northern Ireland's businesses will trade from the end of the Transition Period. The Protocol makes clear that nothing in it prevents the United Kingdom from ensuring unfettered market access for goods moving from Northern Ireland to the rest of the United Kingdom's internal market. In the 'New Decade, New Approach' the Government committed to legislate to give effect to this by 1 January 2021.

Further, the Northern Ireland Office has worked with partners across Whitehall to ensure that devolved considerations and the views of a restored Executive, as well as the key sectoral and trade priorities of economic stakeholders in Northern Ireland, are taken into account in developing future UK trade policy, including in the development of the Trade and Customs Bills. The Northern Ireland Office has been at the centre of cross-Whitehall work to do everything possible to safeguard jobs and livelihoods.

#### **Objective 4: A stronger society**

The Northern Ireland Office has continued to consider carefully the shape and content of legislative proposals to address the legacy of the past, building on commitments in the Stormont House Agreement and proposals that were the subject of a public consultation. As part of the New Decade, New Approach agreement we reiterated our commitment to bringing forward legislation. On 18 March 2020, the Secretary of State published a Written Ministerial Statement setting out a framework for the way forward that would focus on reconciliation, deliver for victims, and end the cycle of reinvestigations into the Troubles in Northern Ireland that has failed victims and veterans alike. Our ambition is to deliver a fair, balanced, and proportionate system that is consistent with the principles of the Stormont House Agreement and delivers for all those who have been affected by the events of the past; striking a balance in enabling criminal investigations to proceed where necessary, while facilitating a swift transition to an effective information recovery mechanism before this information is lost forever. We are committed to engaging with the NI parties, Irish Government and victims and survivors groups to build consensus on an effective way forward.

In addition, we held a public consultation and engaged with a wide range of stakeholders about the shape and contents of a Troubles victims' payments scheme. The scheme is designed to acknowledge those living with serious and continuing disablement from physical and/or psychological injuries sustained in a Troubles related incident. We published a response to the public consultation on 31 January 2020, and laid and made Regulations to provide a framework for a scheme making payments to those injured through no fault of their own. The scheme is to be delivered by the Northern Ireland Executive.

We also consulted on a range of other issues. The consultation on access to abortion services ran between 4 November 2019 and 16 December 2019 and same-sex religious marriage and



the appropriate protections, and conversion entitlements in Northern Ireland ran from 20 January - 23 February 2020. Following the consultation on abortion services The Abortion (Northern Ireland) Regulations 2020 were made in March 2020 and came into force on 31 March 2020. The Department of Health in Northern Ireland will oversee the framework's delivery model and the operational readiness of services. The consultation on same-sex religious marriage followed changes to the law in Northern Ireland made under the powers in section 8(1) of the Northern Ireland (Executive Formation etc.) Act 2019. These changes came into effect on 13 January 2020 and meant that same-sex civil marriage and opposite-sex civil partnerships became legal in Northern Ireland. The consultation response on same-sex religious marriage in Northern Ireland was published on 16 July 2020.

During the year the Northern Ireland Office continued to deliver structured external engagement, at both Ministerial and official level, with political, business, civil society and community representatives, including in 'hard to reach' communities. While this has covered a wide range of issues, much of the focus in the period has continued to be on understanding the impact of EU Exit on those living and working in Northern Ireland, particularly in border areas.

The 2019 parading season was again one of the most peaceful in recent years. Ongoing engagement between parade organisers and local residents' groups has reduced community tensions, demonstrating that dialogue offers the best means of securing long term resolution to parading disputes. We remain of the view that securing alternative, locally agreed arrangements for regulating parades in Northern Ireland is the best option for sustainable long term reform of the system. In the absence of agreement on the way forward on parading, the Northern Ireland Office will continue to fulfil its statutory role as sponsor of the Parades Commission for Northern Ireland.

In close consultation with the Royal Households, the Northern Ireland Office delivered a total of nine Royal visits to Northern Ireland, including visits by TRH The Prince of Wales and The Duchess of Cornwall, HRH The Duke of York, HRH The Earl of Wessex, HRH The Princess Royal and HRH The Duchess of Cambridge. In May 2019, the Northern Ireland Office delivered the annual Garden Party, this year the location was at Castle Coole, Enniskillen. It was attended by 1200 invited guests that were representative of society and the principal guests were TRH The Prince of Wales and Duchess of Cornwall.

During the year, the Northern Ireland Office has, in its capacity as sponsor body, continued to support the Northern Ireland Human Rights Commission to perform its statutory duties under the Northern Ireland Act 1998. We legislated to clarify the Commission's 'own motion' standing to challenge the compatibility of legislation with the European Convention on Human Rights (ECHR), via the Human Rights Act 1998 (HRA). We also continued to work closely with the Commission to define its new role as part of the "dedicated mechanism" established, under Article 2 of the Northern Ireland/Ireland Protocol to the Withdrawal Agreement, to ensure that there is no diminution of rights in Northern Ireland as a result of the UK's withdrawal from the EU.



## Objective 5: Northern Ireland Office fit for the future

Over the course of the last reporting period, the Northern Ireland Office continued to explore options for increasing efficiencies and modernising its approach to business. We operate on a fully flexible IT system, enabling staff to work more effectively between our offices, and away from the office. In recent years, we have also invested in and expanded our video and telephone conferencing facilities to enable our staff to connect across civil service sites, reduce physical travel and reduce our carbon footprint.

The flexibility and robustness of our approach to business was fully tested this year as we responded to the impacts of the COVID pandemic. In addition to ensuring that our people had the technical resources available to them to continue to perform their duties, we were also extremely mindful of the support mechanisms and HR policies in place to support our people. The flexibility of our people policies ensured that our people were able to adjust working patterns to reflect personal circumstances, including caring responsibilities.

Despite the challenges and greater number of staff working remotely, the Northern Ireland Office and its wider family continued to deliver core business functions with little or no disruption. Useful lessons have been learned from the experiences of staff and we plan to review our contingency arrangements in the next reporting period.

A key priority for 2019-20 was to continue to work with third party partners to ensure that new finance and other corporate systems were fully bedded in. During the year staff training and guidance was provided and no significant issues were identified with our corporate systems. However, to ensure that the Northern Ireland Office remains fit for the future we commenced work on developing our long term IT strategy. This work will continue into the next reporting period.

During the reporting period we also continued to deliver on our People Plan and Culture Plan, both plans were developed following the People Survey in 2018 and commit to actions and activities that will help to embed the Northern Ireland Office's core values and expected behaviours. Information on our most recent People Survey results in 2019 is provided in the Directors' report.

Further information on our finances can be found in the [Spending summary highlights](#).

## Corporate Performance

### *Recruitment Practice*

All Civil Service recruitment in the Northern Ireland Office is carried out in accordance with relevant employment legislation and the Recruitment Principles issued by the Civil Service Commission.

In recognition of our dual role of representing Northern Ireland interests at UK Government level and UK Government interests in Northern Ireland, the Northern Ireland Office can only carry out its core functions and deliver its strategic priorities by having direct access to individuals who have a detailed knowledge and understanding of UK Government and Northern Ireland related issues. This includes a knowledge and understanding of the devolved administration and the machinery of government including Northern Ireland departmental functions and structures. For these reasons, and in recognition of the unique relationship between the two organisations, a Memorandum of Understanding (MOU) has been agreed formally between the Northern Ireland Office and Northern Ireland Civil Service (NICS) to provide an appropriate structure and a degree of flexibility around our secondment arrangements. This MOU continued to work effectively for the Northern Ireland Office during 2019-20 and we will continue to work closely with the NICS to ensure the secondment arrangements deliver maximum flexibility and mutual benefits.

During 2019-20 the Northern Ireland Office also offered young people the opportunity to enhance their employability through the Apprenticeships programme and will extend this in 2020-21 to include a Boardroom apprentice.

### *Public Appointments*

As at 31 March 2020, the Northern Ireland Office sponsored three executive non-departmental public bodies, an advisory non-departmental public body and a range of smaller arm's length bodies and office holders. In addition, the Northern Ireland Office has responsibility for making appointments to the Equality Commission for Northern Ireland.

Further information on the Department's regulated appointments is published by the Commissioner for Public Appointments and can be found at:

<https://publicappointmentscommissioner.independent.gov.uk/publications/>

In addition, legislation<sup>5</sup> enabled the Secretary of State to make critical appointments in the absence of Northern Ireland Ministers. This legislation ceased to have effect when new Northern Ireland Ministers were appointed earlier this year.

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<sup>5</sup> The Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 received Royal Assent on 1 November 2018 and enabled key appointments to be made both in Northern Ireland and to UK Government-sponsored offices during this period without Northern Ireland Ministers. These provisions ceased to have effect when Northern Ireland Ministers were appointed.

### *Employee Consultation*

The Northern Ireland Office recognises the importance of sustaining good employee relations to achieve its objectives. Consultation with employees and their representation is central to that work.

Regular communication and consultation takes place with staff through a variety of channels, including the intranet, weekly heads up meetings, staff bulletins, working groups and other briefings. More formal consultation exercises also take place with staff, including through the Staff Engagement Group, and Unions on matters such as organisational change and changes to staff terms and conditions when necessary.

During the year we worked closely with the Staff Engagement Group, which represents staff from across all grades, on issues that are important to staff – from wellbeing and Diversity & Inclusion initiatives to sessions from the Knowledge Sharing Group.

There are also internal staff networks representing particular groups of employees and other groups that our staff can access through our relationship with the Ministry of Justice and the wider civil service, including the Northern Ireland Civil Service.

The Northern Ireland Office runs an annual People Survey which captures employees' views on a number of issues. The results from the People Survey form the basis of our People Plan, the latest People Survey report can be found at:

<https://www.gov.uk/government/publications/nio-people-survey-results-2019>

Our commitment to our People Plan priorities contributed to a very good engagement score that compared well against the Civil Service average. The survey highlighted positive results from staff on understanding the organisational objectives & purpose and in the questions on inclusion and diversity.

### *Managing Attendance*

Throughout 2019-20 the Northern Ireland Office continued to take a robust approach to managing attendance. The sickness absence figures for the reporting year are included in the Remuneration Report and show better attendance than the Civil Service average.

### *Diversity and inclusion policy*

The Northern Ireland Office recognises the importance of embedding diversity in everything we do. Madeleine Alessandri is our overall Diversity Champion on the Board. Our Directors each champion various categories and we have an active and enthusiastic Diversity & Inclusion network supported by advocates for various protected characteristics.

The Northern Ireland Office is committed to:

- eliminating discrimination, harassment, victimisation and other conduct that is prohibited by or under equality legislation;
- advancing equality of opportunity between persons who share a protected characteristic and persons who do not share it; and
- fostering good relations between persons who share a protected characteristic and persons who do not share it.

The Northern Ireland Office aims to be an organisation where everyone is:

- treated with fairness and respect;
- able to contribute and develop; and
- confident about how to ensure that the work they do supports equality of outcomes for everyone in society.

The Northern Ireland Office's people management policies and practices reflect the Civil Service Code and build on the legal obligations under Northern Ireland, National and European law.

During the year we launched our 2020 People Plan that communicates our ongoing commitment to a zero tolerance of unfair discriminatory behaviour, harassment, bullying or victimisation, and we will ensure that any allegations are dealt with sensitively and fairly.

The Northern Ireland Office is an accredited Disability Confident Leader.

### *Employment, training and advancement of disabled persons*

The Northern Ireland Office has adopted Ministry of Justice policies for staff-related matters, including making reasonable adjustments where necessary for staff with disabilities. During the year we continued to monitor and report progress against our published Disability Action Plan that articulates our vision, our priorities and sets out our measures to promote positive attitudes towards disabled people and encourage participation by disabled people in public life. The plan makes a clear statement of our commitment to implementing our equality duties in relation to disability.

Our Diversity & Inclusion Group includes advocates for the promotion of diversity and inclusion across the Department, including a lead on disability issues.

### *Pensions*

Present and past employees of the Northern Ireland Office Department are covered by the provisions of either the UK or Northern Ireland Principal Civil Service Pension Scheme (PCSPS). Those organisations within the boundary covered by the scheme meet the costs of the contributions paid by employers for their staff by the payment of Accrued Superannuation Liability Charges. This is charged to the Statement of Comprehensive Net Expenditure on an accrued basis annually.

The Northern Ireland Office is also required to meet the additional cost of benefits beyond the normal PCSPS (UK) and PCSPS (NI) benefits in respect of staff who retire early. The Northern Ireland Office provides in full for this cost, charged against the Statement of Comprehensive Net Expenditure when the early retirement has been announced.

The pension benefits of Northern Ireland Office Board members are outlined in the Remuneration Report.

### *Capabilities, learning and development*

The Northern Ireland Office is committed to supporting the learning and development of all staff to enable them to do their jobs to the best of their ability and to develop the necessary skills for the present and future. We encourage staff to take up a minimum of five days each year to focus on learning and development and we maintain a ring-fenced budget for this. Staff at all grades can make use of the Civil Service Learning portal as well as face to face learning.

The Northern Ireland Office monitors the progression of individual learning against agreed personal development plans, supported by the coaching focus of our Performance Development Scheme.

### *Health and Safety*

The Northern Ireland Office recognises its obligations under Health and Safety at Work legislation for ensuring, so far as is reasonably practicable, the development of an effective health and safety regime. During 2019-20, there were no accidents reported to the relevant authorities.

Health and safety guidance is kept under review and made available to all staff on the Department's intranet.

### *Social and community responsibility*

The Northern Ireland Office, as part of its corporate responsibility agenda, actively promotes awareness of social and community issues and is committed to promoting inclusion, social mobility and equality through its human resources and other corporate policies. A major contributor to this is the encouragement of volunteering, whether individually or in groups,

including providing special leave for this purpose. Information on volunteering is made easily available to staff through the Department's intranet.

The Civil Service has a long tradition of supporting staff to volunteer and the Northern Ireland Office is committed to making a positive impact on the community in which it operates. The Northern Ireland Office offers up to five days' special leave for each member of staff to undertake volunteering. Staff can organise their own volunteering activity or can visit [www.do-it.org.uk](http://www.do-it.org.uk) for ideas and information on volunteering.

The Northern Ireland Office is also committed to promoting health and well-being. We support staff by promoting flexible working as well as providing mental well-being information on work-life balance options on the Department's intranet.

### *Anti-Fraud and Whistleblowing*

The Northern Ireland Office has robust arrangements in place for the prevention and detection of fraud and is committed to the highest possible standards of openness, honesty and accountability. Our arrangements follow the principles outlined in the Managing Public Money and civil service policies on whistleblowing. During the reporting period we refreshed our whistleblowing policy to align it to the new Civil Service Employee model policy "Raising a Concern".

There were no reported cases of fraud or whistleblowing during the reporting period.

### *Estates management strategy*

The Northern Ireland Office's accommodation in London and Belfast are maintained under lease arrangements. Some accommodation and a small office for Ministers are also available at Hillsborough Castle, however, responsibility for the management and day to day running of Hillsborough Castle rests with the charity Historic Royal Palaces.

### *Payment of suppliers*

The Northern Ireland Office paid on average 87% of invoices within five working days, 94% within 10 working days and 98% within 30 working days during the reporting period.

### *Better Regulation*

The Northern Ireland Office is committed to producing less, and better, regulation in line with the Government's general principles of regulation. As such, the Department continually looks for ways to reduce regulation where possible. As part of this process, the Department is committed to actively promote the better regulation agenda across the Northern Ireland Executive, representing the needs of the devolved administration in Whitehall and vice versa.

During the year, the Northern Ireland Office published five consultations. All Northern Ireland Office consultations are available on our website at:

[https://www.gov.uk/government/publications?departments%5B%5D=northern-ireland-office&publication\\_filter\\_option=consultations](https://www.gov.uk/government/publications?departments%5B%5D=northern-ireland-office&publication_filter_option=consultations)

### *Parliamentary Questions*

The Government has committed to providing departmental Parliamentary Question statistics to the Procedure Committee of the House of Commons on a sessional basis. Northern Ireland Office statistics for the 2019-20 will be published on the Committee's website in due course.

### *Complaints to the Parliamentary Ombudsman*

There were no complaints about the Northern Ireland Office which have been investigated by the Parliamentary Ombudsman.

### *Political and Charitable Donations*

The Northern Ireland Office did not make any political or charitable donations in 2019-20 (2018-19 was also nil).

### *Freedom of Information requests*

Statistics on Freedom of Information requests in central government are published quarterly at:

<https://www.gov.uk/government/collections/government-foi-statistics>

### *Transparency*

The Northern Ireland Office, in line with the Government's Transparency Agenda, regularly publishes information on any significant areas of expenditure at:

<https://www.gov.uk/government/latest?departments%5B%5D=northern-ireland-office>

### *Sustainable development*

The Northern Ireland Office is exempt from complying with HM Treasury guidance on sustainability reporting; to collate the figures would be disproportionately expensive relative to the size of the Department. However, the Northern Ireland Office fully supports 'Greening Government' commitments to reducing waste, domestic flights, paper and water across its estate.

During the reporting period, the Northern Ireland Office continued to take steps to reduce the impact of its business on the environment, with a priority to reduce carbon dioxide emissions. We have reduced our energy 'footprint' by reducing the amount of staff travel through the use of video conferencing facilities to enable staff to connect remotely to meetings. We have reduced our energy consumption by introducing modern and more efficient technology, including cloud service and data storage.

*Madeleine Alessandri*

**Madeleine Alessandri**  
**Accounting Officer**  
**30 September 2020**



# ACCOUNTABILITY REPORT

## Governance Report

### Ministers

Ministerial titles and names of all ministers who had responsibility for the Northern Ireland Office during the year, and to the date of this report, can be found in the [Directors' Report](#).

### Permanent Secretary

The Permanent Secretary and Accounting Officer for the Northern Ireland Office is Madeleine Alessandri. Further information can be found in the [Directors' Report](#).

### Other Reporting Entities

The names of the chairman and chief executive, or equivalent, of the Northern Ireland Office's other reporting entities as at 31 March 2020 were:

#### Northern Ireland Human Rights Commission:

Chief Commissioner: Les Allamby  
Director/Chief Executive: Dr David Russell

#### Parades Commission for Northern Ireland:

Chief Commissioner: Anne Henderson  
Secretary: Nuala Higgins<sup>6</sup>

#### Independent Reporting Commission:

Chief Commissioner: Not Applicable<sup>7</sup>  
UK Joint Secretary: Jenny Bell

Further information on the performance and governance of each of these entities is published in their respective Annual Reports & Accounts. The reports for 2019-20 were presented to Parliament in July 2020 and are available on their websites<sup>8</sup>.

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<sup>6</sup> Nuala Higgins replaced Lee Hegarty as Accounting Officer from 25 March 2020.

<sup>7</sup> The IRC has been established jointly by the UK Government and the Government of Ireland. There are four Commissioners: John McBurney and Monica McWilliams, who were nominated by the Northern Ireland Executive, Tim O'Connor, who was nominated by the Government of Ireland, and Mitchell Reiss, who was nominated by the UK Government.

