



Northern  
Ireland  
Office

# ANNUAL REPORT AND ACCOUNTS 2020-21

# **Northern Ireland Office**

# **Annual Report and Accounts 2020-21**

**(For the year ended 31 March 2021)**

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

Ordered by the House of Commons to be printed on 30 June 2021

*This is part of a series of Departmental publications which, along with the Main Estimates 2021-22 and the document Public Expenditure: Statistical Analyses 2020, present the Government's outturn for 2020-21 and planned expenditure for 2021-22.*



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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 2020-21 to Parliament, my second as Secretary of State for Northern Ireland.

This has been a challenging year for all departments and governments across the world in the ongoing fight against COVID-19. In Northern Ireland, this crisis highlights the importance of having a functioning Executive in place to take crucial decisions that support and protect its citizens. I commend the joined-up approach to the pandemic response between the Northern Ireland Executive and the UK Government, including in delivering an effective vaccination roll out, which is something we must continue to build on as we face the challenges that lie ahead in supporting Northern Ireland in its post-Covid recovery.

I am proud of my department's resilience and ongoing hard work over the year in delivering this Government's priorities for Northern Ireland. This past year the Government made available over £18 billion funding to the Northern Ireland Executive, including an additional £3 billion of funding through the Barnett formula to support Northern Ireland's COVID-19 response. We have also progressed the delivery of City and Growth Deals, which cover the whole of Northern Ireland, which will see over £600m investment to drive forward innovation and prosperity.

Good progress has been made in implementing the commitments set out in the New Decade, New Approach Agreement, including appointing a new Commissioner for Veterans; proposed reforms to improve the sustainability of the institutions to be delivered via the Northern Ireland Bill; financial support for NI Screen's Irish Language and Ulster Scots broadcasting funds; and launching an ambitious £3m programme of activity for the centenary of Northern Ireland. This programme has been designed to mark Northern Ireland's centenary with respect and inclusivity, recognising the people, places and products that make Northern Ireland the great place it is to live, work and do business, and promote its contribution to the United Kingdom and our world.

Northern Ireland has great ambition, the determination to succeed and the resolve to never return to the divisions of the past. But it is clear there is more work to do, including to resolve issues around the Northern Ireland Protocol, supporting post-Covid economic recovery and helping to

address the legacy of Northern Ireland's past. I am determined to find solutions to these issues and in doing so to uphold the principles of the Belfast/Good Friday Agreement in all its dimensions, to which the Government is steadfastly committed.

Throughout the year ahead my department will continue to focus on the issues that matter, helping make Northern Ireland a better place to live, work and invest and ensuring its system of governance delivers for the people it serves. We will work tirelessly to ensure that our Union is inclusive of Northern Ireland's rich tapestry of languages, identities and cultures, and build new alliances to deliver real change in its communities. In doing so, we can fully realise Northern Ireland's huge potential.

**Rt. Hon Brandon Lewis CBE MP**

**Secretary of State for Northern Ireland**



## Northern Ireland Office Ministers as at 31 March 2021



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

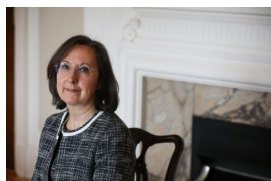


**Robin Walker**  
Minister of State

Further information on our Ministers is available on our website:

<https://www.gov.uk/government/organisations/northern-ireland-office>

## Board members as at 31 March 2021<sup>1</sup>



**Madeleine Alessandri**  
Permanent Secretary



**Mark Larmour**  
Director



**Chris Flatt**  
Director



**Colin Perry**  
Director

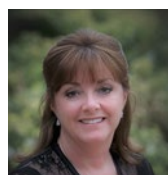


**Andy Pike**  
Director

## Non-Executive Board Members<sup>2</sup>



**Les Philpott**  
Lead Non-Executive  
Director



**Louise Wilson**  
Non-Executive Director



**Monica Kelly<sup>3</sup>**  
Board Apprentice

<sup>1</sup> The following executive board members left the Northern Ireland Office during 2020-21: Lindy Cameron left the department to become CEO of The National Cyber Security Centre in October 2020.

<sup>2</sup> Dawn Johnson stood down as Lead Non-Executive Director in October 2020 and David Brooker stood down in August 2020. Les Philpott and Louise Wilson joined the Board with effect from 1 October 2020.

<sup>3</sup> Monica Kelly sits on the Board in a non-executive capacity as part of the Boardroom Apprentice scheme. Further information can be found at: <https://strictlyboardroom.com/apprentice/>

## PERMANENT SECRETARY'S PERSPECTIVE ON PERFORMANCE



### **Madeleine Alessandri**

Northern Ireland Office Permanent Secretary  
and Principal Accounting Officer

The past year, dominated by the pandemic, presented unique challenges for all of us, personally and professionally. As a department, our values of flexibility, inclusivity and empowerment have been vital in enabling the Northern Ireland Office to contribute to the Government's COVID-19 response, while continuing to deliver against our business priorities, and looking after the wellbeing of our staff.

During the year, the department strengthened its strategic oversight arrangements, finance and governance processes. We also welcomed two new Non-Executive Directors, Les Philpott and Louise Wilson, who have brought valuable insight, external expertise and challenge to the Board.

We have continued to focus on the development of our key priorities of prosperity, society, safety and governance. These also form the basis of our new Outcomes Delivery Plan for 2021-22, supporting our overarching aim of making Northern Ireland an even better place in which to live, work and do business.

In 2020-21 we continued to deliver on the commitments made by the UK Government in the 'New Decade, New Approach' agreement, which led to the restoration of the Northern Ireland Executive in January 2020. This has included the development of an ambitious programme to mark Northern Ireland's Centenary year, reflecting on the past while building for the future, working with partners to foster national and international awareness of this significant anniversary.

The Northern Ireland Protocol is a unique solution to complex challenges. The department has continued to support the Secretary of State and Ministers in their engagement with business and civic society about the pragmatic and proportionate implementation of the Protocol<sup>4</sup>. We have focused our efforts on upholding the Belfast / Good Friday Agreement in all its dimensions and minimising its impact on everyday lives in Northern Ireland, as the Protocol itself sets out.

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<sup>4</sup> The Government published a Command Paper on 10 December 2020 setting out the details of the agreement in principle on the implementation of the Northern Ireland Protocol that can be found at:

<https://www.gov.uk/government/news/command-paper-sets-out-the-uk-governments-delivery-of-its-commitments-to-the-people-of-northern-ireland>

The economic shock of the pandemic has heightened the important role of the NIO to work with partners across the UK Government and the Northern Ireland Executive to maximise Northern Ireland's recovery and to support long-term economic growth. In the past year, the U.K. Government introduced and extended a number of Covid support schemes such as the Coronavirus Job Retention Scheme and Self Employed support. It also allocated an additional £3 billion to the Northern Ireland Executive in 2020-21 on top of their existing funding to respond to COVID-19, with overall COVID-19 funding for the Executive reaching £5 billion. This additional funding from the UK Government comes on top of the £3.5 billion investment in Northern Ireland through the New Deal for NI, City Deals, PEACE PLUS and the New Decade New Approach financial packages.

The NIO remains firmly committed to supporting greater inclusion, tolerance and openness in Northern Ireland. This year, we took further steps to uphold the rights of women and girls in Northern Ireland to have access to safe and lawful abortion provision locally. We have also continued our work to address the sensitive legacy of the Troubles, seeing welcome progress towards the delivery of the Executive's Troubles Permanent Disablement Scheme, which will open to applicants on 30 June 2021.

As the threat level for Northern Ireland remains at severe, keeping people safe from terrorism has also remained a vital part of the department's work, which included delivering a strategic approach to tackling the enduring threat, working closely with partners.

I am proud of the way my NIO colleagues across the department have embodied the Civil Service values and our own departmental values throughout an exceptionally challenging year. We remain committed to getting the best possible outcomes for Northern Ireland in the year ahead.

**Madeleine Alessandri CMG**

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



### **Les Philpott**

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

### Introduction

This is my first report as the Northern Ireland Office's lead non-executive director and Chair of the Northern Ireland Office's Audit & Risk Committee. My report reflects on the work of the Board and the Audit & Risk Committee over the last twelve months and has been prepared in line with HM Treasury guidance. To prepare this report I have drawn on information provided to me by the department's Corporate Governance Team and previous Lead Non-Executive Director.

### 2020-21 Overview

The challenges of the COVID-19 pandemic have continued to test the capabilities of the Northern Ireland Office in 2020-21 but the Department has risen to the challenge and embraced different ways of working to continue to deliver business priorities.

The Board supported by the Executive Committee has made significant progress on its objectives, delivering on New Decade New Approach Agreement commitments, supporting the Northern Ireland Protocol negotiations and progressing measures to support Northern Ireland's economic development. The risks associated with areas such as the Protocol, economic impacts of the pandemic and delivering on commitments around legacy issues should not be under-estimated, and the Board's robust risk management has been important in responding to these challenges.

A key focus for the Department this year, that should go a long way to keeping the Department on track going forward, was the development of a long-term outcomes based strategic plan, which is discussed in more detail in the [Performance Report](#). This plan will enable the Department to be more proactive, anticipate future challenges, allocate resources appropriately and enable the measurement of how work is making a difference in Northern Ireland. It also delivers on business planning and performance management reforms set by the Cabinet Office.

Throughout the development of this Plan and the delivery of objectives for 2020-21, the new non-executive team has used its skills, and networks to support the Board develop this Plan and promote the work of the Department across Whitehall. Particularly, I have been able to help ensure that the nuances and complexities facing the Northern Ireland Office have been

understood and factored into considerations on designing a flexible “not one size fits all approach” to the new Outcomes Delivery Plan process and wider work underway to deliver a Smarter Government approach.

## Board membership and effectiveness

The Board met four times during 2020-21, there was one change to the Board’s executive membership when Lindy Cameron left the Department in September 2020 and the non-executive team was fully refreshed. See more detail in the [Non-Executive Directors](#) section.

In light of the changes to the Board’s membership, and to realign the annual in-year effectiveness evaluation with the end of the financial reporting year, and the Cabinet Office reporting cycle the assessment scheduled for autumn 2020 was moved to the next reporting period and will be completed during summer 2021. In-year the Board took assurance from its review of the Board Operating Framework that it was functioning in line with the requirements of the corporate governance code for central government departments. During the year, the Board reflected on the quality of the information it received and that members could interpret the data with ease. The Board noted that there had been improvements in the structure, quality of the papers presented, particularly in respect of the management of risk, and that a new reporting regime was under development to monitor progress against business objectives.

## Non-Executive Directors

There were a number of changes to the non-executive director team during the reporting period. David Brooker and Dawn Johnson (the previous lead non-executive) stood down in August and September 2020 respectively. Following an open recruitment exercise, the Secretary of State appointed me to the position of lead non-executive director and Louise Wilson as a non-executive director and Board member with effect from 1 October 2020 for a period of three years.

## Audit and Risk Committee

The Audit and Risk Committee met four times during the year, where it conducted 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 changed in year as follows: Dawn Johnson and Rosanna Wong have stood down (October 2020 and January 2021 respectively) and I have taken over as Chair from October 2020. With the scheduled departure of Ian Summers in September 2021, I have reflected on the future skills requirements needed by the Committee and plan to recruit two new members. Although the Committee is currently carrying one vacancy, it remains quorate.