<sup>8</sup> [www.nihrc.org](http://www.nihrc.org), [www.paradescommission.org](http://www.paradescommission.org) and [www.ircommission.org](http://www.ircommission.org)

## Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury has directed the Northern Ireland Office to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the Department and its sponsored non-departmental and other arm's length public bodies designated by order made under the GRAA by Statutory Instrument 2019 no.476 (together known as the 'departmental group', consisting of the Department and sponsored bodies listed at note 18 to the accounts). The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and the departmental group and of the income and expenditure, Statement of Financial Position and cash flows of the departmental group for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process;
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by non-departmental and other arm's length public bodies;
- 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 accounts;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Reports and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer and the Board confirms that this Annual Report and Accounts as a whole is fair, balanced and understandable. The Accounting Officer takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

HM Treasury has appointed Madeleine Alessandri as Principal Accounting Officer of the Northern Ireland Office from 6 March 2020 replacing Sir Jonathan Stephens who had held this post from June 2014.

The Principal Accounting Officer of the Department has also appointed the Chief Executives or equivalents of its sponsored non-departmental and other arm's length public bodies as Accounting Officers of those bodies. During the reporting period David Russell was Accounting Officer for the Northern Ireland Human Rights Commission, Nuala Higgins succeeded Lee Hegarty on 25 March 2020 as the Accounting Officer for the Parades Commission for Northern Ireland and Jenny Bell was Accounting Officer for the Independent Reporting Commission.

The Principal Accounting Officer of the Department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the Department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

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 assets of the Department or sponsored body are set out in Managing Public Money published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Northern Ireland Office's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

## Governance Statement

The Northern Ireland Office governance statement records the stewardship of the organisation, drawing together evidence on governance and risk management to give a sense of how successfully the Department has coped with the challenges and changes faced during the year.

As Principal Accounting Officer, the governance statement represents my assurance to Parliament that I am satisfied that the Department's system of internal control is effective and supports good decision making.

The Northern Ireland Office governance statement is in accordance with HM Treasury Guidance and covers the core department. It sets out the governance structures, the internal control and risk management procedures that have operated within the Northern Ireland Office during the financial year 2019-20 and up to the date of approval of the Annual Report and Accounts.

Three of the Northern Ireland Office's sponsored public bodies produce their own Governance Statements, which are published in their Annual Report and Accounts. The public bodies are: Northern Ireland Human Rights Commission; Parades Commission for Northern Ireland and Independent Reporting Commission. My relationship with their Accounting Officers is set out in their respective Framework Agreements and designator letters.

The systems in place as outlined in this statement are designed to manage risk to a reasonable level rather than to eliminate all risks of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

### Governance Structure

The Northern Ireland Board is supported by an independent Audit & Risk Committee and an Executive Committee (ExCo).

The role of the Audit & Risk Committee is to support the Board and Accounting Officer by providing an independent view of the Department's risk, control and governance arrangements and to review and make recommendations on the approval of the accounts. Further information on the Audit & Risk Committee's work can be found in the [Lead Non-Executive Director's report](#).

The Executive Committee also supports the Board and Accounting Officer by managing a range of corporate and operational matters.

### Northern Ireland Office Board

The Northern Ireland Office Board forms the collective strategic and operational leadership of the Department, bringing together its executive leaders with non-executives from outside

government. Its purpose is to provide advice on the Northern Ireland Office's business plan, monitor performance and advise on significant risks.

The Board is provided with relevant, high-quality information prior to each meeting to enable it to fulfil its role effectively. The Board also ensures there is oversight in place to scrutinise the performance and risk management of the Department's sponsored bodies. The Board met six times in 2019- 20. Further information on how the Board operated, assessed its effectiveness in-year and monitored the quality of the information it received can be found in the [Lead Non-Executive Director's report](#).

While our Ministers do not generally sit on the Northern Ireland Office Board, there is an open invitation to them to attend any meeting, and regular updates on Departmental performance are provided to our Ministers through the Accounting Officer.

### Board membership and attendance

The table below sets out attendance for Board meetings attended by members from 1 April 2019 to 31 March 2020:

| Name                  | Date in-year joined or departed | Number of meetings absent |
|-----------------------|---------------------------------|---------------------------|
| Sir Jonathan Stephens | departed March 2020             | 0                         |
| Madeleine Alessandri  | joined March 2020               | 0                         |
| Lindy Cameron         | joined June 2019                | 2                         |
| Mark Larmour          |                                 | 1                         |
| Colin Perry           |                                 | 0                         |
| Chris Flatt           |                                 | 1                         |
| Andy Pike             | joined February 2020            | 1                         |
| Rosemary Crawford     | departed July 2019              | 1                         |
| Dawn Johnson          |                                 | 1                         |
| David Brooker         |                                 | 1                         |

The Secretary of State attended three meetings during the reporting period.

### Register of Public Interest - Board Members

The Northern Ireland Office maintains a register of Board members' interests, with details of company directorships and other significant interests held by Board members. Copies of the register are available on request.

Senior management remuneration is disclosed within the [Remuneration Report](#).

### Compliance with the Corporate Governance Code

Departments are expected to apply the principles set out in *Corporate Governance in Central Government Departments: Code of good practice 2017*. The Code is drafted to offer flexibility and accepts there is not a one size fits all model for boards, but the 'comply or explain' mechanism enables departments to deviate from the principles and supporting provisions if justifiable for good governance of the department. While the Northern Ireland Office abides by the principles and spirit of the Code, given the Department is considerably smaller than most central Government departments, and has a limited budget and responsibilities by comparison, it would be disproportionate to implement some of the detailed provisions. For example, it would be disproportionate for the Board to consist of between 9 and 12 members or for the Department to establish a Nominations Committee when good governance can be achieved by other more proportionate means.

### Executive Committee

The Executive Committee (ExCo) is the senior executive leadership of the Northern Ireland Office, chaired by the Permanent Secretary. Operating within the overall strategic context set by ministers, and taking account of the steers of the Northern Ireland Office Board, ExCo sets the culture and tone for the Department, makes collective decisions on corporate issues and actively monitors Departmental delivery and performance. ExCo also provides leadership on diversity and inclusion, and the health and wellbeing of Departmental staff. During the year the Committee agreed a new People Plan to drive the implementation of greater positive culture and working practices in the Northern Ireland Office.

### Northern Ireland Office Audit and Risk Committee

The Audit and Risk Committee supports the Board and Principal Accounting Officer by providing an independent view of the risk control and corporate governance arrangements, and assessing the comprehensiveness, reliability and integrity of those assurances. The Committee is currently chaired by the Lead Non-Executive Director.

During the reporting year regular reports on the Committee's work were provided to the Accounting Officer and the Board. Further information on the work of the Committee can be found in the [Lead Non-Executive Director's report](#).

### Risk management and control

HM Treasury mandates that internal audit must give a year end assurance on the effectiveness of a department's Governance, Risk and Control. The Internal Audit assurance is one of the key sources of evidence underpinning the Accounting Officer's Governance Statement.

## Work of Internal Audit

The Internal Audit assurance is based on internal audit work performed over the course of the year, combined with knowledge of the governance, risk and control framework gained through attendance at meetings and discussions with senior management. Internal audit services are provided by the Government Internal Audit Agency, which works in accordance with Public Sector Internal Audit Standards. Its work is informed by its analysis of the risks to which the Northern Ireland Office is exposed and the annual audit plan is based on that analysis.

The Head of Internal Audit annually provides an independent opinion on the adequacy and effectiveness of governance, risk and control arrangements. The Internal Audit reviews contribute to that opinion. The Internal Audit opinion for 2019-20 reported no significant control issues. It is in this context that the Head of Internal Audit was able to give a moderate<sup>9</sup> level of assurance that the Northern Ireland Office's overall risk, control and governance framework is adequate to enable the achievement of its objectives and that the key risks are being effectively managed.

## Capacity to handle risk

During the year the Board reviewed risks associated with the delivery of strategic objectives at each of its meetings. The Board also regularly reviewed its approach to risk management to ensure that key risks had been identified and appropriate actions were in place to manage the level of risk to an acceptable level. Further information on how the Department managed risk and delivered its strategic objectives can be found in the [Performance report](#).

The Board also took assurance from ExCo on the effectiveness of the controls to manage operational risk and from the Audit and Risk Committee on the effectiveness of the risk management framework.

Information and tools for effective risk management are available to all staff on the Department's intranet. Our Risk Management Policy includes advice on maintaining risk registers, risk escalation, mitigation and communication processes. At regular intervals, assurance is sought from each business area that risk management requirements are being complied with. Our approach to managing risk is supported by a risk champion at Board level.

## Information Assurance

During the year information assurance and information security updates were provided to the Board, the Audit and Risk Committee and the Executive Management Committee.

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<sup>9</sup> Cross Government Audit Opinions are defined as Substantial; Moderate, Limited or Unsatisfactory. The definition of *moderate* is: some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.



Although the Department does not handle large quantities of personal data we maintain robust internal processes and provide training and guidance to all staff on General Data Protection Regulation (GDPR). Compliance is monitored by our Data Protection Officer who also provides advice and support to our sponsored bodies.

There were no significant breaches of information security in 2019-20 that required reporting to the Information Commissioner.

### Stewardship Statements

Each Deputy Director in the core Department and a senior official in each sponsored body, signs a stewardship statement bi-annually, providing assurance to the Accounting Officer on governance, risk management and the operation of internal controls within their business areas. These stewardship statements clearly set out the controls in place and the steps taken to monitor the effectiveness of the controls. These are reviewed mid-year and an assessment of the effectiveness of these controls is carried out at the end of the reporting year, which is reported to the Board and the Audit and Risk Committee.

No significant concerns were identified as part of the end of year stewardship statement process.

### Arm's Length Bodies (ALBs)

During 2019-20, regular meetings between the senior management team and the Northern Ireland Office's sponsored bodies were held; these meetings covered a wide range of governance matters. In addition, a number of periodic reviews of the framework documents, which set out the arm's length relationship with our sponsored bodies, were completed.

Assurances were sought that each sponsored body operated sound governance arrangements as part of the stewardship statement arrangements. In addition to reviewing these assurances, the Board and the Audit and Risk Committee received quarterly updates on general governance matters and engaged directly with a number of sponsored bodies.

I took assurance from the Audit and Risk Committee, senior sponsors and the Governance Statements produced by the three Non-Departmental Public Bodies, which were subject to review by both internal and external auditors.

### Summary of effectiveness

For the period 2019-20, I am able to report that there were no significant weaknesses in the Northern Ireland Office's system of internal controls, which affected the achievement of its key policies, aims and objectives. In-year the Northern Ireland Office Board reviewed its

effectiveness and agreed that its performance and approach to business was generally satisfactory.

In respect of the Northern Ireland Office's sponsored bodies that are required to publish separate audited accounts, the 2019-20 accounts presented no material issues and all sponsored bodies accounts were published in July 2020.

No Ministerial directions were issued to me in my role as Accounting Officer during the reporting period.



**Madeleine Alessandri**  
**Accounting Officer**  
**30 September 2020**

## REMUNERATION AND STAFF REPORT

## Remuneration Report

In accordance with the requirements of Schedule 7A to the Companies Act 1985 (as amended) only certain sections of the Remuneration Report have been subject to full external audit.

The following sections are all subject to audit: ministers' remuneration, Board members' remuneration, pay multiples, fees paid to Non-Executive Board Members, ministers' pension benefits, Board members' pension benefits, compensation for loss of office, staff costs, reporting of Civil Service and other compensation schemes and average number of persons employed.

### Service contracts

The Constitutional Reform and Governance Act 2010 require Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found here:

<http://civilservicecommission.org.uk>

The Department has two non-executive directors details of which can be found in the Performance Report.

### Remuneration policy

The salary of the Permanent Secretary of the Northern Ireland Office is considered by a Cabinet Office moderating committee.

The remuneration of Senior Civil Servants is set by the Prime Minister following independent advice from the Senior Salaries Review Body.

In reaching its recommendations, the Review Body considers the following:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;

- Government policies for improving the public services, including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at [www.ome.uk.com](http://www.ome.uk.com).

### **Performance appraisal**

The performance of senior managers was assessed, as directed by Cabinet Office, in the same manner as all other staff. A performance group recommendation was made by the line manager and passed to the relevant remuneration committee, which determined the consolidated and nonconsolidated pay for all senior staff.

### **Remuneration (including salary) and pension entitlements**

The following sections provide details of the remuneration and pension interests of the ministers and most senior management (i.e. Board members) of the Department.

## Remuneration (salary and payments in kind)

[Audited]

| Single total figure of remuneration  |                                     |                        |                                    |         |   |         |               |         |
|--|-------------------------------------|------------------------|------------------------------------|---------|---|---------|---------------|---------|
| Ministers  | Salary (£)                          |                        | Benefits in kind (to nearest £100) |         | Pension benefits (to nearest £1,000) <sup>1</sup> |         | Total (£'000) |         |
|  | 2019-20                             | 2018-19                | 2019-20                            | 2018-19 | 2019-20   | 2018-19 | 2019-20       | 2018-19 |
| <b>Minister 1</b><br>Rt Hon Karen Bradley<br>MP – Secretary Of State for Northern Ireland (from 8 January 2018 –25 July 2019)  | 38,107 <sup>2</sup><br>(67,505 FTE) | 67,505                 | -                                  | -       | 6,000   | 15,000  | 47,000        | 83,000  |
| <b>Minister 2</b><br>John Penrose<br>MP - Minister of State for Northern Ireland (from 16 November 2018 to 26 July 2019)   | 17,969 <sup>3</sup><br>(31,680 FTE) | 11,880<br>(31,680 FTE) | -                                  | -       | 3,000   | 3,000   | 22,000        | 15,000  |
| <b>Minister 3</b><br>Rt Hon Brandon Lewis MP - Secretary of State for Northern Ireland (from 13 February 2020)   | 7,273<br>(67,505 FTE)               | -                      | -                                  | -       | 3,000   | -       | 10,000        | -       |
| <b>Minister 4</b><br>Robin Walker<br>MP - Minister of State for Northern Ireland (from 13 February 2020 and previously Parliamentary Under-Secretary of State for Northern Ireland (from 27 July 2019) | 16,120<br>(31,680 FTE)              | -                      | -                                  | -       | 4,000   | -       | 20,000        | -       |
| <b>Minister 5</b><br>Rt Hon Julian Smith MP - Secretary of State for Northern Ireland  | 56,928 <sup>4</sup><br>(67,505 FTE) | -                      | -                                  | -       | 8,000   | -       | 65,000        | -       |

|   |                                     |                                     |   |   |       |       |        |        |
|---|-------------------------------------|-------------------------------------|---|---|-------|-------|--------|--------|
| (from 25 July 2019 to 13 February 2020)   |                                     |                                     |   |   |       |       |        |        |
| <b>Minister 6</b><br>Rt Hon Nick Hurd -<br>Parliamentary Under -<br>Secretary of State for<br>Northern Ireland<br>(from 25 July 2019 to 15 December 2019) | 19,757 <sup>5</sup><br>(31,680 FTE) | -                                   | - | - | 2,000 | -     | 23,000 | -      |
| <b>Minister 7</b><br>Shailesh Vara<br>MP<br>Parliamentary Under Secretary<br>of State for Northern Ireland<br>(from 9 January 2018 to 15 November 2018)   | -                                   | 25,331 <sup>6</sup><br>(31,680 FTE) | - | - | -     | 3,000 | -      | 28,000 |

<sup>1</sup> The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

<sup>2</sup> Includes severance pay of £16,876, which was due to Karen Bradley on her departure.

<sup>3</sup> Includes severance pay of £7,920 which was due to John Penrose on his departure.

<sup>4</sup> Includes severance pay of £16,876, which was due to Julian Smith on his departure.

<sup>5</sup> Includes severance pay of £7,920, which was due to Nick Hurd on his departure.

<sup>6</sup> Includes severance pay of £8,408, which was due to Shailesh Vara on his departure.

[Audited]

| Single total figure of remuneration  |                       |                   |                        |       |                                    |        |   |         |               |         |
|--|-----------------------|-------------------|------------------------|-------|------------------------------------|--------|---|---------|---------------|---------|
| Officials  | Salary (£'000)        |                   | Bonus Payments (£,000) |       | Benefits in kind (to nearest £100) |        | Pension benefits (to nearest £1,000) <sup>7</sup> |         | Total (£'000) |         |
|  | 19-20                 | 18-19             | 19-20                  | 18-19 | 19-20                              | 18-19  | 19-20   | 18-19   | 19-20         | 18-19   |
| <b>Permanent Secretary</b><br>Madeleine Alessandri (from 6 March 2020) <sup>8</sup>                  | 10-15 (FTE 155-160)   | -                 | -                      | -     | 1,600                              | -      | -   | -       | 10-15         | -       |
| <b>Permanent Secretary</b><br>Sir Jonathan Stephens (from 2 June 2014 to 31 March 2020) <sup>8</sup> | 160-165 (FTE 160-165) | 155-160           | -                      | -     | 17,500                             | 19,100 | -   | -       | 175-180       | 175-180 |
| <b>Director</b><br>Colin Perry   | 90-95                 | 90-95             | 10-15                  | 10-15 | -                                  | -      | 31,000  | 28,000  | 130-135       | 130-135 |
| <b>Director</b><br>Mark Larmour  | 90-95                 | 90-95             | -                      | 10-15 | -                                  | -      | 38,000  | 41,000  | 125-130       | 140-145 |
| <b>Director</b><br>Rosemary Crawford (from 3 January 2018 to 19 August 2019)                         | 40-45 (FTE 85-90)     | 85-90             | -                      | -     | -                                  | -      | 20,000  | 147,000 | 60-65         | 235-240 |
| <b>Director</b><br>Chris Flatt (from 5 November 2018)  | 90-95                 | 35-40 (FTE 80-85) | -                      | 5-10  | -                                  | -      | 69,000  | 45,000  | 160-165       | 90-95   |
| <b>Director</b><br>Andrew Pike (from 17 February 2020)   | 10-15 (FTE 110-150)   | -                 | -                      | -     | -                                  | -      | 11,000  | -       | 20-25         | -       |
| <b>Non-Executive Director</b><br>Dawn Johnson  | 10-15                 | 10-15             | -                      | -     | -                                  | -      | -   | -       | 10-15         | 10-15   |
| <b>Non-Executive Director</b><br>David Brooker   | 5-10                  | 5-10              | -                      | -     | -                                  | -      | -   | -       | 5-10          | 5-10    |
| <b>Director General</b><br>Lindy Cameron (from 17 July 2019)   | 80-85 (120-125 FTE)   | -                 | -                      | -     | -                                  | -      | 31,000  | -       | 110-115       | -       |

<sup>7</sup> The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual).

<sup>8</sup> Madeleine Alessandri was appointed by HMT as Accounting Officer on 6 March 2020 and became Permanent Secretary upon Sir Jonathan Stephens' retirement on 31 March 2020.



## Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts. In respect of Ministers in the House of Commons, departments bear only the cost of the additional ministerial remuneration; the salary for their services as an MP (£79,468 from 1 April 2019) and various allowances to which they are entitled are borne centrally. However the arrangements for Ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their Ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the Department and is therefore shown in full in the figures above.

## Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HM Revenue and Customs as a taxable emolument. The Permanent Secretary received living accommodation in Belfast provided at public expense and chargeable to tax under S163 of the Income and Corporation Taxes Act 1988. Travel costs to and from Belfast incurred by the Permanent Secretary and paid by the Department are also considered a taxable benefit in kind.

## Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2019-20 relate to performance in 2018-19 and the comparative bonuses reported for 2018-19 relate to the performance in 2017-18.

## Pay Multiples [Audited]

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid official in the Northern Ireland Office in the financial year 2019-20 was £175,000 - £180,000 (2018-19, £175,000 - £180,000). This was 4.75 times (2018-19, 4.59) the median remuneration of the workforce, which was £37,366 (2018-19, £38,676). The increase in pay multiple is due to a decrease in the median remuneration of the workforce.

In 2019-20, no (2018-19 nil) employee received remuneration in excess of the highest-paid director. Remuneration ranged from £17,000 to £180,000 (2018-19, £17,000 to £180,000) as set out in page 54.

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

### Pension Benefits

[Audited]

| <b>Minister</b>   | <b>Accrued pension at age 65 as at 31/3/20</b> | <b>Real increase in pension at age 65</b> | <b>CETV at 31/3/20</b> | <b>CETV at 31/3/19</b> | <b>Real increase in CETV</b> |
|---|--|---|------------------------|------------------------|------------------------------|
|   | £000   | £000                                      | £000                   | £000                   | £000                         |
| <b>Minister 1</b><br>Rt Hon Karen Bradley<br>MP – Secretary Of State for Northern Ireland (from 8 January 2018 –25 July 2019)   | 5-10   | 0-2.5                                     | 80                     | 75                     | 3                            |
| <b>Minister 2</b><br>John Penrose MP - Minister of State for Northern Ireland (from 16 November 2018 to 26 July 2019)   | 0-5  | 0-2.5                                     | 63                     | 59                     | 2                            |
| <b>Minister 3</b><br>Rt Hon Brandon Lewis MP - Secretary of State for Northern Ireland (from 13 February 2020)  | 0-5  | 0-2.5                                     | 54                     | 52                     | 1                            |
| <b>Minister 4</b><br>Robin Walker MP - Minister of State for Northern Ireland (from 13 February 2020 and previously Parliamentary Under-Secretary of State for Northern Ireland (from 27 July 2019) | 0-5  | 0-2.5                                     | 16                     | 13                     | 1                            |
| <b>Minister 5</b><br>Rt Hon Julian Smith MP - Minister of State for Northern Ireland (from 25 July 2019 to 13 February 2020)  | 0-5  | 0-2.5                                     | 32                     | 24                     | 4                            |
| <b>Minister 6</b><br>Rt Hon Nick Hurd -   | 5-10   | 0-2.5                                     | 89                     | 85                     | 1                            |

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| Parliamentary Under -<br>Secretary of State for<br>Northern Ireland (from 25<br>July 2019 to 15 December<br>2019) |  |  |  |  |  |
|---|--|--|--|--|--|

## Ministerial pensions

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund (PCPF) and administered by Buck. The scheme is made under statute and the rules are set out in the Ministers' etc. Pension Scheme 2015, available here:

<http://qna.files.parliament.uk/ws-attachments/170890/original/PCPF%20MINISTERIAL%20SCHEME%20FINAL%20RULES.doc>.

Those ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report). A new MP's pension scheme was introduced from May 2015, although members who were aged 55 or older on 1st April 2013 have transitional protection to remain in the previous final salary pension scheme.

Benefits for ministers are payable from State Pension age under the 2015 scheme. Pensions are re-valued annually in line with Pensions Increase legislation both before and after retirement. The contribution rate from May 2015 is 11.1% and the accrual rate is 1.775% of pensionable earnings.

The figure shown for pension value includes the total pension payable to the member under both the pre- and post-2015 Ministerial pension schemes.

## The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total Ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## The real increase in the value of the CETV

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the Minister. It is worked out using common market valuation factors for the start and end of the period.

[Audited]

| Officials* <sup>10</sup>   | Accrued pension at pension age at 31/03/20 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/03/20 | CETV at 31/03/19 | Real increase in CETV | Employer contribution to partnership pension account |
|--|---|--|------------------|------------------|-----------------------|--|
|  | £000  | £000   | £000             | £000             | £000                  | Nearest £100   |
| Mark Larmour<br>Director   | 35-40   | 0-2.5  | 535              | 486              | 21                    | -  |
| Colin Perry<br>Director  | 40 - 45 plus a lump sum of 120 - 125                            | 0 - 2.5 plus a lump sum of 2.5 - 5                           | 935              | 862              | 31                    | -  |
| Chris Flatt<br>Director<br>(from 5 November 2018)                        | 20 - 25 plus a lump sum of 40 - 45                              | 2.5 - 5 plus a lump sum of 2.5 - 5                           | 335              | 278              | 39                    | -  |
| Lindy Cameron<br>Director General<br>(from 17 July 2019)                 | 50-55   | 0 - 2.5  | 728              | 684              | 12                    | -  |
| Rosemary Crawford<br>Director<br>(from 3 January 2018 to 19 August 2019) | 40-45 plus a lump sum of 100-105                                | 0-2.5 plus a lump sum of 0-2.5                               | 797              | 777              | 11                    | -  |
| Andrew Pike<br>Director<br>(from 17 February 2020)                       | 50-55 plus a lump sum of 135-140                                | 0-2.5 plus a lump sum of 0-2.5                               | 1,081            | 1,070            | 8                     | -  |

<sup>10</sup> Madeleine Alessandri and Jonathan Stephens were not members of the PCSPS during the accounting period therefore omitted from the disclosure table.

## Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced - the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS).

The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary related and range between 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are

already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha –as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages).

Further details about the Civil Service pension arrangements can be found at <http://www.civilservicepensionscheme.org.uk>

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### **Compensation for loss of office [Audited]**

No compensation for loss of office was paid by the Department during the financial year (2018-19: Nil).

## Ministers

Four Ministers left under severance terms during the year. These individuals received compensation payments totalling £49,592 (2018-19, £22,470). Details of severance payments are included in the Remuneration table on pages 52-53.

## Staff Report

| Staff costs [Audited]                             | 2019-20       |  |              |            |                  | 2018-19       |
|---|---------------|--|--------------|------------|------------------|---------------|
|   | Total         | Permanently employed and inward seconded staff | Others       | Ministers  | Special Advisors | Total         |
|   | £000          |  |              |            |                  | £000          |
| Wages and salaries                                | 16,292        | 14,535   | 1,497        | 158        | 102              | 13,608        |
| Social security costs                             | 1,539         | 1,439  | 75           | 12         | 13               | 1,344         |
| Other pension costs                               | 3,622         | 3,531  | 78           | 0          | 13               | 2,443         |
| <b>Sub Total</b>                                  | <b>21,453</b> | <b>19,505</b>                                  | <b>1,650</b> | <b>170</b> | <b>128</b>       | <b>17,395</b> |
| Less recoveries in respect of outward secondments | (189)         | (189)  | 0            | 0          | 0                | (104)         |
| <b>Total net costs</b>                            | <b>21,264</b> | <b>19,316</b>                                  | <b>1,650</b> | <b>170</b> | <b>128</b>       | <b>17,291</b> |

## Pensions [Audited]

The Principal Civil Service Pension Scheme (PCSPS), PCSPS (NI) and the Civil Servant and other Pension Scheme (CSOPS), CSOPSNI - known as Alpha - are unfunded multi-employer defined benefit schemes in which the Northern Ireland Office is unable to identify its share of the underlying assets and liabilities.

Full actuarial valuations of both the PCSPS and PCSPS (NI) were carried out as at 31 March 2016. Details of the PCSPS and CSOPS can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)). Details of the PCSPS (NI) are available in the PCSPS (NI) resource accounts.

For 2019-20, total employers' contributions of £3,622,360 (2018-19: £2,443,133) were payable at rates in the range 26.6% to 30.3% of pensionable pay for CSP and 28.7% to 34.2% per cent of pensionable pay for CSP (NI), based on salary bands. The schemes' actuaries review employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the costs of the benefits accruing during 2019-20 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £9,857 (2018-19: £7,169) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age related and ranged from 8.0% to 14.75% pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings.

In addition, employer contributions of £419 (2018-19: £287), 0.5% of pensionable earnings, were payable to CSP and to the CSP (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the reporting date were £364. Contributions prepaid at that date were £nil.

No person (2018-19: Nil persons) retired early on ill-health grounds. The total additional accrued pension liabilities in the year amounted to £nil (2018-19 £nil).

### Staff Numbers [Audited]

The average number of full-time equivalent persons employed during the year was as follows.

|                           |            | Permanent  |             | Inward    |           |                     | 2019-20 | 2018-19    |
|---------------------------|------------|------------|-------------|-----------|-----------|---------------------|---------|------------|
|                           | Total      | Staff      | Secondments | Others    | Ministers | Special<br>Advisors | Number  | Number     |
| NIO Core Department       | 206        | 167        | 32          | 3         | 2         | 2                   |         | 170        |
| NIO sponsored NDPBs       | 39         | 8          | 10          | 21        |           |                     |         | 43         |
| Other NIO sponsored ALBs* | 123        | 2          | 121         |           |           |                     |         | 119        |
| <b>Total</b>              | <b>368</b> | <b>177</b> | <b>163</b>  | <b>24</b> | <b>2</b>  | <b>2</b>            |         | <b>332</b> |

\* These figures include staff employed in the Crown Solicitor's Office, by the Chief Electoral Officer for Northern Ireland and other sponsored bodies.

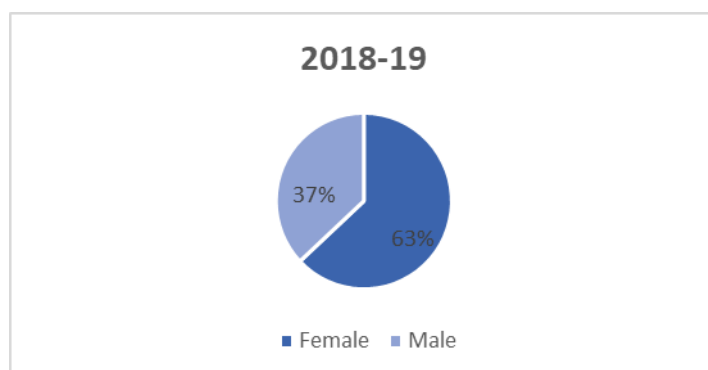
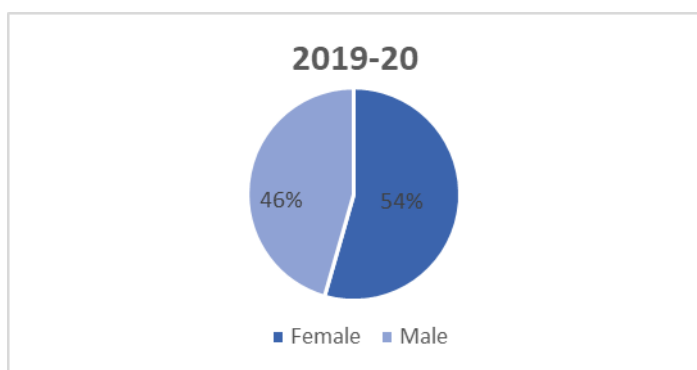


## Staff Composition

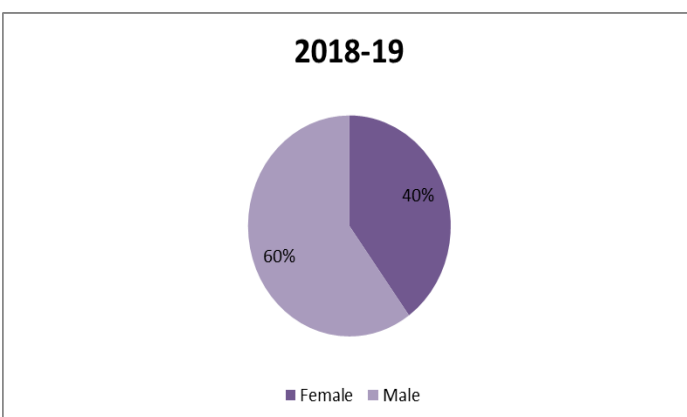
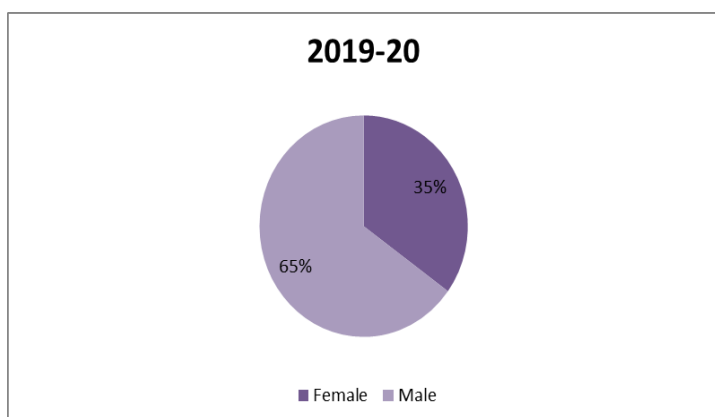
### Senior Civil Service by Grade

|                     | 2019-20   | 2018-19   |
|---------------------|-----------|-----------|
| Permanent Secretary | 1         | 1         |
| Director            | 5         | 4         |
| Deputy Director     | 14        | 10        |
| <b>Total</b>        | <b>20</b> | <b>15</b> |

### Staff Composition (Gender Analysis)



### Senior Civil Service Staff Composition (Gender Analysis)



## Sickness Absence

Throughout 2019-20, the Department has continued to take a robust approach to managing attendance. There are a range of policies and procedures to support line managers to address this key area of their responsibilities. These policies are aimed at ensuring staff are afforded every opportunity of returning to the workplace as soon as possible. Data from the latest 12 month rolling period ending December 2019 shows that the Northern Ireland Office had an

average working days lost figure of 6.5 (Dec. 2018: 3.0), below the 7.0 (Dec. 2018 7.0) Civil Service-wide average. 84% (Dec. 2018 17%) of NIO absence relates to a very small number of long term absences.

### Employment of People with Disabilities and Other Employee Matters

Employment training and advancement of disabled persons and other employee matters are reported on in the Directors' Report.

### Trade Union (Facility Time Publication Requirements) Regulations 2017 (Statutory Instruments 328)

No official in the department spent time on trade union activities. The Ministry of Justice as their employers provide trade union representation for staff.

### Consultancy Expenditure

The Department incurred £845.6k of consultancy expenditure in 2019-20 relating primarily to preparations for EU exit. (£640.8k, 2018-19).

### Off-Payroll Arrangements

The Department does not have any off-payroll arrangements in place which fall under the scope of the guidance on off-payroll appointments.

### Reporting of Civil Service and other compensation schemes – exit packages [Audited]

| Core Department                      |   |   |            |  |            |
|--------------------------------------|---|---|------------|--|------------|
| Exit package cost band               | Number of compulsory redundancies <sup>11</sup> | Number of other departures agreed <sup>11</sup> |            | Total number of exit packages by cost band <sup>11</sup> |            |
| <£10,000                             | nil (nil)                                       | nil   | (nil)      | nil  | (nil)      |
| £10,000-£25,000                      | nil (nil)                                       | nil   | (nil)      | nil  | (nil)      |
| £25,000-£50,000                      | nil (nil)                                       | nil   | (nil)      | nil  | (nil)      |
| £50,000-£100,000                     | nil (nil)                                       | nil   | (nil)      | nil  | (nil)      |
| £100,000-£150,000                    | nil (nil)                                       | nil   | (nil)      | nil  | (nil)      |
| £150,000-£200,000                    | nil (nil)                                       | nil   | (nil)      | nil  | (nil)      |
| <b>Total number of exit packages</b> | <b>nil (nil)</b>                                | <b>nil</b>                                      | <b>nil</b> | <b>nil</b>   | <b>nil</b> |
| <b>Total resource cost /£</b>        | <b>nil (nil)</b>                                | <b>nil</b>                                      | <b>nil</b> | <b>nil</b>   | <b>nil</b> |

<sup>11</sup> Figures in brackets relate to the prior year (2018-19)

| <b>Departmental Group</b>            |   |   |  |
|--------------------------------------|---|---|--|
| Exit package cost band               | Number of compulsory redundancies <sup>12</sup> | Number of other departures agreed <sup>12</sup> | Total number of exit packages by cost band <sup>12</sup> |
| <£10,000                             | nil (nil)                                       | nil (nil)                                       | nil (nil)  |
| £10,000-£25,000                      | nil (nil)                                       | nil (nil)                                       | nil (nil)  |
| £25,000-£50,000                      | nil (nil)                                       | nil (nil)                                       | nil (nil)  |
| £50,000-£100,000                     | nil (nil)                                       | nil (nil)                                       | nil (nil)  |
| £100,000-£150,000                    | nil (nil)                                       | nil (nil)                                       | nil (nil)  |
| £150,000-£200,000                    | nil (nil)                                       | nil (nil)                                       | nil (nil)  |
| <b>Total number of exit packages</b> | <b>nil (nil)</b>                                | <b>nil (nil)</b>                                | <b>nil (nil)</b>   |
| <b>Total resource cost /£</b>        | <b>nil (nil)</b>                                | <b>nil (nil)</b>                                | <b>nil (nil)</b>   |

<sup>12</sup> Figures in brackets relate to the prior year (2018-19)



**Madeleine Alessandri**  
**Accounting Officer**  
**30 September 2020**

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# PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

## STATEMENT OF PARLIAMENTARY SUPPLY (AUDITED)

### Summary of Resource and Capital Outturn 2019-20

| SoPS Note                                    | Estimate          |              |                   | Outturn           |              |                   | 2019-20<br>£000  | 2018-19<br>£000   |
|--|-------------------|--------------|-------------------|-------------------|--------------|-------------------|--|-------------------|
|  | Voted             | Non-Voted    | Total             | Voted             | Non-Voted    | Total             | Voted<br>Outturn<br>compared<br>with<br>Estimate:<br>Saving/<br>(excess) | Total             |
| <b>Departmental Expenditure Limit</b>        |                   |              |                   |                   |              |                   |  |                   |
| Resource 1.1                                 | 31,500            | 9,119        | 40,619            | 30,795            | 8,088        | 38,883            | 705  | 25,417            |
| Capital 1.2                                  | 825               | -            | 825               | 463               | -            | 463               | 362  | 451               |
| <b>Annually Managed Expenditure Resource</b> |                   |              |                   |                   |              |                   |  |                   |
| Resource 1.1                                 | 1,000             | -            | 1,000             | (791)             | -            | (791)             | 1,791  | 755               |
| <b>Total Budget Non-Budget Resource</b>      | <b>33,325</b>     | <b>9,119</b> | <b>42,444</b>     | <b>30,467</b>     | <b>8,088</b> | <b>38,555</b>     | <b>2,858</b>   | <b>26,623</b>     |
| Resource 1.1                                 | 16,888,240        | -            | 16,888,240        | 16,117,000        | -            | 16,117,000        | 771,240  | 15,217,196        |
| <b>Total</b>                                 | <b>16,921,565</b> | <b>9,119</b> | <b>16,930,684</b> | <b>16,147,467</b> | <b>8,088</b> | <b>16,155,555</b> | <b>774,098</b>   | <b>15,243,819</b> |
| Total Resource                               | 16,920,740        | 9,119        | 16,929,859        | 16,147,004        | 8,088        | 16,155,092        | 773,736  | 15,243,368        |
| Total Capital                                | 825               | -            | 825               | 463               | -            | 463               | 362  | 451               |
| <b>Total</b>                                 | <b>16,921,565</b> | <b>9,119</b> | <b>16,930,684</b> | <b>16,147,467</b> | <b>8,088</b> | <b>16,155,555</b> | <b>774,098</b>   | <b>15,243,819</b> |

### Net cash requirement 2019-20

| SoPS Note | 2019-20<br>£'000<br>Estimate | 2019-20<br>£'000<br>Outturn | 2019-20<br>£'000<br>Outturn<br>compared with<br>Estimate:<br>saving/(excess) | 2018-19<br>£'000<br>Outturn |
|-----------|------------------------------|-----------------------------|--|-----------------------------|
| 3         | <b>16,918,363</b>            | <b>16,139,675</b>           | 778,688  | 15,242,008                  |

### Administration Costs 2019-20

| 2019-20<br>£'000<br>Estimate | 2019-20<br>£'000<br>Outturn | 2018-19<br>£'000<br>Outturn |
|------------------------------|-----------------------------|-----------------------------|
| <b>23,769</b>                | <b>22,494</b>               | <b>17,925</b>               |

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

Explanations for variations between estimate and outturn, including explanations of the reasons for excesses against the Resource DEL and Resource AME estimates, are set out on pages 21-22.