The Northern Ireland Office Permanent Secretary and Accounting Officer attended all meetings of the Committee during the reporting period. Representatives from internal and external auditors also attended each meeting and provided audit reports accordingly. The Committee

acknowledges that the overall internal audit opinion reported a 'moderate' level of assurance for 2020-21. I have noted the minor nature of the recommendations in these audits and am assured the Department is committed to taking action on these.

At each meeting, the Committee received detailed papers and reports on a range of matters as well as updates on the key risks and issues affecting the department's work in 2020-21, as I have referenced above. The Committee effectively discharged its challenge function on these updates and took assurance from these updates and the response to challenge from the Executive membership.

The Committee took a particular interest in monitoring the Crown Solicitor's review of financial management processes. Both my predecessor and I took assurance from having direct sight of this review and the opportunity to challenge the Crown Solicitor on the steps underway to strengthen income recovery and financial forecasting.

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, the Independent Reporting Commission has not established its own Audit Committee and the Northern Ireland Office Audit & Risk Committee provides this oversight instead.

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 updates on the external audit activities. I intend to meet with the chairs of the other audit committees in the next reporting period.

### Acknowledgements

As Chair of the Audit and Risk Committee, I would like to pay tribute to my predecessor, Dawn Johnson, for her stewardship of the Committee over the last seven years and thank the auditors and senior officials within the Northern Ireland Office for supporting the ongoing work of the Board and Committees.

### Les Philpott

## PERFORMANCE REPORT

## Overview

### Our purpose and core values

The Northern Ireland Office (NIO) supports the Secretary of State for Northern Ireland in delivering the Government's strategic priorities for Northern Ireland.

Working across its offices in Belfast and London, the Northern Ireland Office's portfolio is complex, extensive and impactful. The Department is passionate about delivering for the people of Northern Ireland and all teams operate in a flexible, empowering and inclusive way.

### Northern Ireland Office objectives - 2020-21

The Northern Ireland Office's Summary Business Plan for 2020-21 set the following five objectives to help deliver on the Secretary of State's priorities.

#### 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

The Summary Business Plan is available at:

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

Successful delivery of the Business Plan for 2020-21, particularly in the last financial year given COVID-19, has been achieved through the Northern Ireland Office's ability to stay flexible and adaptable, managing emerging risks that impact on and relate to its work. The department's robust risk management arrangements, and strengths in working with partners, has helped ensure it has responded to the challenges it has faced throughout the year.



The Department has worked particularly closely this year with the Northern Ireland Executive, other parts of the UK Government, and key delivery partners, on some of Government's most complex challenges. The Department also works with counterparts in the Irish Government. Key challenges have included the negotiation of the UK-EU Trade and Cooperation Agreement (TCA) as part of discussions on implementation of the Northern Ireland Protocol ("the Protocol"). The Department facilitated high-level engagement for key community and business stakeholders with EU representatives on the Northern Ireland Protocol. Engagement undertaken across an extensive network of stakeholders in Northern Ireland has been acutely important throughout the changing dynamics we have faced over recent years. In response to that, the Department has enhanced its engagement with civic society stakeholders and convened a series of conversations with influential voices across the grassroots of Northern Ireland.

Whilst these have been challenging times, it is the good working relationships that have helped the Department play its part in moving these issues forward in the spirit of delivering on its strategic objectives. The collaboration between the Northern Ireland Office, colleagues across the UK Government, the Northern Ireland Civil Service and other stakeholders, to ensure that appropriate COVID-19 response plans were in place is a significant success during the reporting period. We will continue in 2021-22 to monitor and mitigate the risks around the pandemic and work with others to help Northern Ireland in its post COVID-19 recovery.

Progress against each of the Northern Ireland Office's five objectives for 2020-21 is set out in more detail in the [Strategic Performance Analysis](#) section. Further information on work undertaken throughout the year such as announcements and other publications is available at:

<https://www.gov.uk/government/organisations/northern-ireland-office>

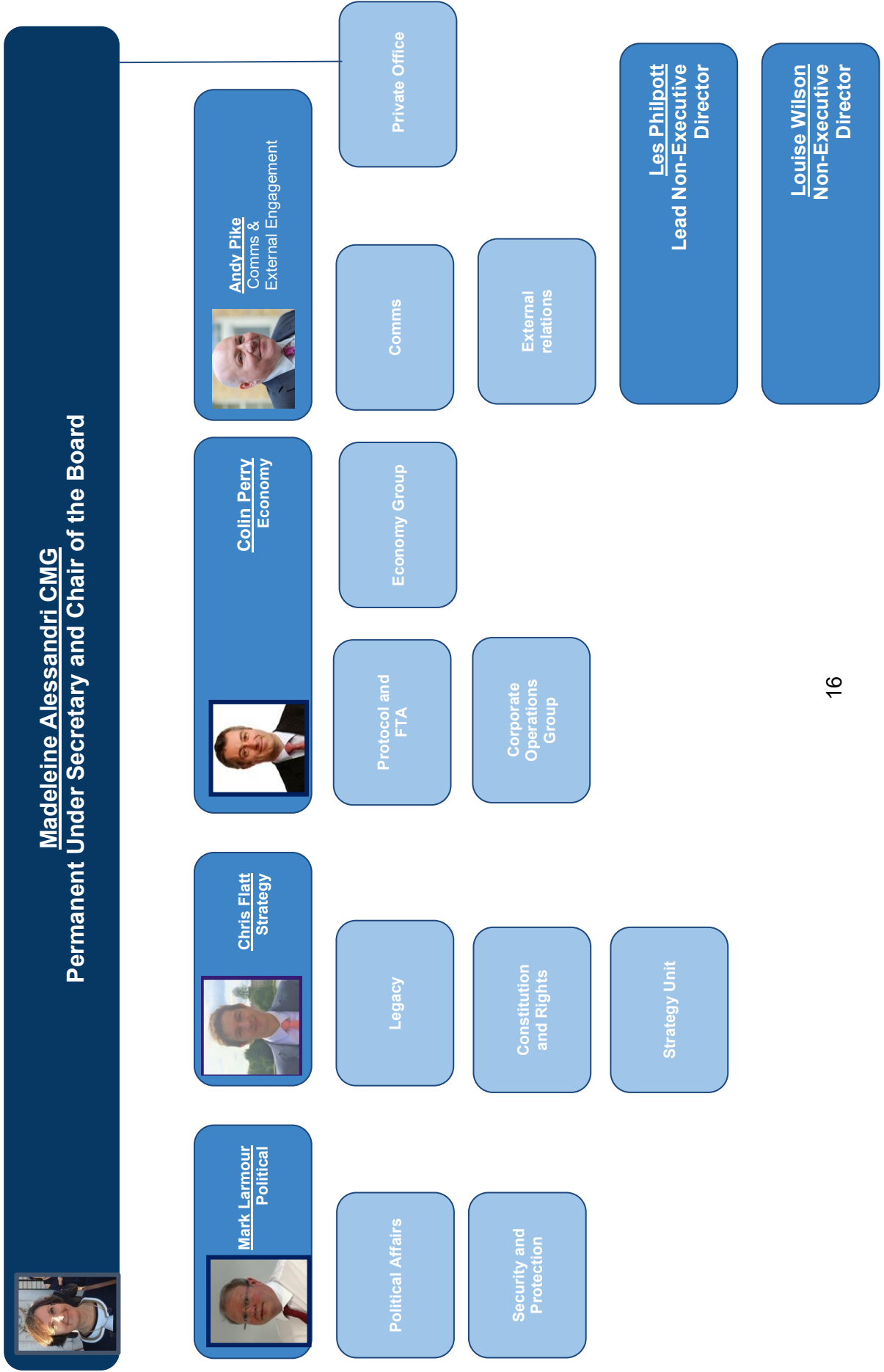
### Northern Ireland Office structure

As at 31 March 2021, the Northern Ireland Office employed 162 staff across its offices in Belfast and London. The Northern Ireland Office Board, and the Executive Committee, oversees and manages the work of the Department. In addition to the core Department, there are a range of matters dealt with through a network of associated bodies such as the Northern Ireland Human Rights Commission, the Boundary Commission for Northern Ireland, and the Independent Reporting Commission (among others). 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.

Further information on the range of associated bodies sponsored by the Northern Ireland Office and about the department's governance structures is available at:

<https://www.gov.uk/government/organisations/northern-ireland-office/about/our-governance>

## How our department is organised (as at 31 March 2021)



## Our finances

### Spending summary highlights for 2020-21

|  | 2020-21          | 2019-20          | Variance         |
|--|------------------|------------------|------------------|
| <b>Spend By Budget Classification</b>                                    | <b>£millions</b> | <b>£millions</b> | <b>£millions</b> |
| Resource DEL (Voted)<br>(Departmental operations including depreciation) | 29.1             | 30.8             | (1.8)            |
| Resource DEL (Non-Voted)<br>(Election Funding*)                          | 0.0              | 8.1              | (8.1)            |
| AME <sup>5</sup><br>(Non-Cash accounting provisions)                     | 535.6            | (0.8)            | 536.4            |
| Capital DEL<br>(Expenditure on Departmental non-current assets)          | 0.8              | 0.5              | 0.3              |
| Non Budget<br>(NI Executive funding)                                     | 19,627           | 16,117           | 3,510            |

\* 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 2020-21 Supplementary Estimates are available at:

<https://www.gov.uk/government/publications/supplementary-estimates-2020-21>

**Departmental Expenditure Limit (DEL): £33,190,000 (including non-voted expenditure of £Nil)**

<sup>5</sup> The increase in AME budget for 2020/21 was largely due to budgetary cover received at Supplementary Estimates for a Machinery of Government (MoG) change in September 2020 discussed further on page 19.

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.

During 2020-21, the Department received £1.3m RDEL funding at Supplementary Estimates to cover an unforeseeable income shortfall expected by the Crown Solicitor's Office as a result of COVID-19 related courts closures, of which £0.6m was utilised during the year. The Department did not avail of any other coronavirus support schemes (including loans, grants and other programmes).

### **Annually Managed Expenditure (AME): £566,560,000**

Expenditure arising from change in provisions, primarily due to Machinery of Government (MoG) change in September 2020 whereby PEACE PLUS, a cross government scheme UKG has publicly committed funding of over £500m to the EU to deliver peace building programmes in Northern Ireland, was transferred to the department from BEIS.

### **Non-Budget Expenditure: £22,602,339,000**

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 2020-21 was £23,201m (2019-20: £16,930m) and the department's final capital Estimate for 2020-21 was £0.897m (2019-20: £0.825m).

### **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 programmes which were delayed due to COVID and recognised after the department's Estimates were set in February 2021. The net resource outturn for 2020-21 was £20,192m (2019-20: £16,155m) compared with the Estimate of £23,201m (2019-20: £16,930m). This is a variance of £3,009m (2019-20: £775m).

The main reasons for this variance are:

- £2,975m funds anticipated to be required by the Northern Ireland Executive were not drawn down from the Consolidated Fund;
- a variance of £30.9m against the AME Estimate due to budgeting for foreign exchange uncertainty attributable to the PEACE PLUS Programme resulting in lower than anticipated expenditure related to accounting provisions;
- other small variances across the remainder of the department and its ALBs.