## NOTES TO THE DEPARTMENTAL RESOURCE ACCOUNTS (STATEMENT OF PARLIAMENTARY SUPPLY - AUDITED)

### SOPS1. Net Outturn

#### SOPS1.1 Analysis of net resource outturn by section

|   |               |                |               |                   |                |                   |                   |                                |  |                | 2019-20<br>£000   | 2018-19<br>£000 |
|---|---------------|----------------|---------------|-------------------|----------------|-------------------|-------------------|--------------------------------|--|----------------|-------------------|-----------------|
| Outturn   |               |                |               |                   |                |                   | Estimate          |                                |  |                | Outturn           |                 |
| Administration  |               |                | Programme     |                   |                |                   |                   |                                |  |                |                   |                 |
| Gross   | Income        | Net            | Gross         | Income            | Net            | Total             | Net Total         | Net total compared to Estimate | Net total compared to Estimate, adjusted for virements | Total          |                   |                 |
| <b>Spending in Departmental Expenditure Limits (DEL)</b>    |               |                |               |                   |                |                   |                   |                                |  |                |                   |                 |
| Voted:  |               |                |               |                   |                |                   |                   |                                |  |                |                   |                 |
| A - Northern Ireland Office                                 | 27,411        | (4,917)        | 22,494        | 8,157             | (2,309)        | 5,848             | 28,342            | 29,209                         | 867  | 705            | 22,759            |                 |
| B - Northern Ireland Human Rights Commission                | -             | -              | -             | 1,282             | (36)           | 1,246             | 1,246             | 1,115                          | (131)  | -              | 1,206             |                 |
| C - Parades Commission                                      | -             | -              | -             | 776               | -              | 776               | 776               | 755                            | (21)   | -              | 717               |                 |
| D - Independent Reporting Commission                        |               |                |               | 431               | -              | 431               | 431               | 421                            | (10)   | -              | 332               |                 |
| Non-voted:  |               |                |               |                   |                |                   |                   |                                |  |                |                   |                 |
| E - Funding of elections                                    | -             | -              | -             | 8,088             | -              | 8,088             | 8,088             | 9,119                          | 1,031  | 1,031          | 403               |                 |
|   | 27,411        | (4,917)        | 22,494        | 18,734            | (2,345)        | 16,389            | 38,883            | 40,619                         | 1,736  | 1,736          | 25,417            |                 |
| <b>Annually Managed Expenditure (AME)</b>                   |               |                |               |                   |                |                   |                   |                                |  |                |                   |                 |
| Voted   |               |                |               |                   |                |                   |                   |                                |  |                |                   |                 |
| F - Northern Ireland Office                                 | -             | -              | -             | (791)             | -              | (791)             | (791)             | 1,000                          | 1,791  | 1,791          | 755               |                 |
|   | -             | -              | -             | (791)             | -              | (791)             | (791)             | 1,000                          | 1,791  | 1,791          | 755               |                 |
| <b>Non-budget</b>   |               |                |               |                   |                |                   |                   |                                |  |                |                   |                 |
| G - Grant Payable to the Northern Ireland Consolidated Fund | -             | -              | -             | 16,117,000        | -              | 16,117,000        | 16,117,000        | 16,888,240                     | 771,240  | 771,240        | 15,217,000        |                 |
| H- Prior Period Adjustments                                 | -             | -              | -             | -                 | -              | -                 | -                 | -                              | -  | -              | 196               |                 |
| <b>Total</b>  | <b>27,411</b> | <b>(4,917)</b> | <b>22,494</b> | <b>16,134,943</b> | <b>(2,345)</b> | <b>16,132,598</b> | <b>16,155,092</b> | <b>16,929,859</b>              | <b>774,767</b>   | <b>774,767</b> | <b>15,243,368</b> |                 |

## SOPS1.2 Analysis of net capital outturn by section

|  | 2019-20    |          |            | 2018-19    |  |  |            |
|--|------------|----------|------------|------------|--|--|------------|
|  | £000       |          |            | £000       |  |  |            |
|  | Outturn    |          | Estimate   | Outturn    |  |  |            |
|  | Gross      | Income   | Net        | Net        | Net Total Outturn Compared with estimate | Net total compared to Estimate, adjusted for virements | Net        |
| <b>Spending in Departmental Expenditure Limits (DEL)</b> |            |          |            |            |  |  |            |
| Voted:   |            |          |            |            |  |  |            |
| A - Northern Ireland Office                              | 415        | -        | 415        | 825        | 410                                      | 362  | 433        |
| B - Northern Ireland Human Rights Commission             | 48         | -        | 48         | -          | (48)                                     | -  | 8          |
| C - Parades Commission                                   | -          | -        | -          | -          | -  | -  | -          |
| D - Independent Reporting Commission                     | -          | -        | -          | -          | -  | -  | -          |
| Non-voted:   |            |          |            |            |  |  |            |
| E - Funding of elections                                 | -          | -        | -          | -          | -  | -  | -          |
|  | 463        | -        | 463        | 825        | 362                                      | 362  | 451        |
| <b>Total</b>   | <b>463</b> | <b>-</b> | <b>463</b> | <b>825</b> | <b>362</b>                               | <b>362</b>   | <b>451</b> |

## SOPS2. Reconciliation of outturn to net operating cost

## SOPS2.1 Reconciliation of net resource outturn to net operating cost

|   | Note | 2019-20           | 2018-19           |
|---|------|-------------------|-------------------|
|   |      | £000              | £000              |
|   |      | Outturn           | Outturn           |
| Total resource outturn in Statement of Parliamentary Supply                           |      |                   |                   |
| Budget  | 1.1  | 38,092            | 26,172            |
| Non-budget  | 1.1  | 16,117,000        | 15,217,196        |
|   |      | 16,155,092        | 15,243,368        |
| Capital Grant HRP   |      | 85                | -                 |
| Prior Period Adjustment   | 1.1  | -                 | (196)             |
| <b>Net Operating Costs in Consolidated Statement of Comprehensive Net Expenditure</b> |      | <b>16,155,177</b> | <b>15,243,172</b> |



**SOPS3. Reconciliation of Net Resource Outturn to Net Cash Requirement**

|  | Note     | Estimate<br>£000  | Outturn<br>£000   | Net total<br>outturn<br>Compared<br>with<br>Estimate:<br>saving/(exc<br>ess)<br>£000 |
|--|----------|-------------------|-------------------|--|
| <b>Resource Outturn</b>                                      | SOPS 1.1 | 16,929,859        | 16,155,092        | 774,767  |
| <b>Capital Outturn</b>                                       | SOPS 1.2 | 825               | 463               | 362  |
| <b>Accruals to cash adjustments:</b>                         |          |                   |                   |  |
| <i>Adjustment to remove non-cash items:</i>                  |          |                   |                   |  |
| Depreciation/Amortisation                                    |          | (2,046)           | (1,925)           | (121)  |
| New Provisions and adjustments to previous provisions        |          | (1,000)           | (24)              | (976)  |
| Other non-cash items   | 4        | (102)             | (133)             | 31   |
| Prior Period Adjustment                                      |          | -                 | -                 | -  |
| <i>Adjustments for NDPBs:</i>                                |          |                   |                   |  |
| Remove voted resource and capital                            |          | (2,291)           | (2,502)           | 211  |
| Add Cash grant-in-aid  |          | 2,237             | 2,683             | (446)  |
| <i>Adjustments to reflect movements in working balances:</i> |          |                   |                   |  |
| Increase/(decrease) in receivables                           | 12       | 0                 | (990)             | 990  |
| (Increase)/decrease in payables                              | 13       | 0                 | (5,350)           | 5,350  |
| Use of provisions  | 14       | 0                 | 815               | (815)  |
|  |          | <b>16,927,482</b> | <b>16,148,129</b> | <b>779,353</b>   |
| <b>Removal of non-voted budget items:</b>                    |          |                   |                   |  |
| Consolidated Fund Standing Services                          |          | (9,119)           | (8,454)           | (665)  |
| CFER Paid In Year  |          | -                 | -                 | -  |
| <b>Net cash requirement</b>                                  |          | <b>16,918,363</b> | <b>16,139,675</b> | <b>778,688</b>   |

**SOPS4. Income payable to the Consolidated Fund****SOPS4.1 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 2019-20 |                         | Outturn 2018-19 |                         |
|--|-----------------|-------------------------|-----------------|-------------------------|
|  | Income          | £000<br><i>Receipts</i> | Income          | £000<br><i>Receipts</i> |
| Operating income outside the ambit of the estimate   | -               | -                       | -               | -                       |
| Excess cash surrenderable to the Consolidated Fund   | -               | -                       | -               | -                       |
| <b>Total income payable to the Consolidated Fund</b> | -               | -                       | -               | -                       |

**SOPS4.2 Consolidated Fund Income**

Consolidated Fund income shown in note 4.1 above does not include any amounts collected by the department where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from these financial statements) were:

|  | 2019-20 | 2018-19 |
|--|---------|---------|
|  | £000    | £000    |
| Income from Election Office activities funded by the Consolidated Fund | 39      | 760     |
| Amount payable to the Consolidated Fund                                | 39      | 760     |
| Balance held at the start of the year                                  | -       | -       |
| Payments into the Consolidated Fund                                    | -       | (760)   |
| Balance held in trust at the end of the year                           | 39      | -       |

All income shown above had been received at 31 March 2020.

**Parliamentary Accountability Disclosures (Audited)****Losses and special payments**

There are no losses or special payments, individually or in aggregate in excess of £300,000, which would require separate disclosure during the year to 31 March 2020 (2018-19: nil), or that have been recognised since that date.

**Fees and charges**

An analysis of income from services provided to external and public sector customers is as follows:

|                          | 2019-20      |                |                       | 2018-19      |                |                               |
|--------------------------|--------------|----------------|-----------------------|--------------|----------------|-------------------------------|
|                          | £000         |                |                       | £000         |                |                               |
|                          | Income       | Full Cost      | Surplus/<br>(deficit) | Income       | Full Cost      | Revised Surplus/<br>(deficit) |
| Crown Solicitor's Office | 4,761        | (4,903)        | (142)                 | 4,345        | (4,555)        | (210)                         |
| <b>Total</b>             | <b>4,761</b> | <b>(4,903)</b> | <b>(142)</b>          | <b>4,345</b> | <b>(4,555)</b> | <b>(210)</b>                  |

In accordance with Managing Public Money, the Department is required to disclose results for the areas of its activities where fees and charges are made. The foregoing analysis is not intended to meet the requirements of IFRS 8 Segmental Reporting. The Northern Ireland Office has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector information guidance.

The Crown Solicitor's Office (CSO) generates income for legal work undertaken for all clients other than the Northern Ireland Office, for which no charges are made. The financial objective is

to recover all costs associated with delivering these services. A schedule of fees is determined at the beginning of each financial year based on estimated costs and forecast activity levels.

### **Remote Contingent Liabilities**

There were no remote contingent liabilities in 2019-20 (2018-19: nil).

### **Notation of Gifts**

There were no gifts made over the limits prescribed in Managing Public Money or Managing Public Money Northern Ireland in 2019-20 (2018-19: nil).

### **Public Sector Bodies outside the Departmental Boundary**

There were no public sector bodies outside the boundary of the Department where the NIO had lead policy responsibility in the year 2019-20 (2018-19: nil).

### **Accounting Officer Confirmation**

I can confirm that the Annual Report and Accounts are fair, balanced and understandable and I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.



**Madeleine Alessandri**  
**Accounting Officer**  
**30 September 2020**

# THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

## Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Office and of its Departmental Group for the year ended 31 March 2020 under the Government Resources and Accounts Act 2000. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2019. The financial statements comprise: the Department's and Departmental Group's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Department's and the Departmental Group's affairs as at 31 March 2020 and of the Department's net operating expenditure and Departmental Group's net operating expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

## 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 2020 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements 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 statements 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 Northern Ireland Office 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.

### **Conclusions relating to going concern**

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Northern Ireland Office's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Northern Ireland Office have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Northern Ireland Office's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### **Auditor's responsibilities for the audit of the financial statements**

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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 these financial statements.

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 statements, 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 the group's and the Northern Ireland Office's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.
- Conclude on the appropriateness of the Northern Ireland Office'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 Northern Ireland Office's or the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements 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 report. However, future events or conditions may cause Northern Ireland Office or the group to cease to continue as a going concern.

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

### **Other Information**

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the group and the parent and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are 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 these financial statements.

**Gareth Davies**   
**Comptroller and Auditor General**

**Date: 2 October 2020**

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



## CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE For the Year Ended 31 March 2020

|  |      | 2019-20           |                    | 2018-19           |                    |
|--|------|-------------------|--------------------|-------------------|--------------------|
|  |      | £000              | £000               | £000              | £000               |
|  | Note | Core Dept         | Departmental Group | Core Dept         | Departmental Group |
| Income   | 5    | (174,695)         | (174,730)          | (155,764)         | (155,774)          |
| <b>Total operating income</b>  |      | <b>(174,695)</b>  | <b>(174,730)</b>   | <b>(155,764)</b>  | <b>(155,774)</b>   |
| Staff costs  | 3    | 19,542            | 21,264             | 15,705            | 17,291             |
| Other costs  | 4    | 16,307,876        | 16,308,643         | 15,381,037        | 15,381,655         |
| Grant in aid to NDPBs  |      | 2,683             | -                  | 2,165             | -                  |
| <b>Total operating expenditure</b>                                       |      | <b>16,330,101</b> | <b>16,329,907</b>  | <b>15,398,907</b> | <b>15,398,946</b>  |
| <b>Net Operating expenditure for the year ended 31 March 2020</b>        |      | <b>16,155,406</b> | <b>16,155,177</b>  | <b>15,243,143</b> | <b>15,243,172</b>  |
| <b>Other Comprehensive Net Expenditure</b>                               |      |                   |                    |                   |                    |
| <b>Items that will not be reclassified to net Operating expenditure:</b> |      |                   |                    |                   |                    |
| Net gain on:   |      |                   |                    |                   |                    |
| Revaluation of property, plant and equipment                             | 6    | (40)              | (40)               | (26)              | (24)               |
| <b>Comprehensive net expenditure for the year ended 31 March 2020</b>    |      | <b>16,155,366</b> | <b>16,155,137</b>  | <b>15,243,117</b> | <b>15,243,148</b>  |

The above income and expenditure is derived from continuing operations.

The notes on pages 83-105 form part of these accounts.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 31 March 2020**

|                                |  | 31 March<br>2020           |                               | 31 March<br>2019           |                               |                  |
|--------------------------------|--|----------------------------|-------------------------------|----------------------------|-------------------------------|------------------|
| Note                           |  | £000<br>Core<br>Department | £000<br>Departmental<br>Group | £000<br>Core<br>Department | £000<br>Departmental<br>Group |                  |
|                                | <b>Non-current assets</b>  |                            |                               |                            |                               |                  |
|                                | Property, plant and equipment  | 6                          | 70,473                        | 70,535                     | 72,151                        | 72,179           |
|                                | Intangible assets  | 7                          | 144                           | 160                        | 24                            | 50               |
|                                | Financial Assets   | 10                         | 1,630,090                     | 1,630,090                  | 1,752,061                     | 1,752,061        |
|                                | <b>Total non-current assets</b>  |                            | <b>1,700,707</b>              | <b>1,700,785</b>           | <b>1,824,236</b>              | <b>1,824,290</b> |
| <b>Current assets</b>          |  |                            |                               |                            |                               |                  |
|                                | Trade and other receivables  | 12                         | 6,101                         | 6,139                      | 7,092                         | 7,125            |
|                                | Financial assets   | 10                         | 144,861                       | 144,861                    | 159,302                       | 159,302          |
|                                | Cash and cash equivalents  | 11                         | 5,032                         | 5,644                      | 41,553                        | 41,873           |
|                                | <b>Total current assets</b>  |                            | <b>155,994</b>                | <b>156,644</b>             | <b>207,947</b>                | <b>208,300</b>   |
|                                | <b>Total assets</b>  |                            | <b>1,856,701</b>              | <b>1,857,429</b>           | <b>2,032,183</b>              | <b>2,032,590</b> |
| <b>Current Liabilities</b>     |  |                            |                               |                            |                               |                  |
|                                | Trade and other payables   | 13                         | 159,415                       | 159,720                    | 205,027                       | 205,250          |
|                                | Provisions   | 14                         | 32                            | 32                         | 823                           | 823              |
|                                | <b>Total current liabilities</b>                                       |                            | <b>159,447</b>                | <b>159,752</b>             | <b>205,850</b>                | <b>206,073</b>   |
|                                | <b>Non-current assets plus/less<br/>net current assets/liabilities</b> |                            | <b>1,697,254</b>              | <b>1,697,677</b>           | <b>1,826,333</b>              | <b>1,826,517</b> |
| <b>Non-current liabilities</b> |  |                            |                               |                            |                               |                  |
|                                | Other payables   | 13                         | 1,630,090                     | 1,630,090                  | 1,752,061                     | 1,752,061        |
|                                | <b>Total non-current liabilities</b>                                   |                            | <b>1,630,090</b>              | <b>1,630,090</b>           | <b>1,752,061</b>              | <b>1,752,061</b> |
|                                | <b>Total assets less liabilities</b>                                   |                            | <b>67,164</b>                 | <b>67,587</b>              | <b>74,272</b>                 | <b>74,456</b>    |
| <b>Taxpayers' equity</b>       |  |                            |                               |                            |                               |                  |
|                                | General fund   |                            | 38,426                        | 38,848                     | 45,569                        | 45,752           |
|                                | Revaluation reserve  |                            | 28,738                        | 28,739                     | 28,703                        | 28,704           |
|                                | <b>Total equity</b>  |                            | <b>67,164</b>                 | <b>67,587</b>              | <b>74,272</b>                 | <b>74,456</b>    |

**Signed:**


**Madeleine Alessandri**  
**Accounting Officer**  
**30 September 2020**

The notes on pages 83-105 form part of these accounts.

**CONSOLIDATED STATEMENT OF CASH FLOWS****For the Year Ended 31 March 2020**

|  | Note | 2019-20             |                     | 2018-19             |                     |
|--|------|---------------------|---------------------|---------------------|---------------------|
|  |      | Core Dept           | Departmental Group  | Core Dept           | Departmental Group  |
|  |      | £000                | £000                | £000                | £000                |
| <b>Cash flows from operating activities</b>  |      |                     |                     |                     |                     |
| Net operating expenditure  |      | (16,155,406)        | (16,155,177)        | (15,243,143)        | (15,243,172)        |
| Adjustment for non-cash transactions   | 3,4  | 10,535              | 10,563              | 2,817               | 2,814               |
| (Decrease)/Increase in trade and other receivables   | 12   | 990                 | 986                 | (1,566)             | (1,516)             |
| (Increase)/Decrease in trade payables  | 13   | (45,612)            | (45,524)            | (197,302)           | (197,279)           |
| <i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>                         | 13   | 50,962              | 50,962              | 197,845             | 197,845             |
| Use of provisions  | 14   | (815)               | (815)               | -                   | -                   |
| <b>Net cash outflow from operating activities</b>  |      | <b>(16,139,346)</b> | <b>(16,139,005)</b> | <b>(15,241,349)</b> | <b>(15,241,308)</b> |
| <b>Cash flows from investing activities</b>  |      |                     |                     |                     |                     |
| Purchase of property, plant and equipment  | 6    | (194)               | (241)               | (444)               | (450)               |
| Purchase of intangible assets  | 7    | (135)               | (137)               | -                   | (2)                 |
| Loans to other bodies  | 10   | (9,587)             | (9,587)             | (66,743)            | (66,743)            |
| Repayment from other bodies - capital  | 10   | 145,999             | 145,999             | 151,927             | 151,927             |
| Repayment from other bodies – interest   |      | 58,510              | 58,510              | 63,308              | 63,308              |
| <b>Net cash inflow from investing activities</b>   |      | <b>194,593</b>      | <b>194,544</b>      | <b>148,048</b>      | <b>148,040</b>      |
| <b>Cash flows from financing activities</b>  |      |                     |                     |                     |                     |
| From the Consolidated Fund (Supply) – current year   |      | 16,103,154          | 16,103,154          | 15,034,496          | 15,034,496          |
| From the Consolidated Fund (non-supply)  |      | -                   | -                   | 545                 | 545                 |
| Loans received from the National Loans Fund  | 10   | 9,587               | 9,587               | 66,743              | 66,743              |
| Repayments of loans from the National Loans Fund - Capital   | 10   | (145,999)           | (145,999)           | (151,927)           | (151,927)           |
| Repayments of loans from the National Loans Fund - Interest  |      | (58,510)            | (58,510)            | (63,308)            | (63,308)            |
| <b>Net financing</b>   |      | <b>15,908,232</b>   | <b>15,908,232</b>   | <b>14,886,549</b>   | <b>14,886,549</b>   |
| <b>Net (decrease)/increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b> |      |                     |                     |                     |                     |
|  |      | <b>(36,521)</b>     | <b>(36,229)</b>     | <b>(206,752)</b>    | <b>(206,719)</b>    |
| Receipts due to the Consolidated Fund which are outside the scope of the Department's activities   |      | -                   | -                   | -                   | -                   |
| Payments of amounts due to the Consolidated Fund   |      | -                   | -                   | (760)               | (760)               |
| <b>Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>  |      |                     |                     |                     |                     |
|  |      | <b>(36,521)</b>     | <b>(36,229)</b>     | <b>(207,512)</b>    | <b>(207,479)</b>    |
| <b>Cash and cash equivalents at the beginning of the period</b>  |      |                     |                     |                     |                     |
|  | 11   | 41,553              | 41,873              | 249,065             | 249,352             |
| <b>Cash and cash equivalents at the end of the period</b>  |      |                     |                     |                     |                     |
|  | 11   | 5,032               | 5,644               | 41,553              | 41,873              |

The notes on pages 83-105 form part of these accounts.

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY****For year ended 31 March 2020– Core Department**

|  | General<br>Fund     | Revaluation<br>Reserve | Taxpayers'<br>Equity |
|--|---------------------|------------------------|----------------------|
| Note   | £000                | £000                   | £000                 |
| <b>Balance at 31 March 2018</b>                          | <b>46,808</b>       | <b>28,673</b>          | <b>75,481</b>        |
| Net Parliamentary Funding - drawn down                   | 15,034,496          | -                      | 15,034,496           |
| Net Parliamentary Funding - deemed                       | 249,065             | -                      | 249,065              |
| Consolidated Fund Standing Services                      | 4                   | -                      | 545                  |
| Unspent Supply payable to the Consolidated Fund          | 13                  | -                      | (41,553)             |
| Excess Cash payable to General Fund                      | (760)               | -                      | (760)                |
|  | <b>15,241,793</b>   | <b>-</b>               | <b>15,241,793</b>    |
| <b>Changes in taxpayers equity for 2018-19</b>           |                     |                        |                      |
| Net gain on revaluation of property, plant and equipment | 4                   | 1,151                  | 1,155                |
| Net gain on revaluation of intangible assets             | -                   | (1,121)                | (1,121)              |
| Non-cash charges - auditor's remuneration                | 4                   | -                      | 107                  |
| Net operating cost for the year                          | (15,243,143)        | -                      | (15,243,143)         |
| <b>Total recognised income and expense for 2018-19</b>   | <b>(15,243,032)</b> | <b>30</b>              | <b>(15,243,002)</b>  |
| <b>Balance at 31 March 2019</b>                          | <b>45,569</b>       | <b>28,703</b>          | <b>74,272</b>        |
| Net Parliamentary Funding - drawn down                   | 16,103,154          | -                      | 16,103,154           |
| Net Parliamentary Funding - deemed                       | 41,553              | -                      | 41,553               |
| Consolidated Fund Standing Services                      | 4                   | -                      | 8,454                |
| Unspent Supply payable to the Consolidated Fund          | 13                  | -                      | (5,032)              |
|  | <b>16,148,129</b>   | <b>-</b>               | <b>16,148,129</b>    |
| <b>Changes in taxpayers equity for 2019-20</b>           |                     |                        |                      |
| Net gain on revaluation of property, plant and equipment | -                   | 35                     | 35                   |
| Net gain on revaluation of intangible assets             | -                   | -                      | -                    |
| Non-cash charges - auditor's remuneration                | 4                   | -                      | 134                  |
| Net operating cost for the year                          | (16,155,406)        | -                      | (16,155,406)         |
| <b>Total recognised income and expense for 2019-20</b>   | <b>(16,155,272)</b> | <b>35</b>              | <b>(16,155,237)</b>  |
| <b>Balance at 31 March 2020</b>                          | <b>38,426</b>       | <b>28,738</b>          | <b>67,164</b>        |

The General Fund serves as the chief operating fund and is used to account for all financial resources except those required to be accounted for in the Revaluation Reserve. The Revaluation Reserve records the unrealised gain or loss on revaluation of assets.

The notes on pages 83-105 form part of these accounts.

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

### For year ended 31 March 2020– Departmental Group

|  |      | General<br>Fund     | Revaluation<br>Reserve | Total<br>Reserves   |
|--|------|---------------------|------------------------|---------------------|
|  | Note | £000                | £000                   | £000                |
| <b>Balance at 31 March 2018</b>                          |      | <b>47,020</b>       | <b>28,677</b>          | <b>75,697</b>       |
| Net Parliamentary Funding - drawn down                   |      | 15,034,496          | -                      | 15,034,496          |
| Net Parliamentary Funding - deemed                       |      | 249,065             | -                      | 249,065             |
| Consolidated Fund Standing Services                      | 4    | 545                 | -                      | 545                 |
| Unspent Supply payable to the Consolidated Fund          | 13   | (41,553)            | -                      | (41,553)            |
| Excess Cash Payable to the General Fund                  |      | (760)               | -                      | (760)               |
|  |      | <b>15,241,793</b>   | <b>-</b>               | <b>15,241,793</b>   |
| <b>Changes in taxpayers equity for 2018-19</b>           |      |                     |                        |                     |
| Net gain on revaluation of property, plant and equipment |      | 4                   | 1,151                  | 1,155               |
| Net loss on revaluation of intangible assets             |      | -                   | (1,121)                | (1,121)             |
| Non-cash charges - auditor's remuneration                | 4    | 107                 | -                      | 107                 |
| Net operating cost for the year                          |      | (15,245,337)        | (3)                    | (15,245,340)        |
| Adjustment for NDPBs                                     |      | 2,165               | -                      | 2,165               |
| <b>Total recognised income and expense for 2018-19</b>   |      | <b>(15,243,061)</b> | <b>27</b>              | <b>(15,243,034)</b> |
| <b>Balance at 31 March 2019</b>                          |      | <b>45,752</b>       | <b>28,704</b>          | <b>74,456</b>       |
| Net Parliamentary Funding - drawn down                   |      | 16,103,154          | -                      | 16,103,154          |
| Net Parliamentary Funding - deemed                       |      | 41,553              | -                      | 41,553              |
| Consolidated Fund Standing Services                      | 4    | 8,454               | -                      | 8,454               |
| Unspent Supply payable to the Consolidated Fund          | 13   | (5,032)             | -                      | (5,032)             |
|  |      | <b>16,148,129</b>   | <b>-</b>               | <b>16,148,129</b>   |
| <b>Changes in taxpayers equity for 2019-20</b>           |      |                     |                        |                     |
| Net gain on revaluation of property, plant and equipment |      | -                   | 35                     | 35                  |
| Net gain on revaluation of intangible assets             |      | -                   | -                      | -                   |
| Non-cash charges - auditor's remuneration                | 4    | 134                 | -                      | 134                 |
| Net operating cost for the year                          |      | (16,157,850)        | -                      | (16,157,850)        |
| Adjustment for NDPBs                                     |      | 2,683               | -                      | 2,683               |
| <b>Total recognised income and expense for 2019-20</b>   |      | <b>(16,155,033)</b> | <b>35</b>              | <b>(16,154,998)</b> |
| <b>Balance at 31 March 2020</b>                          |      | <b>38,848</b>       | <b>28,739</b>          | <b>67,587</b>       |

The General Fund serves as the chief operating fund and is used to account for all financial resources except those required to be accounted for in the Revaluation Reserve. The Revaluation Reserve records the unrealised gain or loss on revaluation of assets.

The notes on pages 83-105 form part of these accounts.

## NOTES TO THE DEPARTMENTAL ACCOUNTS

### Statement of accounting policies 2019-20

#### 1. Basis of Preparation

The financial statements have been prepared in accordance with the 2019-20 *Government Financial Reporting Manual* (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Northern Ireland Office for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Department are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The accounts for 2019/20 have been prepared on a going concern basis. The Department's revenue budget has been confirmed for 2020/21 to demonstrate that Parliament will continue to fund the department for the following financial year. We are working within the context of the unprecedented global crisis posed by the COVID pandemic. A cross government Spending Review is commencing in Autumn 2020 and discussions ongoing with HMT in relation to this, however there is no reason to expect that future approvals of funding will not be forthcoming, and the Department has assumed that funding will continue beyond 2020/21 broadly in line with current levels. The Department has a statutory basis for its function and related funding and there is no reason why this would not continue. On 20 May 2020, HMT issued revised guidelines around the consideration of going concern and any material uncertainties in this area. NIO does not consider there to be any material uncertainties around the Department's going concern status.

The accounts have been prepared under the House of Commons Pursuant to Section 6(4) of the Government Resources and Accounts Act 2000.

The accounts are stated in sterling, which is the Department's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£000).

#### 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 and intangible assets.

#### 1.2 Basis of consolidation

The accounts comprise a consolidation of the core Department and its three designated NDPBs, the Parades Commission, the Northern Ireland Human Rights Commission and the Independent

Reporting Commission, on a line by line basis. Counterparty transactions have been eliminated on consolidation in accordance with relevant accounting standards.

### 1.3 Property, plant and equipment

Property, plant and equipment comprise heritage assets, art and antiques, leasehold improvements, fixtures and fittings, vehicles, plant and machinery, computer equipment, office equipment, security equipment and assets under construction.

The Department's heritage assets comprise Hillsborough Castle and its surrounding estate.

In addition, the Department occupies a number of properties within the Northern Ireland Executive Estate and the Civil Estate in Great Britain for which rent is paid. Terms of occupancy of these buildings are outlined in agreements known as the Memoranda of Terms of Occupancy (MOTOs).

#### *Consolidation of asset categories*

The property, plant and equipment note requires the amalgamation of asset categories under the Plant and Machinery heading. The asset categories represented by this heading include:

- Plant and machinery
- Motor vehicles
- Furniture and fittings
- Office equipment
- Security equipment

#### 1.3.1 Valuation of property, plant and equipment

Property, plant and equipment are stated at fair value, which is deemed to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All non-heritage property, plant and equipment are restated to fair value each year by reference to indices compiled by the Office for National Statistics (ONS).

Assets under construction are shown at cost, and relate to assets which are incomplete but for which the Department has incurred a liability.

Expenditure on property, plant and equipment of over £1,000 is capitalised. Within the core Department the grouping of a range of property, plant and equipment has also been undertaken in respect of some personal computers, printers, office furniture and equipment.

In compliance with IAS 16, subsequent expenditure on an asset which does not meet the criteria of enhancement or improvement is expensed through the Consolidated Statement of Comprehensive Net Expenditure.

Upward revaluations are credited to the revaluation reserve and permanent reductions in the value of property, plant and equipment are charged to the Consolidated Statement of Comprehensive Net Expenditure. Any subsequent revaluation of assets is credited to the Consolidated Statement of Comprehensive Net Expenditure to the extent that it reverses previous revaluation decreases recognised as an expense in the Consolidated Statement of Comprehensive Net Expenditure.

#### 1.4 Heritage assets

In accordance with the Financial Reporting Manual (FReM) as issued by HM Treasury, heritage assets are capitalised and recognised in the Statement of Financial Position at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Hillsborough Castle is depreciated as set out in Note 1.6 and subject to quinquennial professional valuations.

Arts and antiques are not depreciated and are subject to quinquennial professional valuations.

#### 1.5 Intangible assets

Expenditure on computer software licences lasting more than one year and costing more than £1,000 is capitalised and classified as intangible assets. Software licences are amortised over the shorter of the term of the licence and the useful economic life. Software licences are revalued annually using indices provided by the ONS.

#### 1.6 Depreciation/Amortisation

Property, plant and equipment and intangible assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point at which the asset is brought into use.

Estimated useful lives, which are reviewed regularly, are:

| <b>Asset category</b>  | <b>Useful Life</b>                                      |
|------------------------|---|
| Heritage assets        | 50 years  |
| Art and Antiques       | No Depreciation   |
| Leasehold improvements | 10 years (or the life of the lease, whichever is least) |
| Plant and machinery    | 3 - 25 years  |



|                                       |                 |
|---------------------------------------|-----------------|
| Information Technology                | 2 - 16 years    |
| Assets under construction             | No depreciation |
| Intangible assets (software licences) | 2 - 10 years    |

### 1.7 Realised Element of Depreciation from Revaluation Reserve

Depreciation and amortisation are charged to expenditure on the re-valued amount of property, plant and equipment and intangibles. An element of depreciation or amortisation therefore arises due to the increase in valuation and is in excess of the depreciation or amortisation that would be charged on the historical cost of assets. The amount relating to this excess is a realised gain on disposal and is transferred from the Revaluation Reserve to the General Fund.

### 1.8 Employee Benefits

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), the PCSPS (NI), the Civil Service and Others Pension Scheme (CSOPS) and CSOPS (NI). These defined benefit schemes are unfunded. The department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the schemes of the amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the pension schemes.

Further details regarding the above schemes are contained in the [Remuneration Report](#).

### 1.9 Early departure costs

The Department is required to meet the additional cost of benefits beyond the normal PCSPS, PCSPS (NI), CSOPS and CSOPS (NI) benefits in respect of employees who retire early, from the date of their retirement until they reach normal pensionable age. The Department provides in full for this cost when the early retirement programme has been announced and this is binding on the Department.

### 1.10 Financing and Operating income

#### *Financing*

The Department is primarily resourced by funds approved by Parliament through the annual Supply process. Resources are drawn down each month to meet expenditure requirements.

#### *Operating Income*

Operating income is income which relates directly to the operating activities of the Department. It principally comprises monies received in respect of EU grants and National Loans Fund interest.

Operating income also includes charges provided on a full-cost basis to external customers, as well as public repayment work, i.e. professional services provided by the CSO.

Operating income includes not only accruing resources but also income to the Consolidated Fund which in accordance with the FReM is treated as operating income. Operating income is stated net of VAT.

Operating income is split under the following headings depending on its classification:

- Administration income
- Programme income

It excludes funding from Parliamentary Vote, loans from the National Loans Fund and advances from the Contingencies Fund.

### **1.11 Administration and Programme expenditure**

The classification of expenditure as administration or as programme follows the definitions set out in HM Treasury's *Consolidated Budgeting Guidance*. Broadly, administrative expenditure reflects the costs of running the Department while programme costs relate directly to service delivery activities.

### **1.12 Grants payable and paid**

The Core Department recognises the grants due to its executive Non-Departmental Public Bodies, (the Northern Ireland Human Rights Commission, the Independent Reporting Commission and the Parades Commission), in the period in which they are paid.

The Core Department processes receipts and payments on behalf of the Parades Commission and the Independent Reporting Commission. Grant-in-aid paid during the year, is calculated by recording the details of payments processed and cash that has been paid out.

The Department also makes a small number of grants to a variety of public sector, private sector and voluntary bodies and these are recognised in the period in which there is reasonable assurance that they will be paid and that the conditions attaching them will be complied with.

### **1.13 Leases**

#### *Operating leases*

Leases where substantially all of the risks and rewards are held by the lessor are classified as operating leases. Rentals are charged to the Consolidated Statement of Comprehensive Net Expenditure on a straight-line basis over the period of the lease.