The Department received EU Exit funding of £1.07m in 2020/21, against which it spent £1.064m. The funds were spent on staff costs within the Protocol and Free Trade Agreement Team. The team supported policy development on the approach to protocol implementation in the context of Northern Ireland, engaging extensively with a wide range of Northern Ireland stakeholders to inform approach. This was undertaken in line with the Department's strategic objectives. All of this funding was provided by HM Treasury.

The Department also received EU Exit contingency funding of £0.9m in 2020/21. This was ultimately not required and therefore was not spent.

### Capital

The net capital outturn for 2020-21 was £0.7m (2019-20: £0.46m) compared with the Estimate of £0.9m (2019-20: £0.83m). This is a variance of £0.2m (2019-20: (£0.37m)).

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 £19,656m (2019-20 £16,140m) compared with the Estimate of £22,632m (2019-20: £16,918m). This is a variance of £2,976m (2019-20: (£778m)). This variance resulted from lower than anticipated drawdowns 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 liabilities at 31 March 2021 of £458m (2019-20: net assets of £78m (restated)) principally comprise the recognition of a £535m provision (2019-20: Nil) for the department's estimated funding of the PEACE PLUS programme following a publicly announced government commitment to devote funds to the programme in December 2020.

This has given rise to a material liability on the balance sheet, however although the funding for the programme will be fully met via HMT Estimates processes, the conditions for recognising a corresponding contingent asset have not been met. The agreement is due to be signed during 2021-22, at which point the provision will crystallise into a payable. Funding has been secured via the Mains Estimates process to meet the obligation for the 2021-22 financial year. As such, the recognition of this liability does not raise any uncertainty in relation to the department's going concern status.

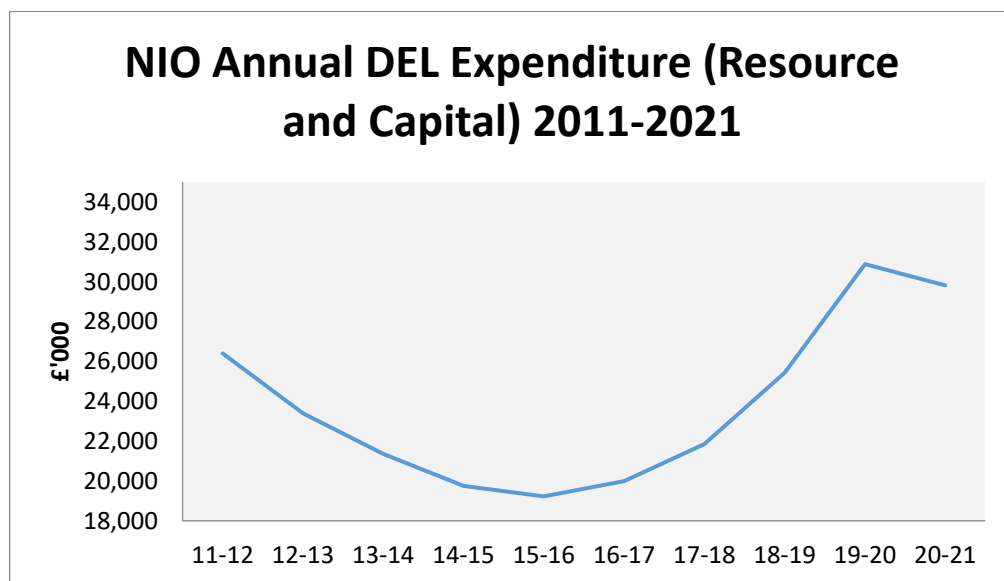
The remainder of the net liabilities principally comprise property, plant and equipment of which Hillsborough Castle and its surrounding estate is £77.1m (2019-20: £78.6m (restated)) as the remainder of the other assets and liabilities largely offset. Prior period adjustments to this asset value have resulted from an error in accounting for indexation that should have been recognised in the interim years between quinquennial valuation, details of which are included in the [Parliamentary Accountability and audit report](#) section

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 2020-21 resulted in a group audit fee of £184,600 (cash audit fee £39,600, non-cash audit fee £145,000) (2019-20 £174,000; cash fee £39,000, non-cash fee £134,000).

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, PEACE PLUS as well as increased capital expenditure on IT and infrastructure projects and the decline from 2019-20 largely due to reduced or paused expenditure on items due to COVID-19.

**Madeleine Alessandri**  
**Accounting Officer**  
**21 June 2021**



## STRATEGIC PERFORMANCE ANALYSIS

The section below sets out in detail the range of published business plan objectives and how we have delivered these during 2020-21.

### Objective 1: Making politics work

Over the course of the reporting period, in pursuit of making politics work, the Northern Ireland Office focussed on:

- supporting the Northern Ireland Executive in a new period of devolved government; implementing UK Government commitments set out in the New Decade New Approach (NDNA) Agreement;
- working with the Northern Ireland Executive on other NDNA commitments; ensuring the people of Northern Ireland are provided with efficient electoral services;
- building stronger relationships with the Irish and US Governments; and
- enhancing its engagement with faith, civic and community stakeholders.

In delivering commitments in the NDNA Agreement, the department has:

- agreed the release of £556m of funding in the NDNA deal;
- ensured the appointment of a Veteran's commissioner;
- launched an ambitious £3m programme of activity to mark the Northern Ireland Centenary. This programme has been designed in consultation with historians, cultural experts and the people of Northern Ireland to mark the centenary with respect and inclusivity. The programme seeks to reflect on the past and build for the future whilst highlighting what makes Northern Ireland the great place it is today;
- delivered amendments to the Flags (Northern Ireland) Regulations 2000 to ensure that the designated flag flying days in Northern Ireland is consistent with the days observed in the rest of the UK

The Northern Ireland Office has also driven forward the governance structures underpinning the NDNA Agreement, by establishing the Joint-Board and Implementation Review Meetings. The first ever NDNA Agreement Joint-Board meeting was held in July 2020, with subsequent meetings held since. The first Implementation Review Meeting was held in February 2021, which saw the Secretary of State for Northern Ireland, the Irish Minister for Foreign Affairs, and the five Executive party leaders come together to discuss the progress in delivering on commitments in the New Decade, New Approach agreement.

An important aspect of making politics work in Northern Ireland is also about supporting the practical delivery of elections and as well as continued sponsorship of the Electoral Office of Northern Ireland. The department has legislated to enable citizens to respond to the electoral canvass electronically and protect those standing for office from intimidation by removing the

requirement to put home addresses on local ballot papers. We have also continued to work closely with the Chief Electoral Officer and, in the light of the COVID-19 public health emergency, used the Coronavirus Bill to delay the electoral canvass until 2021 to ensure maximum participation and protect the accuracy and completeness of the register.

The department and its leaders feel strongly about leading by example in all of its dialogue and in helping to pave the way for others and future generations to make politics work in Northern Ireland. To mark International Women's Day the Permanent Secretary, Madeleine Alessandri, hosted a virtual roundtable event with young women across Northern Ireland to discuss her experiences as a woman in leadership, the challenges women face in Northern Ireland and her role as the Northern Ireland Office's first female Permanent Secretary.

Whilst the political challenges facing the new Executive and the political parties throughout this reporting period have been challenging, the Northern Ireland Office remains determined to help make politics work. The department will continue to work towards '**ensuring that governance in Northern Ireland is responsive, transparent and able to deliver effective public service**'. This is one of the Secretary of State's four strategic priorities for the year ahead.

## Objective 2: A more secure Northern Ireland

The Northern Ireland Office continues to deliver on the UK Government's vision of a safer Northern Ireland by working with all delivery partners, including National Security partners, the Police Service of Northern Ireland, local community groups and political leaders to support efforts against the enduring threat and harms posed by terrorist and paramilitary groups. The department's ongoing ambition is to help strengthen democracy and the rule of law through supporting more effective security, justice, community and individual interventions and processes.

Key highlights delivered in pursuit of this objective for 2020-21 include:

- We worked closely with security partners and devolved colleagues to ensure readiness for the end of the EU Exit transition period on 1 January 2021. This included making and implementing the Law Enforcement and Security (Amendment) (EU Exit) Regulations 2020, in relation to explosives precursors licencing and firearms as required by the Northern Ireland protocol.
- The Northern Ireland Office also undertook a key liaison role leading up to and following the Trade and Cooperation Agreement with the EU ensuring smooth information flows between Northern Ireland stakeholders and central Government and ultimately an outcome that allows for continued cross-border crime cooperation to keep people safe on the island of Ireland.
- We have represented Northern Ireland interests in the development of a number of UK-wide bills and have encouraged other Government departments to engage with the Northern Ireland Executive. In November 2020, the Northern Ireland Office also launched

a public consultation seeking views on whether the legislative provisions for non-jury trials should be extended.

- We supported the work of the Independent Reviewer of the Justice and Security (Northern Ireland) Act 2007. The Independent Reviewer's twelfth report was published on 30 April 2020. Following the expiry of the incumbent's tenure, the Secretary of State for Northern Ireland made a new appointment into the role with effect from 1 February 2021.
- We secured additional funding of £5m in the Spending Review 2020 for the Tackling Paramilitarism Programme - *a dedicated programme of activity to tackle paramilitarism as part of 'A Fresh Start - The Stormont Agreement and Implementation Plan'*. A separate £10m will be provided over the next three years through the NDNA funding for Communities in Transition work subject to the terms of that Deal.
- In November the Northern Ireland Office laid the IRC's third substantive annual report on progress towards ending paramilitary activity. The report recognised the progress that has been made to date and welcomed the return of the Executive but noted the potential challenge which COVID-19 could cause to public spending and service provision.

While the security situation in Northern Ireland is in no way comparable to that which existed during the Troubles, the threat from Northern Ireland Related Terrorism (NIRT) has remained SEVERE - meaning an attack is highly likely. The Northern Ireland Office will therefore continue in its pursuit of making Northern Ireland a safer place and has made **'contributing to a safer Northern Ireland, where terrorist and paramilitary groups are less able to cause harm to communities'** one of its 4 strategic priorities for 2021-22.

### Objective 3: A growing economy

Throughout 2020-21, 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 the NI Executive, Northern Ireland partners and other UK Government departments, has continued to prioritise strengthening and rebalancing the Northern Ireland economy, as part of the Government's commitment to taking forward a targeted approach to deliver for the people of Northern Ireland in a way that levels up Northern Ireland with the rest of the UK and protects its place in a stronger more prosperous Union.

Throughout the reporting period, the Northern Ireland Office and the Secretary of State have worked to promote Northern Ireland as a great place to invest and do business, with a highly skilled workforce and a more stable political environment following the restoration of the NI Executive. The Secretary of State has met with business leaders, including within the Business Engagement Forum established by the Northern Ireland Office, to discuss the opportunities and challenges they face, including as a result of the COVID-19 pandemic and the new trading environment under the Northern Ireland Protocol ("the Protocol"). Aligning with the wider Government's growth agenda to invest in Infrastructure, Skills and Innovation, the Northern Ireland Office will consider how best to put structures in place to address the challenges faced by businesses to enable them to effectively leverage opportunities to facilitate longer term economic

growth in Northern Ireland. The Northern Ireland Office will work with other UK Government departments to ensure that UK-wide funds, such as the Levelling Up Fund, are used to best effect in Northern Ireland.