### 1.14 Provisions

The Department provides for legal or constructive obligations which are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation.

### 1.15 Contingent liabilities

Contingent liabilities are disclosed in the notes to the financial statements in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted.

Remote contingent liabilities outside the scope of IAS 37 but requiring Parliamentary reporting in accordance with the requirements of *Managing Public Money* are disclosed in the Parliamentary Accountability and Audit section of the Accountability Report.

### 1.16 Value Added Tax

Most of the activities of the Department are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### 1.17 Notional charges

Notional charges, in respect of services received from other government bodies, are included to reflect the full economic cost of services.

### 1.18 Staff Costs

Under IAS19 *Employee Benefits*, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the costs of any untaken leave as at the year end. The cost of untaken leave has been determined using data from staff leave records.

### 1.19 Financial Instruments

IFRS 9 requires an entity to recognise a financial asset or a financial liability in its Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities which arise from the purchase and sale of non-financial items such as goods or services, which are entered into in accordance with the Northern Ireland Office's normal purchase, sale or usage requirement, are recognised when, and to the

extent to which, performance occurs. All other financial assets and liabilities are recognised when the Northern Ireland Office becomes party to the contractual provisions to receive or make cash payments. Financial liabilities are derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

## **Financial Assets**

### *Loans and receivables*

Loans and receivables comprise trade receivables, other receivables and loans that have fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method net of impairment. Interest is recognised by applying the effective interest rate. The effective interest rate is a method of calculating the amortised cost of a financial asset and of allocating the interest revenue or expense over the relevant period using the estimated future cash flows.

IFRS 9 requires an entity to produce an expected loss impairment model for financial instruments held. Under the FReM, balances with core central government departments, the Government's Exchequer Funds (including the National Loans Funds) are excluded from recognising impairments.

The main financial instrument is the loans from the National Loans Fund. There is no loss allowance for these loans as NLF loans can only be made where there is a reasonable expectation that they will be serviced and repaid on the due dates as the NLF is not legally allowed to make a loss.

### *Cash and cash equivalents*

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

## **Financial Liabilities**

### *Trade and other payables*

Financial liabilities within trade and other payables are recognised at fair value, which is usually the original invoiced amount.

### *Loans and other borrowings*

Loans and other borrowings are initially recognised at fair value plus directly attributable transaction costs

## 1.20 Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Department's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts are discussed below.

### *(i) – Provisions for compensation*

Provisions have been made for compensation which will be payable at a future date. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

### *(ii) – Work in Progress*

The Crown Solicitor's Office accrues for the income relating to the cost of solicitor activity in relation to cases that have not completed at the reporting date. This is an estimate of the fees earned as a result of work undertaken up to the reporting date using an estimate of cost based on actual bills issued and an assessment of the progress on the case to date. Account has been taken of the recoverability of the receivable in the calculation. Any differences between the amount charged to the client upon the completion of the case and the value recognised as work in progress will be accounted for in the accounting period when the client invoice is raised.

## 1.21 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2020

The Department has reviewed the standards, interpretations and amendments to published standards that became effective during 2019-20 and which are relevant to its operations. There is no impact on the Department's financial position or results.

## 1.22 Accounting standards, interpretations and amendments to published standards not yet effective

The following standards or interpretations have been issued by the International Accounting Standards Board but have not been adopted:

IFRS 16 – Leases replaces IAS 17 Leases and related interpretations and has an effective date of 1 January 2019. The new standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The new standard was due to be applied from 1 April 2020, however the

Financial Reporting Advisory Board took the decision to delay the implementation of IFRS 16 for bodies applying the Government Financial Reporting Manual until 1 April 2021.

The Department have yet to quantify the impact on the financial statements, but expect it to have a material impact.

## 2. Statement of Operating Costs by Operating Segment

The Department organises itself by group and reports income and expenditure by group to the Board each month. The current groups are:

- Centrally Managed Expenditure (CM)
- Engagement Group (EnG);
- Political Strategy and Implementation Group (PSIG);
- Economic and Constitutional Group (ECG);
- Legacy Group (LG);
- Security and Protection Group (SPG); and
- Crown Solicitor's Office (CSO).

Core staff costs, legal costs and depreciation are managed centrally.

Information on amounts paid to the Northern Ireland Consolidated Fund (NICF) is separately reported to the Board on a bi-monthly basis and is therefore included as a separate operating segment below.

The Board received management information containing summary of spend on a bi-monthly basis throughout the year. Information on a similar basis is reproduced in the table below.

The Department does not consider that assets and liabilities can be meaningfully allocated to segments, and manages and reports on assets and liabilities in total. Therefore, no breakdown of assets and liabilities is given.

|                        |                   |               |              |            |              |              |              |            | 2019-20           |
|------------------------|-------------------|---------------|--------------|------------|--------------|--------------|--------------|------------|-------------------|
|                        | £000              | £000          | £000         | £000       | £000         | £000         | £000         | £000       | £000              |
|                        | NICF              | CM            | EnG          | PSIG       | EPG          | LG           | SPG          | CSO        | Total             |
| Gross expenditure      | 16,117,000        | 24,982        | 1,646        | 130        | 4,182        | 1,019        | 1,084        | 4,903      | 16,154,946        |
| Receipts               | -                 | (153)         | (3)          | -          | (2,294)      | (16)         | -            | (4,761)    | (7,227)           |
| <b>Net expenditure</b> | <b>16,117,000</b> | <b>24,829</b> | <b>1,643</b> | <b>130</b> | <b>1,888</b> | <b>1,003</b> | <b>1,084</b> | <b>142</b> | <b>16,147,719</b> |
|                        |                   |               |              |            |              |              |              |            | 2018-19           |
|                        | £000              | £000          | £000         | £000       | £000         | £000         | £000         | £000       | £000              |
|                        | NICF              | CM            | EnG          | PSIG       | EPG          | LG           | SPG          | CSO        | Total             |
| Gross expenditure      | 15,217,000        | 17,554        | 2,040        | 60         | 3,888        | 287          | 1,098        | 4,509      | 15,246,436        |
| Receipts               | -                 | (151)         | -            | -          | (119)        | (123)        | -            | (4,345)    | (4,738)           |

|                 |            |        |       |    |       |     |       |     |            |
|-----------------|------------|--------|-------|----|-------|-----|-------|-----|------------|
| Net expenditure | 15,217,000 | 17,403 | 2,040 | 60 | 3,769 | 164 | 1,098 | 164 | 15,241,698 |
|-----------------|------------|--------|-------|----|-------|-----|-------|-----|------------|

### Note 2.1 Reconciliation between Operating Segments and Consolidated Statement of Comprehensive Net Expenditure

|  | 2019-20<br>£000<br>Total | 2018-19<br>£000<br>Total |
|--|--------------------------|--------------------------|
| Total net expenditure by operating segment                           | 16,147,719               | 15,241,698               |
| Reconciling items:   |                          |                          |
| AME and non-voted expenditure not included in analysis               | 7,297                    | 1,158                    |
| Accounting adjustments   | 161                      | 316                      |
| Total net expenditure per statement of comprehensive net expenditure | 16,155,177               | 15,243,172               |

### 3. Staff costs

More detail on staff numbers can be found in the Remuneration and Staff Report.

| Staff costs [Audited]                             | 2019-20       |  |              |            |                  | 2018-19       |
|---|---------------|--|--------------|------------|------------------|---------------|
|   | Total         | Permanently employed and inward seconded staff | Others       | Ministers  | Special Advisors | Total         |
|   | £000          |  |              |            |                  | £000          |
| Wages and salaries                                | 16,292        | 14,535   | 1,497        | 158        | 102              | 13,608        |
| Social security costs                             | 1,539         | 1,439  | 75           | 12         | 13               | 1,344         |
| Other pension costs                               | 3,622         | 3,531  | 78           | 0          | 13               | 2,443         |
| <b>Sub Total</b>                                  | <b>21,453</b> | <b>19,505</b>                                  | <b>1,650</b> | <b>170</b> | <b>128</b>       | <b>17,395</b> |
| Less recoveries in respect of outward secondments | (189)         | (189)  | 0            | 0          | 0                | (104)         |
| <b>Total net costs*</b>                           | <b>21,264</b> | <b>19,316</b>                                  | <b>1,650</b> | <b>170</b> | <b>128</b>       | <b>17,291</b> |

## 4. Other Expenditure

|   |   | 2019-20<br>£000       |                    | 2018-19<br>£000       |                   |
|---|---|-----------------------|--------------------|-----------------------|-------------------|
| Note  | Core<br>Department  | Departmental<br>Group | Core<br>Department | Departmental<br>Group |                   |
| <b>Other Expenditure:</b>                   |   |                       |                    |                       |                   |
|   | Communications, office supplies and services  | 1,423                 | 1,529              | 1,177                 | 1,297             |
|   | Events and Conferences  | 12                    | 30                 | 7                     | 29                |
|   | Legal Costs   | 2,492                 | 2,532              | 1,227                 | 1,207             |
|   | Maintenance and Utilities   | 3,323                 | 3,493              | 3,068                 | 3,213             |
|   | Professional Fees   | 2,222                 | 2,457              | 1,522                 | 1,605             |
|   | Audit Fees - ALBs   | -                     | 39                 | -                     | 37                |
|   | Other contracted Out Services   | 151                   | 180                | 183                   | 183               |
|   | Subscriptions to Professional Bodies  | 258                   | 260                | 159                   | 160               |
|   | Training Costs  | 88                    | 89                 | 145                   | 154               |
|   | Travel Subsistence and Hospitality  | 1,324                 | 1,358              | 1,421                 | 1,466             |
|   | All Other Expenditure   | 1,711                 | 1,780              | 952                   | 1,031             |
| <b>Non-cash items</b>                       |   |                       |                    |                       |                   |
| 6   | Depreciation  | 1,909                 | 1,921              | 1,875                 | 1,905             |
| 7   | Amortisation  | 16                    | 28                 | 23                    | 51                |
| 6,7   | Impairments   | -                     | -                  | -                     | -                 |
| 6,7   | Revaluation   | (1)                   | (1)                | (5)                   | (5)               |
| 14  | Litigation Claims Provided In year<br>(provisions for staff costs are included at note 3) | 32                    | 32                 | 509                   | 509               |
|   | Auditors Remuneration and Expenses  | 134                   | 134                | 107                   | 107               |
| <b>Rentals under operating Leases:</b>      |   |                       |                    |                       |                   |
|   | Hire of plant and machinery   | 10                    | 10                 | 22                    | 61                |
|   | Other Operating Leases  | 216                   | 216                | 216                   | 216               |
| <b>Consolidated Fund Standing Services:</b> |   |                       |                    |                       |                   |
|   | Election Funding  | 7,989                 | 7,989              | 309                   | 309               |
|   | Consolidated Fund Standing Services   | 99                    | 99                 | 94                    | 94                |
|   |   | 23,408                | 24,175             | 13,011                | 13,629            |
| Northern Ireland Consolidated Fund:         |   |                       |                    |                       |                   |
|   | Grant   | 16,117,000            | 16,117,000         | 15,217,000            | 15,217,000        |
|   | National Loans Fund Interest  | 58,510                | 58,510             | 63,309                | 63,309            |
|   | EU grants   | 108,958               | 108,958            | 87,717                | 87,717            |
|   |   | 16,284,468            | 16,284,468         | 15,368,026            | 15,368,026        |
|   | <b>Total Expenditure</b>  | <b>16,307,876</b>     | <b>16,308,643</b>  | <b>15,381,037</b>     | <b>15,381,655</b> |

During the year the department did not purchase any non-audit services from its auditor, the National Audit Office. (2018-19, nil)



By statute the remuneration and associated employers' earnings-related National Insurance Contributions of the Chief Electoral Officer (CEO) are met directly from the Consolidated Fund, rather than Parliamentary Supply. These costs are included under Consolidated Funds Standing Services along with election running costs. As the cash for the CEO's salary does not pass through the Department's accounts, the expenditure is accounted for as a non-cash item.

Pension benefits for the CEO for Northern Ireland are on a broadly by-analogy to the Principal Civil Service Pension Scheme (PCSPS) basis. This provides for benefits on a final salary basis accruing at 1/80<sup>th</sup> of pensionable salary for each year of service and an automatic lump sum of three times the pension. The actual payments come from the Consolidated Fund under section 14 (8) of the Electoral Law Act (NI) 1962.

## 5. Income

Operating income not within the budget (i.e. surrenderable to the Consolidated Fund) is analysed for resource budget purposes between that which is included in public expenditure and that which is not. In 2019-20, all operating income was within the budget (in 2018-19, all operating income was within the budget).

|                                  | 2019-20<br>£000    |                       | 2018-19<br>£000    |                       |
|----------------------------------|--------------------|-----------------------|--------------------|-----------------------|
|                                  | Core<br>department | Departmental<br>group | Core<br>department | Departmental<br>group |
| <b>Administration income:</b>    |                    |                       |                    |                       |
| Professional Fees                | 4,761              | 4,761                 | 4,345              | 4,345                 |
| Other administrative income      | 156                | 156                   | 151                | 151                   |
|                                  | <b>4,917</b>       | <b>4,917</b>          | <b>4,496</b>       | <b>4,496</b>          |
| <b>Programme income:</b>         |                    |                       |                    |                       |
| Other                            | 2,309              | 2,344                 | 242                | 252                   |
| National Loans Fund interest     | 58,511             | 58,511                | 63,309             | 63,309                |
| Income from EU for NI programmes | 108,958            | 108,958               | 87,717             | 87,717                |
|                                  | <b>169,778</b>     | <b>169,813</b>        | <b>151,268</b>     | <b>151,278</b>        |
| <b>Total</b>                     | <b>174,695</b>     | <b>174,730</b>        | <b>155,764</b>     | <b>155,774</b>        |

### Note:

Programme income relates to the following transactions with the Northern Ireland Consolidated Fund;

- Interest receivable on loans made by the Northern Ireland Office to the Northern Ireland Consolidated Fund. The Northern Ireland Office uses this interest to pay interest due to the NLF in respect of the loans made to the Northern Ireland Office, equal to the amount of loan made from the Northern Ireland Office to the Northern Ireland Consolidated Fund.
- Income from the EU, which is received by the Northern Ireland Office to be paid over directly to the Northern Ireland Consolidated Fund.

Both amounts are offset by an equal and opposite expense as shown in note 4.

## 6. Property, plant and equipment – Departmental Group

|   | Heritage<br>Assets<br>£000 | Antiques<br>£000 | Leasehold<br>improvements<br>£000 | Plant &<br>Machinery<br>£000 | Information<br>Technology<br>£000 | Assets<br>Under<br>Construction<br>£000 | Total<br>£000 |
|---|----------------------------|------------------|-----------------------------------|------------------------------|-----------------------------------|---|---------------|
| <b>Cost or valuation</b>                |                            |                  |                                   |                              |                                   |   |               |
| At 1 April 2019                         | 73,137                     | 1,718            | 1,512                             | 1,038                        | 3,459                             | 794                                     | 81,658        |
| Additions                               | -                          | -                | 132                               | 174                          | 11                                | (76)                                    | 241           |
| Disposals                               | -                          | -                | -                                 | (46)                         | (441)                             | -                                       | (487)         |
| Impairment                              | -                          | -                | -                                 | -                            | -                                 | -                                       | -             |
| Indexation to SOCNE                     | -                          | -                | -                                 | -                            | 2                                 | -                                       | 2             |
| Indexation                              | -                          | -                | 58                                | 10                           | 9                                 | -                                       | 77            |
| Revaluations                            | -                          | -                | -                                 | -                            | -                                 | -                                       | -             |
| <b>At 31 March 2020</b>                 | <b>73,137</b>              | <b>1,718</b>     | <b>1,702</b>                      | <b>1,176</b>                 | <b>3,040</b>                      | <b>718</b>                              | <b>81,491</b> |
| <b>Depreciation</b>                     |                            |                  |                                   |                              |                                   |   |               |
| At 1 April 2019                         | 5,348                      | -                | 714                               | 858                          | 2,559                             | -                                       | 9,479         |
| Charged in year                         | 1,302                      | -                | 144                               | 98                           | 377                               | -                                       | 1,921         |
| Disposals                               | -                          | -                | -                                 | (45)                         | (441)                             | -                                       | (486)         |
| Indexation                              | -                          | -                | -                                 | -                            | -                                 | -                                       | -             |
| Indexation to SOCNE                     | -                          | -                | 34                                | 4                            | 4                                 | -                                       | 42            |
| Revaluation                             | -                          | -                | -                                 | -                            | -                                 | -                                       | -             |
| <b>At 31 March 2020</b>                 | <b>6,650</b>               | <b>-</b>         | <b>892</b>                        | <b>915</b>                   | <b>2,499</b>                      | <b>-</b>                                | <b>10,956</b> |
| <b>Carrying Amount</b>                  |                            |                  |                                   |                              |                                   |   |               |
| <b>At 31 March 2020</b>                 | <b>66,487</b>              | <b>1,718</b>     | <b>810</b>                        | <b>261</b>                   | <b>541</b>                        | <b>718</b>                              | <b>70,535</b> |
| <b>Carrying Amount</b>                  |                            |                  |                                   |                              |                                   |   |               |
| <b>At 31 March 2019</b>                 | <b>67,789</b>              | <b>1,718</b>     | <b>798</b>                        | <b>180</b>                   | <b>900</b>                        | <b>794</b>                              | <b>72,179</b> |
| Of the total:                           |                            |                  |                                   |                              |                                   |   |               |
| Department                              | 66,487                     | 1,718            | 804                               | 274                          | 517                               | 675                                     | 70,473        |
| Other designated bodies                 | -                          | -                | 6                                 | (13)                         | 24                                | 43                                      | 62            |
| <b>Carrying amount at 31 March 2020</b> | <b>66,487</b>              | <b>1,718</b>     | <b>810</b>                        | <b>261</b>                   | <b>541</b>                        | <b>718</b>                              | <b>70,535</b> |