The Northern Ireland block grant for 2020-21 totalled £19.6 billion. This represented an increase of 14% on 2019-20. The UK Government provided the NI Executive an additional £3.3 billion to protect public health and the economy throughout the pandemic. NI businesses and individuals also benefited from UK-wide coronavirus support schemes. Around 250,000 people in Northern Ireland benefited from the furlough scheme and a further 80,000 under the Self Employment Income Support Scheme. Government backed loans worth more than £1.3 billion have been issued to more than 35,000 firms in NI since the beginning of the pandemic. These actions have helped mitigate the impact of the virus on Northern Ireland's economy.

The Northern Ireland Office represented Northern Ireland's interests as part of the preparations for the end of the Transition Period, including discussions with the EU, within the Joint Committee structures, on the approach to implementation of the Protocol. Meeting our obligations under the Protocol in a pragmatic and proportionate way - taking account of the Belfast (Good Friday) Agreement in all its dimensions, North-South and East-West - has been the basis on which the UK Government has given effect to its obligations under the Protocol. This means consistently and effectively implementing the guarantee in the Protocol of unfettered access from Northern Ireland to the rest of the United Kingdom; maintaining the flow of trade from Great Britain to Northern Ireland; and protecting Northern Ireland's place in the UK customs territory. The Northern Ireland Office supported the passage of the UK Internal Market Act, providing Ministerial support for the Northern Ireland aspects of the Bill, including unfettered access policy.

Further, the Northern Ireland Office continues to work with partners across the UK Government to ensure that devolved considerations and the views of the Northern Ireland 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. The Northern Ireland Office has been at the centre of cross-UK Government work to safeguard jobs and livelihoods and will continue in 2021-22 to have prosperity for Northern Ireland as a top priority outcome.

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

The collaborative approach that has emerged throughout the pandemic emphasises the importance of working in partnership between the UK Government and all those that have a role to play in building a stronger society in Northern Ireland. The UK Government has remained unwavering in its commitment to the Belfast (Good Friday) Agreement, and recognises the guarantees of equality and rights for all communities in Northern Ireland being a fundamental part of that Agreement. Throughout and beyond the transition period, the Northern Ireland Office has worked to ensure these vitally important rights continue to be upheld. This includes delivering on the Government's commitment to Article 2 of the Northern Ireland Protocol, to ensure no diminution of rights, safeguards and equality of opportunity protections set out in the relevant

chapter of the Belfast (Good Friday) Agreement and six relevant EU equality directives. The department has worked closely with the Northern Ireland Human Rights Commission and the Equality Commission for Northern Ireland to ensure the dedicated mechanism became operational on 1 January 2021.

The department's pursuit of an inclusive society has extended to its work to support a change to the immigration rules governing how the people of Northern Ireland bring their family members to the UK. This change, which was taken forward in May 2020, will mean that eligible family members of the people of Northern Ireland will be able to apply for UK immigration status on broadly the same terms as the family members of Irish citizens in the UK.

The Northern Ireland Office is developing a strong track record in delivering on its equality and rights commitments and following on from work in 2019-20 which saw the Northern Ireland Office deliver legislation in Northern Ireland relating to abortion and legalising same-sex civil marriage and opposite-sex civil partnerships, the department in 2020-21 has also delivered:

- further legislation to provide for same-sex religious marriage; while also ensuring that appropriate protections and exemptions are in place for those religious bodies and officiants who do not wish to solemnise same-sex religious marriages.
- on conversion entitlements, meaning that couples in existing same-sex civil partnerships or opposite-sex marriages can now convert to a new legal relationship should they choose to do so.
- further legislation *the (Northern Ireland) Regulations 2021* – this enables the Secretary of State for Northern Ireland to direct Northern Ireland Ministers and, departments or relevant agencies to implement the relevant recommendations, with respect to abortion services in Northern Ireland, of the United Nations's *'Report of the inquiry concerning the United Kingdom of Great Britain and Northern Ireland under article 8 of the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women'*.

Working towards a stronger society that is respectful, reconciled, tolerant and inclusive has been a key thread running through the New Decade New Approach Agreement including in our approach to the Northern Ireland Centenary. The Northern Ireland Office has had and will continue to have a key role to play in that including to pursue progress on the language, identity and culture provisions agreed by the Northern Ireland Executive, and in particular the delivery of Irish language and Ulster Scots legislation.

The department also remains committed to leading efforts to help Northern Ireland address the legacy of the past. This remains a highly complex and challenging issue

Throughout 2020-2021, the department has continued to support the Northern Ireland Executive in its delivery of the Troubles Permanent Disablement Scheme, which we legislated for in January 2020. We have supported the Executive on important delivery aspects such as evidence gathering, medical assessments and application design. Crucially, the Northern Ireland Office secured agreement from HMT to allow existing funding to be made available for the scheme to

help with costs in the early years, which the Executive have argued will be challenging. The scheme is due to open on 30th June 2021, which will finally bring acknowledgement to those permanently injured in the Troubles.

The Northern Ireland Office has been clear that it will bring forward wider legislation to address the legacy of the Troubles, which focuses on reconciliation, delivers for victims, and ends the cycle of investigations, as soon as possible. It has also continued to engage sensitively but constructively with the NI parties, Irish Government, parliamentarians and civil society, including victims and survivors groups, to drive progress on this issue. This has included many individuals across Northern Ireland, Great Britain, Ireland and beyond with vast experience in peacebuilding.

The department's work to help maintain peace and facilitate reconciliation sits at the heart of its ambitions for Northern Ireland and is part of the department's continued commitment to maintaining the gains of the peace process and the Belfast (Good Friday) Agreement. The department works closely with relevant key stakeholders on two significant UK Government funding streams that aim to deliver peace and reconciliation work, the International Fund for Ireland and the PEACE PLUS Programme.

In April 2020, the UK Government provided an additional £240,000 funding contribution to the International Fund for Ireland to support its ongoing peace and reconciliation effort. The department plays an important role to ensure that the Fund, which was established jointly by the UK and Irish Government to promote reconciliation and economic and social advances in Northern Ireland, delivers peacebuilding and reconciliation work across Northern Ireland and the border counties of Ireland. The department works closely with the board of the IFI to help secure these outcomes.

On 7 September 2020, the responsibility for the PEACE PLUS Programme was transferred from the Department of Business, Energy and Industrial Strategy to the Northern Ireland Office. In December 2020, in addition to the £300m already committed, the UK Government announced that it would provide more than £200m extra to the PEACE PLUS programme between now and 2027. The department has led negotiations with the European Commission to develop a Financing Agreement for the Programme - this work will be completed during 2021-22, and in light of the new financial risks work has begun to ensure suitable risk management monitoring and mitigation plans are in place.

Despite the ongoing restrictions on travel due to COVID-19, the department has continued to support visits (including virtual engagements) by the royal family to Northern Ireland including engagements, which have highlighted the role of front line workers in tackling the pandemic, as well as continuing to highlight the exceptional work of a range of community organisations in Northern Ireland.

## 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 throughout this year as we responded to the lifting and reinstating of COVID-19 restrictions during the year. 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 and their wellbeing during a difficult time. We supported staff to work flexibly, adjusting work patterns to accommodate a range of personal circumstances, including caring responsibilities and home schooling. For the small number of staff who had to access our offices for business critical activities, we ensured that there was a COVID-19 safe environment with appropriate protocols put in place.

Despite the challenges, and with the majority of staff working remotely, the Northern Ireland Office and its wider family continued to deliver core business functions with little or no disruption. This has included Ministers and senior officials continuing to engage across Northern Ireland using video and telephone conferencing when the ability to travel and hold in person meetings was reduced.

The pandemic, along with our investment in our IT solutions has shown us that we can work effectively and within a cyber secure environment from our virtual offices. This flexibility will be at the core of how we work in the future. We will offer a hybrid, flexible way of working that both supports our business securely and allows staff to work virtually from different locations without any impact on our outputs. This will contribute to an attractive, modern way of working that will open up opportunities for existing and new staff.

During the reporting period, we continued to deliver on our People Plan and Culture Plan; both plans developed following the annual People Survey, commit to actions and activities that will help to embed the Northern Ireland Office's core values, and expected behaviours. We maintained an ongoing focus on well-being, ensuring that we continued to support our staff during the pandemic, and focused on ensuring colleagues continued to feel connected and engaged whilst working from home. Information on our most recent People Survey results in 2020 is provided in the [Corporate Performance](#) report.

To ensure the department is fit for the future, maximising the use of its resources in the delivery of UK Government priorities for Northern Ireland, an extensive bottom-up exercise was carried

out in preparation for the Spending Review 2020. This exercise has enabled a strategic prioritisation of work and resources for the year ahead.

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.

During 2020-21, the Northern Ireland Office also offered young people the opportunity to enhance their employability through the Apprenticeships programme and extended this opportunity to include a Boardroom apprentice.

The Northern Ireland Office is committed to being an inclusive employer with a diverse workforce, have continued in 2020-21 to hold a Diversity & Inclusion Charter Mark. We are an accredited Disability Confident Leader organisation. The department encourage applications from people from the widest possible diversity of backgrounds, cultures and experiences. The department focused on building an organisation that understands and values staff with a diversity of backgrounds, ideas, skills and experience, as they contribute to greater creativity, innovation and effective decision making in meeting our strategic objectives.

### *Public Appointments*

As at 31 March 2021, 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.

During the reporting period, the Secretary of State for Northern Ireland made a number of regulated key appointments to the Parades Commission for Northern Ireland, the Northern Ireland Human Rights Commission and the Boundary Commission for Northern Ireland. The appointment of the Chief Electoral Officer for Northern Ireland was also renewed.

The Commissioner for Public Appointments publishes further information on the department's regulated appointments, including statistical information, which can be found at:

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

In addition to regulated appointments, the Secretary of State also has responsibility for making appointments to a number of statutory and non-statutory positions in public life. In 2020-21, the Secretary of State renewed appointments to the Civil Service Commissioners for Northern Ireland and the joint role of Independent Reviewer of National Security Arrangements and Chair of the Northern Ireland Committee on Protection. He also made a new appointment to the role of

Independent Reviewer of the exercised powers under the Justice and Security (Northern Ireland) Act 2007.

The department routinely publishes details of all new and renewed appointments in the news section of our website. Further information on the appointments made in the reporting period are available at:

<https://www.gov.uk/search/news-and-communications?organisations%5B%5D=northern-ireland-office&parent=northern-ireland-office>

### *Employee Consultation*

The Northern Ireland Office recognises the importance of sustaining good employee relations to achieve its objectives. Facilitating a culture of constructive challenge and ongoing 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 all staff 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, the department worked closely with the Staff Engagement Group, which represents staff from across all grades, and took their views on issues, ranging from wellbeing and Diversity & Inclusion initiatives to changes to staff policies. Throughout 2020-21, close engagement with all colleagues has been crucial in helping the department manage the impacts of the pandemic on staff well-being and to ensure that all colleagues' views were heard on how to operate flexibly throughout this challenging period. In the next reporting period, we intend to introduce a Mirror Board so that staff can provide views on wider operational and policy matters and contribute to shaping strategic decision-making.

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 that captures employees' views on a number of issues. The results from the People Survey form the basis of the department's People Plan. The latest Civil Service People Survey report is available at:

<https://www.gov.uk/government/publications/civil-service-people-survey-2020-results--2>

The department's commitment to our People Plan priorities contributed to a very good engagement score of 71%, which is an increase from 2019 and 5% higher than the Civil Service benchmark for the 2020 survey. Positive increases were also recorded in the sections on

Inclusion, My Manager, My Work, Leadership & Change, Pay & Benefits and the Organisational Objectives.