|   | Heritage<br>Assets<br>£000 | Antiques<br>£000 | Leasehold<br>improvements<br>£000 | Plant &<br>Machinery<br>£000 | Information<br>Technology<br>£000 | Assets<br>Under<br>Construction<br>£000 | Total<br>£000 |
|---|----------------------------|------------------|-----------------------------------|------------------------------|-----------------------------------|---|---------------|
| <b>Cost or valuation</b>                |                            |                  |                                   |                              |                                   |   |               |
| At 1 April 2018                         | 73,131                     | 1,718            | 1,254                             | 1,029                        | 3,211                             | 877                                     | <b>81,220</b> |
| Additions                               | -                          | -                | 222                               | 8                            | 303                               | -                                       | <b>450</b>    |
| Disposals                               | -                          | -                | -                                 | (7)                          | (69)                              | (83)                                    | <b>(76)</b>   |
| Impairment                              | -                          | -                | -                                 | -                            | -                                 | -                                       | -             |
| Indexation to SOCNE                     | 2                          | -                | -                                 | -                            | -                                 | -                                       | <b>2</b>      |
| Indexation                              | -                          | -                | 36                                | 8                            | 14                                | -                                       | <b>58</b>     |
| Revaluations                            | 4                          | -                | -                                 | -                            | -                                 | -                                       | <b>4</b>      |
| <b>At 31 March 2019</b>                 | <b>73,137</b>              | <b>1,718</b>     | <b>1,512</b>                      | <b>1,038</b>                 | <b>3,459</b>                      | <b>794</b>                              | <b>81,658</b> |
| <b>Depreciation</b>                     |                            |                  |                                   |                              |                                   |   |               |
| At 1 April 2018                         | 4,000                      | -                | 688                               | 794                          | 2,141                             | -                                       | <b>7,623</b>  |
| Charged in year                         | 1,420                      | -                | 8                                 | 61                           | 417                               | -                                       | <b>1,906</b>  |
| Disposals                               | (70)                       | -                | -                                 | -                            | (5)                               | -                                       | <b>(75)</b>   |
| Indexation                              | -                          | -                | 18                                | 3                            | 6                                 | -                                       | <b>27</b>     |
| Indexation to SOCNE                     | (1)                        | -                | -                                 | -                            | -                                 | -                                       | <b>(1)</b>    |
| Revaluation                             | (1)                        | -                | -                                 | -                            | -                                 | -                                       | <b>(1)</b>    |
| <b>At 31 March 2019</b>                 | <b>5,348</b>               | <b>-</b>         | <b>714</b>                        | <b>858</b>                   | <b>2,559</b>                      | <b>-</b>                                | <b>9,479</b>  |
| <b>Carrying Amount</b>                  |                            |                  |                                   |                              |                                   |   |               |
| <b>At 31 March 2019</b>                 | <b>67,789</b>              | <b>1,718</b>     | <b>798</b>                        | <b>180</b>                   | <b>900</b>                        | <b>794</b>                              | <b>72,179</b> |
| <b>Carrying Amount</b>                  |                            |                  |                                   |                              |                                   |   |               |
| <b>At 31 March 2018</b>                 | <b>69,131</b>              | <b>1,718</b>     | <b>566</b>                        | <b>235</b>                   | <b>1,070</b>                      | <b>877</b>                              | <b>73,597</b> |
| Of the total:                           |                            |                  |                                   |                              |                                   |   |               |
| Department                              | <b>67,789</b>              | <b>1,718</b>     | <b>794</b>                        | <b>180</b>                   | <b>885</b>                        | <b>785</b>                              | <b>72,151</b> |
| Other designated bodies                 | -                          | -                | 4                                 | -                            | 15                                | 9                                       | <b>28</b>     |
| <b>Carrying amount at 31 March 2019</b> | <b>67,789</b>              | <b>1,718</b>     | <b>798</b>                        | <b>180</b>                   | <b>900</b>                        | <b>794</b>                              | <b>72,179</b> |

All of the assets above are fully owned, there are no finance arrangements in place.

Heritage assets and antiques comprise Hillsborough Castle and its surrounding estate. It has historical importance as the principal seat in Ireland of the Marquesses of Downshire for well over 200 years. The present building dates from the 1770s with 19<sup>th</sup> and 20<sup>th</sup> century additions. It passed into public ownership in the 1920s and was used, until direct rule, as the residence of the Governors of Northern Ireland. Currently, the Castle is the venue for official functions including supporting many Royal and other distinguished visitors. In 2014, the Department entered into new arrangements with Historic Royal Palaces to ensure that the Castle was opened up to the public and run on as efficient a basis as possible.

Hillsborough Castle has been valued by Land and Property Services in line with standards published by the Royal Institute of Chartered Surveyors (RICS) and the antiques are valued by John Ross and Company for the purposes of these accounts. Valuations are carried out every five years. The most recent valuation was at 31 March 2017.

## 7. Intangible assets – Departmental Group

The Department's intangible assets comprise purchased software licences with a finite life.

|   | Software<br>Licenses | Software<br>Licenses |
|---|----------------------|----------------------|
|   | 2019-20<br>£000      | 2018-19<br>£000      |
| <b>Cost or valuation</b>                |                      |                      |
| Opening balance                         | 1,215                | 1,219                |
| Additions                               | 137                  | 2                    |
| Disposals                               | (804)                | (6)                  |
| Impairment                              | -                    | -                    |
| Revaluation                             | 1                    | -                    |
| <b>Closing balance</b>                  | <b>549</b>           | <b>1,215</b>         |
| <b>Amortisation</b>                     |                      |                      |
| Opening balance                         | 1,165                | 1,119                |
| Charged in year                         | 28                   | 51                   |
| Disposals                               | (804)                | (6)                  |
| Impairment                              | -                    | (1)                  |
| Revaluation                             | -                    | 2                    |
| <b>Closing balance</b>                  | <b>389</b>           | <b>1,165</b>         |
| <b>Carrying Amount at 31 March 2020</b> | <b>160</b>           | <b>50</b>            |
| <b>Carrying Amount at 31 March 2019</b> | <b>50</b>            | <b>100</b>           |
| Of the total:                           |                      |                      |
| Department                              | 144                  | 24                   |
| Other designated bodies                 | 16                   | 26                   |
|   | <b>160</b>           | <b>50</b>            |

Intangible assets are adjusted to their current value each year by reference to appropriate indices compiled by the Office for National Statistics.

## 8. Capital and Other commitments

### 8.1 Operating leases

Total future minimum lease payments under operating leases are given in the following table for each of the following periods.

|   | 2019-20<br>£000    |                       | 2018-19<br>£000    |                       |
|---|--------------------|-----------------------|--------------------|-----------------------|
|   | Core<br>Department | Departmental<br>Group | Core<br>Department | Departmental<br>Group |
| <b>Obligations under operating leases for the following periods comprise:</b> |                    |                       |                    |                       |
| <b><i>Buildings:</i></b>  |                    |                       |                    |                       |
| Not later than one year   | 1,275              | 1,405                 | 1,275              | 1,344                 |
| Later than one year and not later than 5 years                                | 2,163              | 2,582                 | 5,535              | 5,570                 |
| Later than five years   | -                  | 446                   | -                  | -                     |
|   | <b>3,438</b>       | <b>4,433</b>          | <b>6,810</b>       | <b>6,914</b>          |
| <b><i>Other:</i></b>  |                    |                       |                    |                       |
| Not later than one year   | 16                 | 16                    | 10                 | 10                    |
| Later than one year and not later than 5 years                                | 50                 | 50                    | -                  | -                     |
| Later than five years   | 10                 | 10                    | -                  | -                     |
|   | <b>76</b>          | <b>76</b>             | <b>10</b>          | <b>10</b>             |
| <b>Total</b>  | <b>3,514</b>       | <b>4,509</b>          | <b>6,820</b>       | <b>6,924</b>          |

## 9. Financial Instruments

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

## 10. Investments and loans in other public sector bodies

### Department of Finance & Personnel On-lent National Loans Fund Loans

|                            | 2019-20<br>£000  | 2018-19<br>£000  |
|----------------------------|------------------|------------------|
| Balance at 1 April         | 1,911,363        | 1,996,545        |
| Additions                  | 9,587            | 66,744           |
| Repayments                 | (145,999)        | (151,926)        |
| <b>Balance at 31 March</b> | <b>1,774,951</b> | <b>1,911,363</b> |

The balances represent the principal element of National Loans Fund advances on lent by the Secretary of State for Northern Ireland to the Northern Ireland Executive. Interest has been excluded from the disclosure due to the disproportionate amount of work required to calculate an accurate figure, which has as overall nil net impact on the Statement of Financial Position.

The balances above can be further analysed as:

|                                 | 2019-20<br>£000  | 2018-19<br>£000  |
|---------------------------------|------------------|------------------|
| Current assets                  | 144,861          | 159,302          |
| Non-current assets              | 1,630,090        | 1,752,061        |
| <b>Balance at 31 March 2020</b> | <b>1,774,951</b> | <b>1,911,363</b> |

## 11. Cash and cash equivalents

|   | 2019-20<br>£000    |                       | 2018-19<br>£000    |                       |
|---|--------------------|-----------------------|--------------------|-----------------------|
|   | Core<br>Department | Departmental<br>Group | Core<br>Department | Departmental<br>Group |
| Balance at 1 April 2019                         | 41,553             | 41,873                | 249,065            | 249,352               |
| Net change in cash balance                      | (36,521)           | (36,229)              | (207,512)          | (207,479)             |
| <b>Balance at 31 March 2020</b>                 | <b>5,032</b>       | <b>5,644</b>          | <b>41,553</b>      | <b>41,873</b>         |
| The following balances at 31 March are held at: |                    |                       |                    |                       |
| Government Banking Service                      | 2,265              | 2,265                 | 41,547             | 41,867                |
| Commercial banks and cash in hand               | 2,767              | 3,379                 | 6                  | 6                     |
| <b>Balance at 31 March 2020</b>                 | <b>5,032</b>       | <b>5,644</b>          | <b>41,553</b>      | <b>41,873</b>         |

## 12. Trade receivables, financial and other assets

|   | 2019-20<br>£000    |                       | 2018-19<br>£000    |                       |
|---|--------------------|-----------------------|--------------------|-----------------------|
|   | Core<br>Department | Departmental<br>Group | Core<br>Department | Departmental<br>Group |
| <b>Amounts falling due within one year:</b> |                    |                       |                    |                       |
| VAT Receivables                             | 1,153              | 1,153                 | 649                | 648                   |
| Trade receivables                           | 3,843              | 3,846                 | 3,340              | 3,350                 |
| Other receivables                           | 8                  | 8                     | 484                | 486                   |
| Prepayments and accrued income*             | 1,097              | 1,132                 | 2,619              | 2,641                 |
| <b>Total</b>                                | <b>6,101</b>       | <b>6,139</b>          | <b>7,092</b>       | <b>7,125</b>          |

\*£0.73 million of this balance represents work in progress not yet billed (2018-19, £1.05m).

## 13. Trade payables and other current liabilities

|   | 2019-20<br>£000    |                       | 2018-19<br>£000    |                       |
|---|--------------------|-----------------------|--------------------|-----------------------|
|   | Core<br>Department | Departmental<br>Group | Core<br>Department | Departmental<br>Group |
| <b>Amounts falling due within one year:</b>                         |                    |                       |                    |                       |
| Taxation and social security  | -                  | 16                    | 310                | 326                   |
| Trade and other payables  | 502                | 547                   | 73                 | 93                    |
| Accruals and deferred income  | 8,914              | 9,124                 | 3,722              | 3,909                 |
| Property, plant and equipment accruals                              | 106                | 140                   | 67                 | 67                    |
| Current element of repayment of National Loans Fund                 | 144,861            | 144,861               | 159,302            | 159,302               |
| Amounts issued from the Consolidated Fund but not spent at year end | 5,032              | 5,032                 | 41,553             | 41,553                |
| Amounts received due to be paid to the Consolidated Fund            | -                  | -                     | -                  | -                     |
|   | <b>159,415</b>     | <b>159,720</b>        | <b>205,027</b>     | <b>205,250</b>        |
| <b>Amounts falling due after more than one year:</b>                |                    |                       |                    |                       |
| Repayment of National Loans Fund                                    | 1,630,090          | 1,630,090             | 1,752,061          | 1,752,061             |
| <b>Total</b>  | <b>1,789,505</b>   | <b>1,789,810</b>      | <b>1,957,088</b>   | <b>1,957,311</b>      |

## 14. Provisions for liabilities and charges

|                                      |            |                   |            |                     |            |            |            | 2019-20    |  |
|--------------------------------------|------------|-------------------|------------|---------------------|------------|------------|------------|------------|--|
|                                      |            |                   |            |                     |            |            |            | £000       |  |
| Compensation Payments                |            | Litigation Claims |            | Restructuring Costs |            | Total      |            |            |  |
| Core Dept                            | Dept Group | Core Dept         | Dept Group | Core Dept           | Dept Group | Core Dept  | Dept Group |            |  |
| <b>Balance at 1 April 2019</b>       | 8          | 8                 | 509        | 509                 | 306        | 306        | 823        | 823        |  |
| Provided in the year                 | 12         | 12                | 20         | 20                  | -          | -          | 32         | 32         |  |
| Provisions not required written back | (8)        | (8)               | -          | -                   | -          | -          | (8)        | (8)        |  |
| Provisions utilised in the year      | -          | -                 | (509)      | (509)               | (306)      | (306)      | (815)      | (815)      |  |
| <b>Balance at 31 March 2020</b>      | <b>12</b>  | <b>12</b>         | <b>20</b>  | <b>20</b>           | <b>-</b>   | <b>-</b>   | <b>32</b>  | <b>32</b>  |  |
|                                      |            |                   |            |                     |            |            |            | 2018-19    |  |
|                                      |            |                   |            |                     |            |            |            | £000       |  |
| Compensation Payments                |            | Litigation Claims |            | Restructuring Costs |            | Total      |            |            |  |
| Core Dept                            | Dept Group | Core Dept         | Dept Group | Core Dept           | Dept Group | Core Dept  | Dept Group |            |  |
| <b>Balance at 1 April 2018</b>       | 8          | 68                | -          | -                   | -          | -          | 8          | 68         |  |
| Provided in the year                 | -          | -                 | 509        | 509                 | 306        | 306        | 815        | 815        |  |
| Provisions not required written back | -          | (60)              | -          | -                   | -          | -          | -          | (60)       |  |
| Provisions utilised in the year      | -          | -                 | -          | -                   | -          | -          | -          | -          |  |
| <b>Balance at 31 March 2019</b>      | <b>8</b>   | <b>8</b>          | <b>509</b> | <b>509</b>          | <b>306</b> | <b>306</b> | <b>823</b> | <b>823</b> |  |



Analysis of expected timing of discounted flows:

|   | 2019-20<br>£000 |                    | 2018-19<br>£000 |                    |
|---|-----------------|--------------------|-----------------|--------------------|
|   | Core Department | Departmental Group | Core Department | Departmental Group |
| Not later than one year                           | 32              | 32                 | 823             | 823                |
| Later than one year and not later than five years | -               | -                  | -               | -                  |
| Later than five years                             | -               | -                  | -               | -                  |
| <b>Balance at 31 March</b>                        | <b>32</b>       | <b>32</b>          | <b>823</b>      | <b>823</b>         |

|   | Compensation Payments | Litigation Claims | Restructuring Costs | Total     |
|---|-----------------------|-------------------|---------------------|-----------|
| Not Later than one year                           | 12                    | 20                | -                   | 32        |
| Later than one year and not later than five years | -                     | -                 | -                   | -         |
| Later than five years                             | -                     | -                 | -                   | -         |
| <b>Balance at 31 March 2020</b>                   | <b>12</b>             | <b>20</b>         | <b>-</b>            | <b>32</b> |

All provisions represent the best estimate of the expenditure required to settle the obligation at the date of approval of the financial statements.

#### 14.1 Compensation Payments: £12k (2018-19: £8k)

The opening provision related to claims for compensation under the Terrorism Act 2000 and the Justice and Security (Northern Ireland) Act 2007 at the reporting date. All such claims will either be allowed or denied (including abandoned/withdrawn claims). The provision was reversed in full during the year as it was no longer required.

A provision has been created for a liability of £12k relating to a claim for personal injury.

#### 14.2 Provision for Litigation Claims: £20k (2018-19: £509k)

A provision has been created for a liability of £20k relating to claims for civil damages cases pertaining to the 1972 Claudy bombings jointly against the NIO, PSNI and Catholic Church.

The opening provision related to separate Legal Costs and was utilised in full during the year.

### **14.3 Provision for Restructuring Costs: £nil (2018-19: £306k)**

The opening provision related to a liability for restructuring costs of the Chief Electoral Officer for Northern Ireland and was utilised in full during the year.

## **15. Contingent liabilities disclosed under IAS 37**

Listed below are the Department's contingent liabilities that have not been recognised as provisions because their existence will only be confirmed by the occurrence of one or more uncertain future events, not wholly within the Department's control.

### **(a) Finucane Judicial Review**

On 27 February 2019, the United Kingdom Supreme Court (UKSC) gave its judgment on the matter of an application by Mrs Geraldine Finucane for Judicial Review (Northern Ireland). Pending further consideration of the steps that can be taken to respond to the Supreme Court's judgment, and in particular the extent to which it is feasible to rectify in practice the technical shortcomings found in previous investigations/reviews, it is not yet possible to draw any conclusions about next steps. The United Kingdom Government is undertaking a review to enable it to reach a decision on what form of investigation, if any, is now feasible and will respond accordingly.

### **(b) Internment and potential claims for compensation**

As at 31 March 2020, there is an Internment case pending against the Department or the Secretary of State for false imprisonment which could result in further damages against the Department for false imprisonment of others who could claim their detention is similarly unlawful. Post year end there was a judgment in the Supreme Court on the case however at this point no damages have been brought and it isn't possible to effectively quantify the level of potential liability at this point within a reasonable range.

### **(c) Employment and personnel cases**

There are a number of cases pending against the Department. It has not been possible to accurately estimate the value of these cases and there is continuing uncertainty over the expected date of settlement in respect of these cases at the reporting date.

### **(d) Others**

There are a substantial number of other cases pending against the Department or the Secretary of State for which it is not possible to quantify any potential liability at this point. The cases largely relate to legacy and security matters and it is not possible to effectively quantify the level of potential liability at this point.

## 16. Related-party transactions

The Northern Ireland Office funds the Northern Irish Government and is the parent Department of three constitutionally separate entities. During the year the NIO has had a number of material transactions with these entities and with other entities which, for financial reporting purposes, are regarded as related parties. These include the Northern Ireland Human Rights Commission, the Northern Ireland Parades Commission and the Independent Reporting Commission.

In addition, the Northern Ireland Office has had a number of material transactions with other government bodies, including the Department of Finance, and HM Treasury with regard to National Loans Fund.

No board members, key managerial staff or other related parties have undertaken any other material transactions with the NIO during the year. The remuneration report sets out compensation paid to management.

## 17. Third-party assets

The Department does not hold as custodian or trustee monies belonging to third parties.

## 18. Entities within the Departmental boundary

The entities within the boundary during 2019-20 were as follows:

### *Executive*

Parades Commission for Northern Ireland \*  
Northern Ireland Human Rights Commission \*  
Independent Reporting Commission\*

### *Non-executive / Advisory*

Boundary Commission for Northern Ireland  
Chief Electoral Officer for Northern Ireland  
Civil Service Commissioners for Northern Ireland  
Crown Solicitor for Northern Ireland  
Sentence Review Commissioners  
Independent Commission for the Location of Victims' Remains  
District Electoral Areas Commissioner (ad-hoc)  
Independent Reviewer of Police and Military Powers under the Justice and Security Act 2007  
Remission of Sentences Act Commissioners  
Independent Chairman of the Northern Ireland Committee on Protection

\*Separate Annual Accounts are produced by these entities and are available at:

<http://www.paradescommission.org>

<http://www.nihrc.org>

<https://www.ircommission.org>

## **20. Events after the reporting period date**

In accordance with IAS 10, events after the reporting period are considered up to date on the date at which the accounts are authorised for issue. The existence of a new coronavirus was confirmed in 2020 which has since spread globally causing significant disruption to the economy and global business activities worldwide including disruption to the UK and future plans and activity of all government bodies. Whilst COVID existed before the reporting date of 31 March 2020, the potential financial impact of the developing situation post year-end has been considered and no resulting impact on the 31 March 2020 financial position has been identified.