### *Managing Attendance*

Throughout 2020-21, the Northern Ireland Office kept a strong focus on the well-being of its staff and the impact of the COVID-19 pandemic. The majority of staff were able to fulfil their roles whilst working from home and for those staff who had to come into the office, care was taken to ensure that the accommodation was covid-secure in line with Government guidelines. Staff were encouraged to work flexibly and were appropriately supported to juggle working from home alongside caring responsibilities and home schooling. The sickness absence figures for the reporting year are included in the [Staff 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 that the department does. Madeleine Alessandri is the department's overall Diversity Champion on the Board. The department's 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.

Towards the end of the reporting period, the department launched the 2021 People Plan that communicates the 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.

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

The Northern Ireland Office is an accredited Disability Confident Leader and is committed to securing, retaining and developing people with a disability.

The department has adopted Ministry of Justice policies for staff-related matters, including making reasonable adjustments where necessary for staff with disabilities. During the year, the department continued to monitor and report progress against the 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 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. The department encourages 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 department monitors the progression of individual learning against agreed personal development plans, supported by the coaching focus of the department's 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.

All staff are required to complete annual mandatory Health & Safety training and the department keeps its Health and Safety guidance under review and make our policies available to all staff on the department's intranet.

During 2020-21, there were no accidents reported to the relevant authorities (nil in 2019-20).

### *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. The department supports 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, the department refreshed its policy and the nominated officers.

There were no reported cases of fraud or whistleblowing during the reporting period (nil in 2019-20).

### *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 81% (87% in 2019-20) of invoices within five working days, 92% (94% in 2019-20) within 10 working days and 97% (98% in 2019-20) 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 one consultation and two consultation responses. 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 2020-21 is intended for publication on the Committee's website in due course.

### *Complaints to the Parliamentary Ombudsman*

No complaints were made to the Parliamentary Ombudsman about the department during the reporting period.

### *Political and Charitable Donations*

The department did not make any political or charitable donations in 2020-21 (2019-20 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 and other items of public interest 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 department fully supports sustainability commitments to reducing waste, domestic flights, paper and water across its estate.



**Madeleine Alessandri**  
**Accounting Officer**  
**21 June 2021**

## 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 chair and chief executive, or equivalent, of the Northern Ireland Office's other reporting entities as at 31 March 2021 were:

#### Northern Ireland Human Rights Commission:

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

#### Parades Commission for Northern Ireland:

Chief Commissioner: Very Revd Dr Graham Forbes CBE<sup>6</sup>  
Secretary: Sarah Teer<sup>7</sup>

#### Independent Reporting Commission:

Chief Commissioner: Not Applicable<sup>8</sup>  
UK Joint Secretary: Marie Patterson<sup>9</sup>

Further information on the performance and governance of each of these entities can be found in their respective Annual Reports & Accounts. The latest reports are available on their websites<sup>10</sup>.

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<sup>6</sup> Graham Forbes replaced Anne Henderson with effect from 1 January 2021.

<sup>7</sup> In September 2020, Sarah Teer replaced Nuala Higgins who had been acting Accounting Officer since March 2020.

<sup>8</sup> The UK Government and the Government of Ireland have established the IRC jointly. 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>9</sup> Marie Patterson replaced Jenny Bell in August 2020.

<sup>10</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. These accounts must detail 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 2020 no.251. This cluster is the 'departmental group', consisting of the department and sponsored bodies listed at note 19 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, Statement of Changes in Taxpayers' Equity 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 appointed Madeleine Alessandri as Principal Accounting Officer of the Northern Ireland Office with effect from 6 March 2020.

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, Sarah Teer succeeded Nuala Higgins as the Accounting Officer for the Parades Commission for Northern Ireland and Marie Patterson succeeded Jenny Bell as the 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. As far as I am aware, there is no relevant audit information of which the auditors are unaware.

## Governance Statement

### Introduction

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 responded to the challenges and changes faced during the year.

As Principal Accounting Officer, this 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. This statement is in accordance with HM Treasury Guidance. 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 2020-21 and up to the date of approval of the Annual Report and Accounts. 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.

This statement covers the core department with the following three Northern Ireland Office sponsored public bodies producing their own Governance Statements, which are published in their Annual Report and Accounts:

- The Northern Ireland Human Rights Commission;
- The Parades Commission for Northern Ireland; and
- The Independent Reporting Commission.

My relationship with the Accounting Officers of these bodies is set out in the respective Framework Agreements and designator letters.

### Compliance with the Corporate Governance Code

The Northern Ireland Office abides by the principles and spirit of the principles set out in *Corporate Governance in Central Government Departments: Code of good practice 2017*.

The Code recognises there is not a 'one size fits all model' for boards and the 'comply or explain' mechanism enables departments to deviate from the principles and supporting provisions if justifiable for good governance of the department. 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 in the Code. 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. I am satisfied that where the department deviates from the Code that there is a proportionate and justifiable rationale to do so.

## 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, challenge and assurance on the Northern Ireland Office's business plan, to monitor performance and to advise on significant risks. An independent Audit & Risk Committee and an Executive Committee (ExCo) support the Northern Ireland Board.

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.

During the reporting period, the Board met four times, considered a wide range of strategic and corporate issues, and scrutinised performance and risk management. The Board was fully engaged in monitoring the use of resources, the impact of COVID-19, including how the department was responding to the unique challenges and progress to deliver the agreed business priorities. Further information on the impact of COVID-19 and the agreed business priorities is reported in the [Strategic Performance Analysis](#) section.

The Board took particular assurance from regular deep dives that scrutinised the delivery performance of business areas and sponsored bodies. A particular focus at each Board meeting was scrutiny of the corporate risk register; this was refreshed during the reporting period to realign to business objectives. The non-executive directors played a key role in challenging the comprehensiveness and accuracy of the risk register. 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](#).

## Board membership and attendance

The table below sets out attendance for Board meetings attended by members from 1 April 2020 to 31 March 2021:

| Name                 | Date joined or departed | Number of eligible meetings | Absent |
|----------------------|-------------------------|-----------------------------|--------|
| Madeleine Alessandri |                         | 4                           | 0      |
| Lindy Cameron        | Departed October 2020   | 2                           | 1      |
| Mark Larmour         |                         | 4                           | 0      |
| Colin Perry          |                         | 4                           | 0      |
| Chris Flatt          |                         | 4                           | 0      |
| Andy Pike            |                         | 4                           | 0      |
| Dawn Johnson         | Departed October 2020   | 2                           | 0      |
| David Brooker        | Departed August 2020    | 1                           | 0      |
| Les Philpott         | Joined October 2020     | 2                           | 0      |
| Louise Wilson        | Joined October 2020     | 2                           | 0      |

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

## 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 challenge provided by the Northern Ireland Office Board, ExCo is responsible for delivering the policy ambitions of the Secretary of State, 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. It has put staff wellbeing as a key priority throughout the pandemic.

## 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. This Committee also reviews and makes recommendations on the approval of the accounts. The current chair is the Lead Non-Executive Director, Les Philpott.

The table below sets out the attendance of members from 1 April 2020 to 31 March 2021:

| Name         | Date joined or departed | Number of eligible meetings | Absent |
|--------------|-------------------------|-----------------------------|--------|
| Dawn Johnson | Departed October 2020   | 3                           | 0      |
| Les Philpott | Joined October 2020     | 1                           | 0      |
| Ian Summers  |                         | 4                           | 0      |
| Rosanna Wong | Departed January 2021   | 4                           | 1      |

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](#).

## Register of Interests

The Northern Ireland Office maintains a register of Board and Committee members' interests, with details of company directorships and other significant interests held by members. The register is a living document and all interests declared by members are considered by the Accounting Officer who must be satisfied that any potential conflict can be managed. Declarations of any new interests is a standing agenda item for all Board and Committee meetings.

The interests registered by members are set out below:

| Name                 | Position/Interest  |
|----------------------|--|
| Madeleine Alessandri | Chair, Civil Service Retirement Fellowship   |
| Les Philpott         | Chair, NEBOSH<br>Non-Executive Director, Benenden Healthcare Society Ltd<br>Non-Executive Director, Mid Cheshire NHS Foundation Trust      |
| Louise Wilson        | Non-Executive Director, National Emergencies Trust<br>Campaign Board Member, Historic Royal Palaces<br>Governor, St Mary's RC School Ascot |

The Northern Ireland Office's processes for registering outside interests and employment apply to all executive and non-executive members of the Board and Committees and to all Senior Civil Servants working in the department. For those staff below the Senior Civil Service grades the declaration and management of interests is in line with MoJ policies and the requirements of the Civil Service Management Code.

In addition to the requirements set out above for the register of interests and in line with the current Declaration of Interests policy for Special Advisers, all Special Advisers have declared any relevant interests or confirmed they do not consider they have any relevant interests. The Accounting Officer has considered these returns and there are no relevant interests to be published.

### Business Appointment Rules

In compliance with Business Appointment rules, the department is transparent in the advice given to individual applications for senior staff, including Special Advisers and this information is published at:

<https://www.gov.uk/search/transparency-and-freedom-of-information-releases?organisations%5B%5D=northern-ireland-office&parent=northern-ireland-office>

During 2020-21, the Northern Ireland Office did not issue any decision on any application submitted under the Business Appointment Rules.

### Risk management, control, and the work of Internal Audit

HM Treasury mandates that internal audit must give a year-end assurance on the effectiveness of a department's Governance, Risk and Control and this assurance is a source of evidence underpinning the Accounting Officer's Governance Statement.

The Head of Internal Audit from the Government Internal Audit Agency provides this annual assurance to the Accounting Officer by way of an independent opinion on the adequacy and effectiveness of governance, risk and control arrangements. The Internal Audit opinion for 2020-21 reported no significant control issues and gave a moderate<sup>11</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.

This opinion is informed by the Internal Audit reviews carried out throughout the year. The Internal Audit Annual Plan of work is informed by its analysis of the risks to which the Northern Ireland Office is exposed. Internal audit services are provided in accordance with Public Sector Internal Audit Standards and involve auditors reviewing information and holding meetings with senior management to look at the governance, risk and control framework.

### 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. A risk champion at Board level supports the department's approach to managing risk.

### 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.

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

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<sup>11</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.



Regulation (GDPR). Our Data Protection Officer who also provides advice and support to our sponsored bodies monitors compliance.

There were no significant breaches of information security in 2020-21 (none were reported 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 an annual stewardship statement 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 normally reviewed mid-year and an assessment of the effectiveness of these controls carried out at the end of the reporting year. The Board and the Audit and Risk Committee review a summary report of the effectiveness of this control measure at the year-end.

For 2020-21, no significant concerns were identified as part of the end of year review.

## Arm's Length Bodies (ALBs)

During 2020-21, the Northern Ireland Office's senior management team regularly engaged with senior officials from our sponsored bodies; these meetings covered a wide range of governance matters. 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 2020-21, 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 kept its effectiveness, its approach to risk management, and how it operated under review. I am satisfied with the quality of the information presented to the Board and that its leadership, performance and approach to business provided effective support to ministers and senior officials in directing the business of the department.

In respect of the Northern Ireland Office's sponsored bodies that are required to publish separate audited accounts, no material issues have been reported to me and all sponsored bodies accounts are currently on target to be published by July 2021.

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

A handwritten signature in black ink, reading "Madeleine Alessandri". The signature is written in a cursive, flowing style.

**Madeleine Alessandri**  
**Accounting Officer**  
**21 June 2021**

## 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:

<https://civilservicecommission.independent.gov.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 (to nearest £1,000) |         |
|  | 2020-21    | 2019-20                             | 2020-21                            | 2019-20 | 2020-21   | 2019-20 | 2020-21                   | 2019-20 |
| <b>Minister 1</b><br>Rt Hon Brandon Lewis MP - Secretary of State for Northern Ireland (from 13 February 2020)   | 67,505     | 7,273<br>(67,505 FTE)               | -                                  | -       | 17,000  | 3,000   | 84,000                    | 10,000  |
| <b>Minister 2</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) | 31,680     | 16,120<br>(31,680 FTE)              | -                                  | -       | 8,000   | 4,000   | 39,000                    | 20,000  |
| <b>Minister 3</b><br>Rt Hon Karen Bradley MP – Secretary Of State for Northern Ireland (from 8 January 2018 –25 July 2019)   | -          | 38,107 <sup>2</sup><br>(67,505 FTE) | -                                  | -       | -   | 6,000   | -                         | 47,000  |
| <b>Minister 4</b><br>John Penrose MP - Minister of State for Northern Ireland (from 16 November 2018 to 26 July 2019)  | -          | 17,969 <sup>3</sup><br>(31,680 FTE) | -                                  | -       | -   | 3,000   | -                         | 22,000  |
| <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<br>December 2019) | - | 19,757 <sup>5</sup><br>(31,680<br>FTE) | - | - | - | 2,000 | - | 23,000 |

<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.

**[Audited]**

| <b>Single total figure of remuneration</b>   |                     |                       |                        |         |                                    |         |   |         |               |         |
|--|---------------------|-----------------------|------------------------|---------|------------------------------------|---------|---|---------|---------------|---------|
| <b>Officials</b>   | Salary (£'000)      |                       | Bonus Payments (£'000) |         | Benefits in kind (to nearest £100) |         | Pension benefits (to nearest £1,000) <sup>7</sup> |         | Total (£'000) |         |
|  | 2020-21             | 2019-20               | 2020-21                | 2019-20 | 2020-21                            | 2019-20 | 2020-21   | 2019-20 | 2020-21       | 2019-20 |
| <b>Permanent Secretary</b><br>Madeleine Alessandri   | 155-160             | 10-15 (FTE 155-160)   | 10-15                  | -       | 17,000                             | 1,600   | -   | -       | 185-190       | 10-15   |
| <b>Permanent Secretary</b><br>Sir Jonathan Stephens (from 2 June 2014 to 31 March 2020)                            | -                   | 160-165 (FTE 160-165) | -                      | -       | -                                  | 17,500  | -   | -       | -             | 175-180 |
| <b>Director</b><br>Colin Perry   | 100-105             | 90-95                 | 0-5                    | 10-15   | -                                  | -       | 99,000  | 31,000  | 200-205       | 130-135 |
| <b>Director</b><br>Mark Larmour  | 90-95               | 90-95                 | 0-5                    | -       | -                                  | -       | 45,000  | 38,000  | 140-145       | 125-130 |
| <b>Director</b><br>Rosemary Crawford (from 3 January 2018 to 19 August 2019)                                       | -                   | 40-45 (FTE 85-90)     | -                      | -       | -                                  | -       | -   | 20,000  | -             | 60-65   |
| <b>Director</b><br>Chris Flatt   | 90-95               | 90-95                 | -                      | -       | -                                  | -       | 42,000  | 69,000  | 135-140       | 160-165 |
| <b>Director</b><br>Andrew Pike   | 110-115             | 10-15 (FTE 110-115)   | -                      | -       | -                                  | -       | 71,000  | 11,000  | 140-145       | 20-25   |
| <b>Non-Executive Director</b><br>Dawn Johnson (From 1 <sup>st</sup> June 2013 to 8 <sup>th</sup> October 2020)     | 5-10 (10-15 FTE)    | 10-15                 | -                      | -       | -                                  | -       | -   | -       | 5-10          | 10-15   |
| <b>Non-Executive Director</b><br>David Brooker (From 4 <sup>th</sup> January 2016 to 31 <sup>st</sup> August 2020) | 0-5 (5-10 FTE)      | 5-10                  | -                      | -       | -                                  | -       | -   | -       | 0-5           | 5-10    |
| <b>Director General</b><br>Lindy Cameron (from 17 July 2019 to 5 <sup>th</sup> October 2020)                       | 60-65 (120-125 FTE) | 80-85 (120-125 FTE)   | -                      | -       | -                                  | -       | 28,000  | 31,000  | 85-90         | 110-115 |
| <b>Non-Executive Director</b><br>Les Philpott (From 1 <sup>st</sup> October 2020)                                  | 5-10 (10-15 FTE)    | -                     | -                      | -       | -                                  | -       | -   | -       | 5-10          | -       |
| <b>Non-Executive Director</b>  | 0-5 (5-10 FTE)      | -                     | -                      | -       | -                                  | -       | -   | -       | 0-5           | -       |



|   |  |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|
| Louise Wilson<br>(From 1 <sup>st</sup><br>October 2020) |  |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|

<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).

## 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 (£81,932 from 1 April 2020) 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 2020-21 relate to performance in 2019-20 and the comparative bonuses reported for 2019-20 relate to the performance in 2018-19.

## 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 2020-21 was £185,000 - £190,000 (2019-20, £175,000 - £180,000). This was 5.35 times (2019-20, 4.75) the median remuneration of the workforce, which was £35,037 (2019-20, £37,366). The increase in pay multiple is due to an increase in the banded remuneration of the highest paid individual and decrease in median remuneration of the workforce.

In 2020-21, no (2019-20, nil) employee received remuneration in excess of the highest-paid director. Remuneration ranged from £16,000 to £189,000 (2019-20, £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 31/3/21</b> | <b>Real increase in pension at age 65</b> | <b>CETV at 31/3/21</b> | <b>CETV at 31/3/20</b> | <b>Real increase in CETV</b> |
|--|--|---|------------------------|------------------------|------------------------------|
|  | £000   | £000                                      | £000                   | £000                   | £000                         |
| <b>Minister 1</b><br>Rt Hon Brandon Lewis MP - Secretary of State for Northern Ireland (from 13 February 2020)   | 5-10   | 0-2.5                                     | 71                     | 54                     | 8                            |
| <b>Minister 2</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                                     | 22                     | 16                     | 2                            |

## 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*   | Accrued pension at pension age at 31/03/21 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/03/21 | CETV at 31/03/20 | Real increase in CETV | Employer contribution to partnership pension account |
|--|---|--|------------------|------------------|-----------------------|--|
|  | £000  | £000   | £000             | £000             | £000                  | Nearest £100   |
| Mark Larmour<br>Director   | 40-45   | 2.5 - 5  | 584              | 535              | 27                    | -  |
| Colin Perry<br>Director  | 45 - 50 plus a lump sum of 130 - 135                            | 2.5 - 5 plus a lump sum of 7.5 - 10                          | 1061             | 935              | 91                    | -  |
| Chris Flatt<br>Director  | 25 - 30 plus a lump sum of 40 - 45                              | 0 - 2.5 plus a lump sum of 0 - 2.5                           | 372              | 335              | 20                    | -  |
| Lindy Cameron<br>Director General<br>(from 17 July 2019 to 5 October 2020) | 50-55   | 0 - 2.5  | 788              | 728              | 16                    | -  |
| Andrew Pike<br>Director  | 55-60 plus a lump sum of 140-145                                | 2.5 - 5 plus a lump sum of 2.5 - 5                           | 1,174            | 1,081            | 54                    | -  |
| Madeleine Alessandri<br>Permanent Secretary                                | -   | -  | -                | -                | -                     | 25,900   |

## 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 (2019-20: Nil).

## Ministers

No Ministers left under severance terms during the year (2019-20: Four Ministers left under severance terms and received compensation payments totalling £49,592). Details of severance payments are included in the Remuneration table.

## Staff Report

| Staff costs [Audited]                             | 2020-21       |  |              |            |                  | 2019-20       |
|---|---------------|--|--------------|------------|------------------|---------------|
|   | Total         | Permanently employed and inward seconded staff | Others       | Ministers  | Special Advisors | Total         |
|   | £000          |  |              |            |                  | £000          |
| Wages and salaries                                | 15,774        | 14,149   | 1,405        | 220        | -                | 16,292        |
| Social security costs                             | 1,486         | 1,419  | 55           | 12         | -                | 1,539         |
| Other pension costs                               | 3,579         | 3,525  | 54           | -          | -                | 3,622         |
| <b>Sub Total</b>                                  | <b>20,839</b> | <b>19,093</b>                                  | <b>1,514</b> | <b>232</b> | <b>-</b>         | <b>21,453</b> |
| Less recoveries in respect of outward secondments | (289)         | (289)  | -            | -          | -                | (189)         |
| <b>Total net costs*</b>                           | <b>20,550</b> | <b>18,804</b>                                  | <b>1,514</b> | <b>232</b> | <b>-</b>         | <b>21,264</b> |

Special Advisers are temporary civil servants. In order to improve efficiency, the administration of staff costs for all Special Advisers across government was moved to the Cabinet Office in July 2019, with corresponding budget cover transfers. Therefore, special adviser costs are now reported in the Cabinet Office Annual Report and Accounts. Special Advisers remain employed by the respective departments of their appointing Minister.

## 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 2020-21, total employers' contributions of £3,578,704 (2019-20: £3,622,360) 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 2020-21 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 £36,295 (2019-20: £9,857) 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 £1,161 (2019-20: £419), 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 £4,452. Contributions prepaid at that date were £nil.

No person (2019-20: Nil persons) retired early on ill-health grounds. The total additional accrued pension liabilities in the year amounted to £nil (2019-20 £nil).