On the 7<sup>th</sup> September 2020, the Prime Minister made a written statement in respect of a machinery of government change transferring responsibility for the Peace Plus Programme from the Department of Business, Energy and Industrial Strategy to the Northern Ireland Office effective immediately. As the budget attached to the programme will transfer alongside responsibility, no material impact on the financial position of the Northern Ireland Office is anticipated as a result of the transfer.

The Northern Ireland Office's Annual Report and Accounts is laid before the House of Commons by HM Treasury. The Northern Ireland Office is required to disclose the date on which the accounts are authorised for issue.

The Accounting Officer authorised the accounts for issue on the same date as the Comptroller and Auditor General signed the audit certificate.

## **ANNEX: REGULATORY REPORTING 2019-20 (Unaudited)**

| <b>Spending by Northern Ireland Office &amp; Northern Ireland Executive 2015-16 to 2020-21</b>  |                   |                   |                   |                   |                   |                        |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|------------------------|-------------------|
|   | 2015-16           | 2016-17           | 2017-18           | 2018-19           | 2019-20           | 2019-20                | 2020-21           |
|   | Outturn           | Outturn           | Outturn           | Outturn           | Plans             | Outturn <sup>(7)</sup> | Plans             |
|   | £'000             | £'000             | £'000             | £'000             | £'000             | £'000                  | £'000             |
| <b>Northern Ireland Office Expenditure</b>  |                   |                   |                   |                   |                   |                        |                   |
| Resource expenditure within Administration Costs  | 17,722            | 12,907            | 14,243            | 17,925            | 23,769            | 22,639                 | 18,511            |
| Other resource expenditure  | 12,664            | 11,524            | 10,720            | 6,444             | 16,850            | 16,719                 | 5,820             |
| <b>Northern Ireland Office Resource <sup>(2)</sup></b>  | <b>30,386</b>     | <b>24,431</b>     | <b>24,963</b>     | <b>24,369</b>     | <b>40,619</b>     | <b>39,358</b>          | <b>24,331</b>     |
| <b>Northern Ireland Office Capital</b>  | <b>1,973</b>      | <b>445</b>        | <b>1,496</b>      | <b>451</b>        | <b>825</b>        | <b>345</b>             | <b>260</b>        |
| <b>Northern Ireland Office Resource + Capital DEL <sup>(2)</sup></b>  | <b>32,359</b>     | <b>24,876</b>     | <b>26,459</b>     | <b>24,820</b>     | <b>41,444</b>     | <b>39,703</b>          | <b>24,591</b>     |
| <i>less depreciation &amp; impairments</i>  | <i>-1,681</i>     | <i>-1,956</i>     | <i>-1,872</i>     | <i>-1,920</i>     | <i>-2,100</i>     | <i>-1,925</i>          | <i>-2,100</i>     |
| <b>Northern Ireland Office DEL <sup>(3)</sup></b>   | <b>30,678</b>     | <b>22,920</b>     | <b>24,587</b>     | <b>22,900</b>     | <b>39,344</b>     | <b>37,778</b>          | <b>22,491</b>     |
| <b>Northern Ireland Executive Expenditure (The Northern Ireland Block) <sup>(6)</sup></b>   |                   |                   |                   |                   |                   |                        |                   |
| Resource  | 10,156,065        | 10,475,282        | 10,624,949        | 11,006,279        | 11,812,249        | 11,940,607             | 13,613,002        |
| Capital   | 765,747           | 1,005,419         | 1,147,995         | 1,297,127         | 1,575,605         | 1,346,920              | 1,736,756         |
| <b>Total Resource + Capital <sup>(8)</sup></b>  | <b>10,921,812</b> | <b>11,480,701</b> | <b>11,772,944</b> | <b>12,303,406</b> | <b>13,387,854</b> | <b>13,287,527</b>      | <b>15,349,758</b> |
| <i>less depreciation &amp; impairments</i>  | <i>-254,883</i>   | <i>-590,316</i>   | <i>-546,594</i>   | <i>-525,327</i>   | <i>-640,946</i>   | <i>-585,805</i>        | <i>-587,212</i>   |
| <b>Northern Ireland Executive DEL <sup>(3) (5)</sup></b>  | <b>10,666,929</b> | <b>10,890,385</b> | <b>11,226,350</b> | <b>11,778,079</b> | <b>12,746,908</b> | <b>12,701,722</b>      | <b>14,762,546</b> |
| (1) Totals may not sum due to roundings.  |                   |                   |                   |                   |                   |                        |                   |
| (2) Including depreciation & impairments  |                   |                   |                   |                   |                   |                        |                   |
| (3) Resource + capital - depreciation & impairments (includes Student Loans impairments)  |                   |                   |                   |                   |                   |                        |                   |
| (4) By convention Departmental Expenditure Limit budgets are expressed as resource and capital less depreciation & impairments. Therefore the resource and capital numbers in this table will not sum to the Departmental Expenditure Limit: the difference being depreciation & impairments. |                   |                   |                   |                   |                   |                        |                   |
| (5) DEL figures for outturn years have been adjusted to reflect subsequent budgeting changes  |                   |                   |                   |                   |                   |                        |                   |
| (6) From the 2015 Spending Review, Northern Ireland Office expenditure no longer forms part of the Northern Ireland Block   |                   |                   |                   |                   |                   |                        |                   |
| (7) Northern Ireland Office outturn data represent final outturn and will accord with the accounts published elsewhere in this document. The Northern Ireland Executive data shows provisional outturn as the Northern Ireland Executive have yet to finalise their accounts                  |                   |                   |                   |                   |                   |                        |                   |
| (8) Table 3 shows 2019-20 DEL plans as published at Supplementary Estimates 2019-20 whereas Table 1 shows updated 2019-20 DEL plans after agreed reprofiling (as published at Main Estimates 20-21)   |                   |                   |                   |                   |                   |                        |                   |

| <b>Cash grant paid to the Northern Ireland Consolidated Fund 2018-19: Provision &amp; Final Outturn</b>                   |                               |                            |                  |
|---|-------------------------------|----------------------------|------------------|
|   | <b>Original<br/>Provision</b> | <b>Final<br/>Provision</b> | <b>Outturn</b>   |
|   | <u>£ million</u>              | <u>£ million</u>           | <u>£ million</u> |
| Departmental Expenditure Limit (Resource DEL + Capital DEL) <sup>(2) (4)</sup>  | 12,385.1                      | 12,725.9                   | 12,303.4         |
| Annually Managed Expenditure (inc Other AME)  | 10,143.1                      | 9,953.2                    | 10,223.7         |
| Expenditure Financed by Regional Rates  | 613.7                         | 622.8                      | 625.0            |
| Expenditure Financed by RRI Borrowing   | 75.6                          | 66.7                       | 66.7             |
| <b>Total Managed Expenditure (DEL, AME &amp; Other AME)</b>   | <b>23,217.6</b>               | <b>23,368.6</b>            | <b>23,218.9</b>  |
| Less: non-cash expenditure (depreciation, impairments etc)  | -4,053.5                      | -4,121.7                   | -4,285.8         |
| Less: Resource consumption of NDPBs (DEL, AME & Other AME)  | -12,456.8                     | -12,886.7                  | -12,782.6        |
| Add: Cash grants paid to NDPBs  | 8,210.9                       | 8,828.7                    | 8,469.5          |
| Utilisation of Provisions   | 1,263.9                       | 1,388.7                    | 1,375.8          |
| Movement in debtors/creditors   | 104.7                         | 196.2                      | -55.4            |
| Adjustments for Prior Years   | -                             | -                          | 4.1              |
| <b>Supply Expenditure</b>   | <b>16,286.7</b>               | <b>16,773.8</b>            | <b>15,944.5</b>  |
| Interest Payable  | 68.8                          | 63.3                       | 63.4             |
| District Council Rates  | 613.9                         | 623.4                      | 623.4            |
| Consolidated Fund Standing Services   | -                             | -                          | 9.0              |
| Loans Issued  | -                             | -                          | 69.9             |
| Sums Repaid   | -                             | -                          | 66.1             |
| Temporary Investments   | -                             | -                          | 2,567.0          |
| Repayment of Principal of RRI Loans   | 115.3                         | 114.0                      | 114.0            |
| Other Services  | 9.5                           | 9.6                        | -                |
| <b>Total Expenditure</b>  | <b>17,094.3</b>               | <b>17,584.1</b>            | <b>19,457.4</b>  |
| <b>Income</b>   |                               |                            |                  |
| Add in RRI  | 75.6                          | 66.7                       | 66.7             |
| District Rates  | 613.9                         | 623.4                      | 1,343.0          |
| Regional Rates  | 729.1                         | 736.8                      | -                |
| Interest Receivable   | 49.6                          | 43.9                       | 43.0             |
| NICF Loan Repaid  | -                             | -                          | 76.1             |
| Internal Departmental Funds   | -                             | -                          | 31.2             |
| Temporary Investments   | -                             | -                          | 2,567.0          |
| Excess of Capital Receipts over capital issues  | -                             | -                          | -0.6             |
| <b>Miscellaneous receipts</b>   | <b>24.2</b>                   | <b>26.9</b>                | <b>114.0</b>     |
| <i>of which:</i>  |                               |                            |                  |
| <i>NICF Balance</i>   | <i>0.5</i>                    | <i>0.5</i>                 | <i>0.0</i>       |
| <i>Continental Shelf</i>  | <i>1.7</i>                    | <i>1.7</i>                 | <i>1.8</i>       |
| <i>Misc - NIHE, Land Annuities etc</i>  | <i>3.5</i>                    | <i>3.5</i>                 | <i>5.3</i>       |
| <i>Excess Accruing Resources</i>  | <i>0.5</i>                    | <i>0.5</i>                 | <i>80.1</i>      |
| <i>CFERS</i>  | <i>18.0</i>                   | <i>18.0</i>                | <i>24.1</i>      |
| <i>EU CFERS</i>   | <i>0.0</i>                    | <i>2.7</i>                 | <i>2.7</i>       |
| <b>Total Income</b>   | <b>1,492.4</b>                | <b>1,497.7</b>             | <b>4,240.4</b>   |
| <b>Cash grant payable to the NI Consolidated Fund <sup>(3)</sup></b>  | <b>15,601.9</b>               | <b>16,086.4</b>            | <b>15,217.0</b>  |
| (1) Totals may not sum due to roundings   |                               |                            |                  |
| (2) Resource and capital DEL including depreciation   |                               |                            |                  |
| (3) Northern Ireland Act 1998, Section 58   |                               |                            |                  |
| (4) Includes provision for expenditure implied by the Fresh Start Agreement   |                               |                            |                  |
| (5) All components of this calculation refer to expenditure incurred by/income received by the Northern Ireland Executive |                               |                            |                  |

| <b>Cash grant paid to the Northern Ireland Consolidated Fund 2019-20: Provision and Estimated outturn</b>                 |   |  |  |  |
|---|---|--|--|--|
|   | <b>Original<br/>Provision<br/>£ million</b> | <b>Final<br/>Provision<br/>£ million</b> | <b>Estimated<br/>Outturn<br/>£ million</b> |  |
| Departmental Expenditure Limit (Resource DEL + Capital DEL) (2) (4)   | 13038.2                                     | 13,428.9                                 | 13,428.9                                   |  |
| Annually Managed Expenditure (inc Other AME)  | 10,514.6                                    | 11,075.2                                 | 11,075.2                                   |  |
| Expenditure Financed by Regional Rates  | 643.1                                       | 652.7                                    | 652.7                                      |  |
| Expenditure Financed by RRI Borrowing   | 0.0   | 10.9                                     | 10.9                                       |  |
| <b>Total Managed Expenditure (DEL, AME &amp; Other AME)</b>   | <b>24,195.8</b>                             | <b>25,167.7</b>                          | <b>25,167.7</b>                            |  |
| Less Non Cash charges   | -4,563.5                                    | -5,111.6                                 | -5,111.6                                   |  |
| Less Non Voted (DEL, AME & Other AME)   | -13,360.9                                   | -13,484.6                                | -13,484.6                                  |  |
| Voted Other Expenditure outside DEL   | 8,914.6                                     | 9,388.7                                  | 9,388.7                                    |  |
| Utilisation of Provisions   | 1,320.0                                     | 1,465.1                                  | 1,465.1                                    |  |
| Movement in debtors/creditors (Z999)  | 140.9                                       | 131.8                                    | 131.8                                      |  |
| <b>Supply Expenditure</b>   | <b>16,646.9</b>                             | <b>17,557.1</b>                          | <b>17,557.1</b>                            |  |
| Interest Payable to National Loans Fund   | 63.4  | 58.5                                     | 58.5                                       |  |
| District Council Rates  | 636.7                                       | 647.2                                    | 647.2                                      |  |
| Repayment of Principal of RRI Loans (financed by Regional Rates income)   | 120.9                                       | 120.3                                    | 120.3                                      |  |
| Other Services (Statutory Salaries & Miscellaneous Receipts)  | 9.0   | 9.6                                      | 9.6  |  |
| <b>Total Expenditure</b>  | <b>17,477.0</b>                             | <b>18,392.7</b>                          | <b>18,392.7</b>                            |  |
| <b>Income</b>   |   |  |  |  |
| RRI Borrowing from National Loans Fund  | 0.0   | 10.9                                     | 10.9                                       |  |
| District Rates  | 636.7                                       | 647.2                                    | 647.2                                      |  |
| Regional Rates  | 764.0                                       | 773.0                                    | 773.0                                      |  |
| Interest Receivable in respect of loans made from NI Consolidated Fund  | 43.7  | 40.0                                     | 40.0                                       |  |
| <b>Miscellaneous receipts</b>   | <b>34.5</b>                                 | <b>33.4</b>                              | <b>33.4</b>                                |  |
| <i>of which:</i>  |   |  |  |  |
| <i>NICF Balance</i>   | <i>0.5</i>                                  | <i>0.5</i>                               | <i>0.5</i>                                 |  |
| <i>Continental Shelf</i>  | <i>1.2</i>                                  | <i>1.7</i>                               | <i>1.7</i>                                 |  |
| <i>Misc - NIHE, Land Annuities etc</i>  | <i>5.3</i>                                  | <i>3.3</i>                               | <i>3.3</i>                                 |  |
| <i>Excess Accruing Resources</i>  | <i>3.2</i>                                  | <i>3.0</i>                               | <i>3.0</i>                                 |  |
| <i>CFERS</i>  | <i>21.6</i>                                 | <i>22.2</i>                              | <i>22.2</i>                                |  |
| <i>EU CFERS</i>   | <i>2.7</i>                                  | <i>2.7</i>                               | <i>2.7</i>                                 |  |
| <b>Total Income</b>   | <b>1,478.9</b>                              | <b>1,504.5</b>                           | <b>1,504.5</b>                             |  |
| Underspend of cash grant  |   |  | -771.2                                     |  |
| <b>Cash Grant payable to Northern Ireland Consolidated</b>  | <b>15,998.1</b>                             | <b>16,888.2</b>                          | <b>16,117.0</b>                            |  |
| (1) Totals may not sum due to roundings   |   |  |  |  |
| (2) Resource and capital DEL including depreciation   |   |  |  |  |
| (3) Northern Ireland Act 1998, Section 58   |   |  |  |  |
| (4) Includes provision for expenditure implied by Fresh Start Agreement and New Decade New Approach                       |   |  |  |  |
| (5) All components of this calculation refer to expenditure incurred by/income received by the Northern Ireland Executive |   |  |  |  |
| (6) A detailed breakdown of the 2019-20 outturn for Northern Ireland Executive Expenditure is not yet available           |   |  |  |  |



| <b>Calculation of Grant Payable to Northern Ireland Consolidated Fund 2020-21</b>  |  |                  |  |  |
|--|--|------------------|--|--|
|  |  | <b>£ million</b> |  |  |
| Departmental Expenditure Limit (Resource DEL + Capital DEL)  |  | 15,349.8         |  |  |
| Annually Managed Expenditure (inc Other AME)   |  | 11,958.8         |  |  |
| Expenditure Financed by Regional Rates   |  | 652.7            |  |  |
| Expenditure Financed by RRI Borrowing  |  | 200.0            |  |  |
| <b>Total Managed Expenditure (DEL, AME &amp; Other AME)</b>  |  | <b>28,161.2</b>  |  |  |
| Less: non-cash expenditure (depreciation, impairments etc)   |  | -5,803.5         |  |  |
| Less: Resource consumption of NDPBs (DEL, AME & Other AME)   |  | -303.8           |  |  |
| Utilisation of Provisions  |  | 1,392.6          |  |  |
| Movement in debtors/creditors  |  | 44.2             |  |  |
| <b>Total Supply Expenditure</b>  |  | <b>23,490.8</b>  |  |  |
| Interest Payable to National Loans Fund  |  | 53.8             |  |  |
| District Council Rates   |  | 662.9            |  |  |
| Repayment of Principal of RRI Loans (financed by Regional Rates income)  |  | 124.1            |  |  |
| Other Services (Statutory Salaries & Miscellaneous Receipts)   |  | 9.5              |  |  |
| <b>Total Expenditure</b>   |  | <b>24,341.2</b>  |  |  |
| <b>Less Income</b>   |  |                  |  |  |
| RRI Borrowing from National Loans Fund   |  | 200.0            |  |  |
| District Rates   |  | 662.9            |  |  |
| Regional Rates   |  | 776.8            |  |  |
| Interest Receivable in respect of loans made from NI Consolidated Fund   |  | 36.9             |  |  |
| Miscellaneous receipts   |  | 61.7             |  |  |
| <i>of which:</i>   |  |                  |  |  |
| <i>NICF Balance</i>  |  | 0.5              |  |  |
| <i>Continental Shelf</i>   |  | 1.7              |  |  |
| <i>Misc - NIHE, Land Annuities etc</i>   |  | 3.5              |  |  |
| <i>Excess Accruing Resources</i>   |  | 3.0              |  |  |
| <i>CFERS</i>   |  | 50.0             |  |  |
| <i>EU CFERS</i>  |  | 3.0              |  |  |
| <b>Total Income</b>  |  | <b>1,738.3</b>   |  |  |
| <b>Cash Grant payable to Northern Ireland Consolidated Fund by Northern Ireland Office</b>                               |  | <b>22,602.9</b>  |  |  |
| Notes  |  |                  |  |  |
| 1. All items forming this calculation refer to expenditure incurred by/income received by the Northern Ireland Executive |  |                  |  |  |
| 2. Totals may not sum due to roundings   |  |                  |  |  |





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