### Staff Numbers [Audited]

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

|                           |            | Permanent  | Inward      |           |           | 2020-21                       | 2019-20         |
|---------------------------|------------|------------|-------------|-----------|-----------|-------------------------------|-----------------|
|                           | Total      | Staff      | Secondments | Others    | Ministers | Number<br>Special<br>Advisors | Number<br>Total |
| NIO Core Department       | 168        | 149        | 14          | -         | 2         | 3                             | 206             |
| NIO sponsored NDPBs       | 44         | 17         | 10          | 17        | -         | -                             | 39              |
| Other NIO sponsored ALBs* | 116        | 2          | 114         | -         | -         | -                             | 123             |
| <b>Total</b>              | <b>328</b> | <b>168</b> | <b>138</b>  | <b>17</b> | <b>2</b>  | <b>3</b>                      | <b>368</b>      |

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

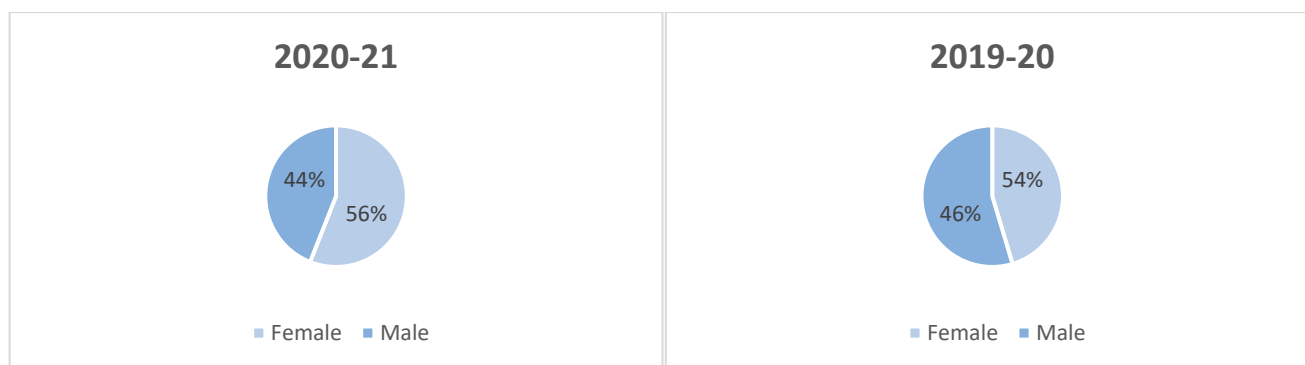


## Staff Composition

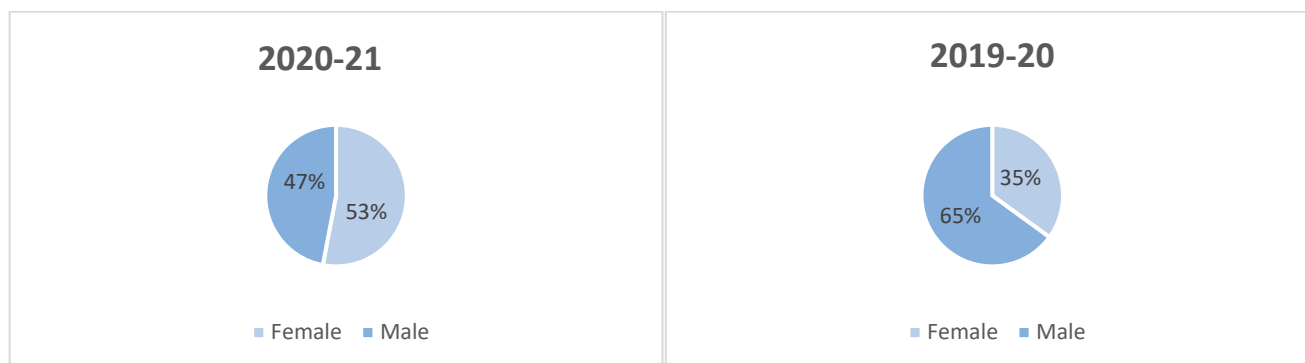
### Senior Civil Service by Grade

|                     | 2020-21   | 2019-20   |
|---------------------|-----------|-----------|
| Permanent Secretary | 1         | 1         |
| Director            | 4         | 5         |
| Deputy Director     | 12        | 14        |
| <b>Total</b>        | <b>17</b> | <b>20</b> |

### Staff Composition (Gender Analysis)



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



### Sickness Absence

Throughout 2020-21, 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 March 2021 shows that the Northern Ireland Office had an average working days lost figure of 3.4 (Dec. 2019: 6.5), below the 7.4 (Dec. 2019 7.0) Civil Service-wide average.

## 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 and Scottish Government as their employers provide trade union representation for staff.

## Consultancy Expenditure

The Department incurred £270.5k of consultancy expenditure in 2020-21 mostly on procurement of a new electoral management system (£845.6k, 2019-20).

## 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.

## COVID-19 Government Support Schemes

The Department did not furlough any staff under the Coronavirus Job Retention Scheme (CJRS) nor reclaim any statutory sick pay from HMRC under the Coronavirus Statutory Sick Pay Rebate Scheme (CSSPRS).

## 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 (2019-20)

| <b>Departmental Group</b>            |   |   |  |
|--------------------------------------|---|---|--|
| <b>Exit package cost band</b>        | <b>Number of compulsory redundancies<sup>12</sup></b> | <b>Number of other departures agreed<sup>12</sup></b> | <b>Total number of exit packages by cost band<sup>12</sup></b> |
| <b>&lt;£10,000</b>                   | nil (nil)   | nil (nil)   | nil (nil)  |
| <b>£10,000-£25,000</b>               | nil (nil)   | nil (nil)   | nil (nil)  |
| <b>£25,000-£50,000</b>               | nil (nil)   | nil (nil)   | nil (nil)  |
| <b>£50,000-£100,000</b>              | nil (nil)   | nil (nil)   | nil (nil)  |
| <b>£100,000-£150,000</b>             | nil (nil)   | nil (nil)   | nil (nil)  |
| <b>£150,000-£200,000</b>             | 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 (2019-20)

# PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

## STATEMENT OF PARLIAMENTARY SUPPLY (AUDITED)

### Summary of Resource and Capital Outturn 2020-21

| SoPS Note                             | Estimate          |           |                   | Outturn           |           |                   | 2020-21<br>£000  | 2019-20<br>£000   |
|---------------------------------------|-------------------|-----------|-------------------|-------------------|-----------|-------------------|--|-------------------|
|                                       | Voted             | Non-Voted | Total             | Voted             | Non-Voted | Total             | Voted<br>Outturn<br>compared<br>with<br>Estimate:<br>Saving/<br>(excess) | Outturn           |
| <b>Departmental Expenditure Limit</b> |                   |           |                   |                   |           |                   |  |                   |
| Resource 1.1                          | 32,293            | -         | 32,293            | 29,107            | 35        | 29,142            | 3,186  | 38,883            |
| Capital 1.2                           | 897               | -         | 897               | 703               | -         | 703               | 194  | 463               |
| <b>Annually Managed Expenditure</b>   |                   |           |                   |                   |           |                   |  |                   |
| Resource 1.1                          | 566,560           | -         | 566,560           | 535,648           | -         | 535,648           | 30,912   | (791)             |
| <b>Total Budget</b>                   | <b>599,750</b>    | <b>-</b>  | <b>599,750</b>    | <b>565,458</b>    | <b>35</b> | <b>565,493</b>    | <b>34,292</b>  | <b>38,555</b>     |
| <b>Non-Budget</b>                     |                   |           |                   |                   |           |                   |  |                   |
| Resource 1.1                          | 22,602,339        | -         | 22,602,339        | 19,627,239        | -         | 19,627,239        | 2,975,100  | 16,117,000        |
| <b>Total</b>                          | <b>23,202,089</b> | <b>-</b>  | <b>23,202,089</b> | <b>20,192,697</b> | <b>35</b> | <b>20,192,732</b> | <b>3,009,392</b>   | <b>16,155,555</b> |
| Total Resource                        | 23,201,192        | -         | 23,201,192        | 20,191,994        | 35        | 20,192,029        | 3,009,198  | 16,155,092        |
| Total Capital                         | 897               | -         | 897               | 703               | -         | 703               | 194  | 463               |
| <b>Total</b>                          | <b>23,202,089</b> | <b>-</b>  | <b>23,202,089</b> | <b>20,192,697</b> | <b>35</b> | <b>20,192,732</b> | <b>3,009,392</b>   | <b>16,155,555</b> |

### Net cash requirement 2020-21

| SoPS Note | 2020-21<br>£'000<br>Estimate | 2020-21<br>£'000<br>Outturn | 2020-21<br>£'000<br>Outturn compared with<br>Estimate:<br>saving/(excess) | 2019-20<br>£'000<br>Outturn |
|-----------|------------------------------|-----------------------------|---|-----------------------------|
| 3         | <b>22,632,013</b>            | <b>19,656,262</b>           | 2,975,751   | 16,139,675                  |

### Administration Costs 2020-21

| 2020-21<br>£'000<br>Estimate | 2020-21<br>£'000<br>Outturn | 2019-20<br>£'000<br>Outturn |
|------------------------------|-----------------------------|-----------------------------|
| <b>24,159</b>                | <b>21,821</b>               | <b>22,494</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 are set out on pages 19-20.

Prior Period Adjustments (PPAs) have resulted from an error in previous recording in relation to depreciation on property, plant and equipment (PPE) indexation. In 2020-21, the following PPAs have been made, which should have been included within voted Supply in the Estimate (non-budget):

| <b>PPA Description</b> | <b>Resource/Capital</b> | <b>DEL/AME</b> | <b>Amount (£000)</b> |
|------------------------|-------------------------|----------------|----------------------|
| PPE depreciation       | Resource                | DEL            | 239                  |
| <b>Total</b>           |                         |                | <b>239</b>           |

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

### SOPS1. Net Outturn

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

|   |               |                |               |                   |              |                   |                   |                                |  |                  | 2020-21<br>£000   | 2019-20<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                                 | 25,999        | (4,179)        | 21,820        | 4,878             | (293)        | 4,585             | 26,405            | 29,689                         | 3,284  | 3,033            | 28,342            |                 |
| B - Northern Ireland Human Rights Commission                | -             | -              | -             | 1,636             | -            | 1,636             | 1,636             | 1,420                          | (216)  | -                | 1,246             |                 |
| C - Parades Commission                                      | -             | -              | -             | 732               | -            | 732               | 732               | 755                            | 23   | 23               | 776               |                 |
| D - Independent Reporting Commission                        |               |                |               | 335               | -            | 335               | 335               | 429                            | 94   | 94               | 431               |                 |
| Non-voted:  |               |                |               |                   |              |                   |                   |                                |  |                  |                   |                 |
| E - Funding of elections                                    | -             | -              | -             | 35                | -            | 35                | 35                | -                              | (35)   | -                | 8,088             |                 |
|   | 25,999        | (4,179)        | 21,820        | 7,616             | (293)        | 7,323             | 29,143            | 32,293                         | 3,150  | 3,150            | 38,883            |                 |
| <b>Annually Managed Expenditure (AME)</b>                   |               |                |               |                   |              |                   |                   |                                |  |                  |                   |                 |
| Voted   |               |                |               |                   |              |                   |                   |                                |  |                  |                   |                 |
| F - Northern Ireland Office                                 | -             | -              | -             | 535,573           | -            | 535,573           | 535,573           | 566,560                        | 30,987   | 30,912           | (791)             |                 |
| Northern Ireland Human Rights Commission                    | -             | -              | -             | 75                | -            | 75                | 75                | -                              | (75)   | -                | -                 |                 |
|   | -             | -              | -             | 535,648           | -            | 535,648           | 535,648           | 566,560                        | 30,912   | 30,912           | (791)             |                 |
| <b>Non-budget</b>   |               |                |               |                   |              |                   |                   |                                |  |                  |                   |                 |
| G - Grant Payable to the Northern Ireland Consolidated Fund | -             | -              | -             | 19,627,000        | -            | 19,627,000        | 19,627,000        | 22,602,339                     | 2,975,339  | 2,975,100        | 16,117,000        |                 |
| Prior Period Adjustments                                    | -             | -              | -             | 239               | -            | 239               | 239               | -                              | (239)  | -                | -                 |                 |
| <b>Total</b>  | <b>25,999</b> | <b>(4,179)</b> | <b>21,820</b> | <b>20,170,503</b> | <b>(293)</b> | <b>20,170,210</b> | <b>20,192,030</b> | <b>23,201,192</b>              | <b>3,009,162</b>                                       | <b>3,009,162</b> | <b>16,155,092</b> |                 |

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

|  |            | 2020-21<br>£000 |            | 2019-20<br>£000                                   |  |            |
|--|------------|-----------------|------------|---|--|------------|
| Outturn  |            |                 | Estimate   |   |  | Outturn    |
| Gross  | Income     | Net             | Net        | Net Total<br>Outturn<br>Compared with<br>estimate | Net total<br>compared<br>to Estimate,<br>adjusted for<br>virements | Net        |
| <b>Spending in Departmental Expenditure Limits (DEL)</b> |            |                 |            |   |  |            |
| Voted:   |            |                 |            |   |  |            |
| A - Northern Ireland Office                              | 172        | -               | 172        | 337   | 165  | 415        |
| B - Northern Ireland Human Rights Commission             | 531        | -               | 531        | 560   | 29   | 48         |
| C - Parades Commission                                   | -          | -               | -          | -   | -  | -          |
| D - Independent Reporting Commission                     | -          | -               | -          | -   | -  | -          |
| Non-voted:   |            |                 |            |   |  |            |
| E - Funding of elections                                 | -          | -               | -          | -   | -  | -          |
|  | 703        | -               | 703        | 897   | 194  | 463        |
| <b>Total</b>   | <b>703</b> | <b>-</b>        | <b>703</b> | <b>897</b>  | <b>194</b>   | <b>463</b> |

## SOPS2. Reconciliation of outturn to net operating cost

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

|   |     | 2020-21<br>£000   | 2019-20<br>£000   |
|---|-----|-------------------|-------------------|
| Note  |     | Outturn           | Outturn           |
| Total resource outturn in Statement of Parliamentary Supply                           |     |                   |                   |
| Budget  | 1.1 | 564,791           | 38,092            |
| Non-budget  | 1.1 | 19,627,239        | 16,117,000        |
|   |     | 20,192,030        | 16,155,092        |
| Capital provision NIHRC   |     | (75)              | 85                |
| Prior Period Adjustment   | 1.1 | (239)             | -                 |
| <b>Net Operating Costs in Consolidated Statement of Comprehensive Net Expenditure</b> |     | <b>20,191,716</b> | <b>16,155,177</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 | 23,201,192        | 20,192,030        | 3,009,162  |
| <b>Capital Outturn</b>                                       | SOPS 1.2 | 897               | 703               | 194  |
| <b>Accruals to cash adjustments:</b>                         |          |                   |                   |  |
| <i>Adjustment to remove non-cash items:</i>                  |          |                   |                   |  |
| Depreciation/Amortisation                                    |          | (2,046)           | (2,106)           | 60   |
| New Provisions and adjustments to previous provisions        |          | (566,560)         | (535,660)         | (30,900)   |
| Other non-cash items   | 4        | (123)             | (145)             | 22   |
| Prior Period Adjustment                                      | 18       | -                 | (239)             | 239  |
| <i>Adjustments for NDPBs:</i>                                |          |                   |                   |  |
| Remove voted resource and capital                            |          | (3,164)           | (3,238)           | 74   |
| Add Cash grant-in-aid  |          | 1,817             | 2,833             | (1,016)  |
| <i>Adjustments to reflect movements in working balances:</i> |          |                   |                   |  |
| Increase/(decrease) in receivables                           | 12       | -                 | (1,995)           | 1,995  |
| (Increase)/decrease in payables                              | 13       | -                 | 3,795             | (3,795)  |
| Use of provisions  | 14       | -                 | 12                | (12)   |
|  |          | <b>22,632,013</b> | <b>19,655,990</b> | <b>2,976,023</b>   |
| <b>Removal of non-voted budget items:</b>                    |          |                   |                   |  |
| Consolidated Fund Standing Services                          |          | -                 | (120)             | 120  |
| CFER Paid In Year  |          | -                 | 392               | (392)  |
| <b>Net cash requirement</b>                                  |          | <b>22,632,013</b> | <b>19,656,262</b> | <b>2,975,751</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 2020-21 |                         | Outturn 2019-20 |                         |
|--|-----------------|-------------------------|-----------------|-------------------------|
|  | 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:

|  | 2020-21 | 2019-20 |
|--|---------|---------|
|  | £000    | £000    |
| Income from Election Office activities funded by the Consolidated Fund | 353     | 39      |
| Amount payable to the Consolidated Fund                                | 353     | 39      |
| Balance held at the start of the year                                  | 39      | -       |
| Payments into the Consolidated Fund                                    | (392)   | -       |
| Balance held in trust at the end of the year                           | -       | 39      |

All income shown above had been received at 31 March 2021.

**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 2021 (2019-20: 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:

|                          | 2020-21      |                |                       | 2019-20      |                |                                  |
|--------------------------|--------------|----------------|-----------------------|--------------|----------------|----------------------------------|
|                          | £000         |                |                       | £000         |                |                                  |
|                          | Income       | Full Cost      | Surplus/<br>(deficit) | Income       | Full Cost      | Revised<br>Surplus/<br>(deficit) |
| Crown Solicitor's Office | 3,943        | (4,529)        | (586)                 | 4,761        | (4,903)        | (142)                            |
| <b>Total</b>             | <b>3,943</b> | <b>(4,529)</b> | <b>(586)</b>          | <b>4,761</b> | <b>(4,903)</b> | <b>(142)</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. Due to the unforeseeable impact of COVID-19, CSO were subject to a decline in income during the year due to courts closures. Funding was received via the supplementary estimates process to cover this shortfall as described in the Spending Review. 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 2020-21 (2019-20: nil).

### **Notation of Gifts**

There were no gifts made over the limits prescribed in Managing Public Money or Managing Public Money Northern Ireland in 2020-21 (2019-20: 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 2020-21 (2019-20: 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**  
**21 June 2021**

# 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 2021 under the Government Resources and Accounts Act 2000. The Department comprises the core Department. 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 2020. 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. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Remuneration and Staff Report and Parliamentary Accountability and Audit 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 2021 and of the Department's net operating expenditure and Departmental Group's net operating expenditure for the year then ended; and
- 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 2021 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law 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 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Northern Ireland Office in accordance with the ethical requirements that are relevant to my audit of 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**

In auditing the financial statements, I have concluded that the Northern Ireland Office's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Office's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Northern Ireland Office is adopted in consideration of the requirements set out in HM Treasury's Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

### **Other Information**

The other information comprises information included in the Annual Report, but does not include the parts of the Remuneration and Staff Report and Parliamentary Accountability and Audit Report described in those reports as having been audited, the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, 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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of the audit:

- the parts of the Remuneration and Staff Report and Parliamentary Accountability and Audit Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Performance Report, Accountability Report, Remuneration and Staff Report and Parliamentary Accountability and Audit Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

In the light of the knowledge and understanding of the Northern Ireland Office and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report, Accountability Report, Remuneration and Staff Report and Parliamentary Accountability and Audit Report. 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 Remuneration and Staff Report and Parliamentary Accountability and Audit Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Report Manual are not made; 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.

### **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 in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Northern Ireland Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Northern Ireland Office will not continue to be provided in the future.

### **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.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the Northern Ireland Office's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Northern Ireland Office's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the group's controls relating to the Government Resources and Accounts Act 2000, Supply and Appropriation (Main Estimates) Act 2020 and Managing Public Money.
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and significant accounting estimates; and
- obtaining an understanding of Northern Ireland Office's framework of authority as well as other legal and regulatory frameworks that the Northern Ireland Office and Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Northern Ireland Office and Group. The key laws and regulations I considered in this context included the Government Resources and Accounts Act 2000, Supply and Appropriation (Main Estimates) Act 2020, Managing Public Money, Employment Law and tax legislation.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

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.

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.

## Report

I have no observations to make on these financial statements.

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

**Date** 25 June 2021

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



## CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE For the Year Ended 31 March 2021

|  | Note | 2020-21           |                    | 2019-20           |                    |
|--|------|-------------------|--------------------|-------------------|--------------------|
|  |      |                   |                    | Restated          | Restated           |
|  |      |                   |                    | Note 18           | Note 18            |
|  |      | £000              | £000               | £000              | £000               |
|  |      | Core Dept         | Departmental Group | Core Dept         | Departmental Group |
| Income   | 5    | (98,871)          | (98,871)           | (174,695)         | (174,730)          |
| <b>Total operating income</b>  |      | <b>(98,871)</b>   | <b>(98,871)</b>    | <b>(174,695)</b>  | <b>(174,730)</b>   |
| Staff costs  | 3    | 18,759            | 20,550             | 19,542            | 21,264             |
| Other expenditure  | 4    | 20,269,127        | 20,270,037         | 16,308,016        | 16,308,783         |
| Grant in aid to NDPBs  |      | 2,833             | -                  | 2,683             | -                  |
| <b>Total operating expenditure</b>                                       |      | <b>20,290,719</b> | <b>20,290,587</b>  | <b>16,330,241</b> | <b>16,330,047</b>  |
| <b>Net Operating expenditure for the year ended 31 March 2021</b>        |      | <b>20,191,848</b> | <b>20,191,716</b>  | <b>16,155,546</b> | <b>16,155,317</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    | (17)              | (17)               | (3,274)           | (3,274)            |
| <b>Comprehensive net expenditure for the year ended 31 March 2021</b>    |      | <b>20,191,831</b> | <b>20,191,699</b>  | <b>16,152,272</b> | <b>16,152,043</b>  |

The above income and expenditure is derived from continuing operations.

The notes on pages 85-110 form part of these accounts.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 31 March 2021**

|  |                            | 31 March<br>2021              |                            | 31 March<br>2020              |                     |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|---------------------|
|  |                            |                               |                            | Restated<br>Note 18           | Restated<br>Note 18 |
| 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                          | 79,087                        | 79,673                     | 80,868                        | 80,930              |
| Intangible assets  | 7                          | 2                             | 10                         | 144                           | 160                 |
| Financial Assets   | 10                         | 1,485,386                     | 1,485,386                  | 1,630,090                     | 1,630,090           |
| <b>Total non-current assets</b>  |                            | <b>1,564,475</b>              | <b>1,565,069</b>           | <b>1,711,102</b>              | <b>1,711,180</b>    |
| <b>Current assets</b>  |                            |                               |                            |                               |                     |
| Trade and other receivables  | 12                         | 4,106                         | 4,165                      | 6,101                         | 6,139               |
| Financial assets   | 10                         | 144,704                       | 144,704                    | 144,861                       | 144,861             |
| Cash and cash equivalents  | 11                         | 187,485                       | 187,825                    | 5,032                         | 5,644               |
| <b>Total current assets</b>  |                            | <b>336,295</b>                | <b>336,694</b>             | <b>155,994</b>                | <b>156,644</b>      |
| <b>Total assets</b>  |                            | <b>1,900,770</b>              | <b>1,901,763</b>           | <b>1,867,096</b>              | <b>1,867,824</b>    |
| <b>Current Liabilities</b>   |                            |                               |                            |                               |                     |
| Trade and other payables   | 13                         | 337,916                       | 338,279                    | 159,415                       | 159,720             |
| Provisions   | 14                         | 535,605                       | 535,680                    | 32                            | 32                  |
| <b>Total current liabilities</b>                                       |                            | <b>873,521</b>                | <b>873,959</b>             | <b>159,447</b>                | <b>159,752</b>      |
| <b>Non-current assets plus/less<br/>net current assets/liabilities</b> |                            | <b>1,027,249</b>              | <b>1,027,804</b>           | <b>1,707,649</b>              | <b>1,708,072</b>    |
| <b>Non-current liabilities</b>   |                            |                               |                            |                               |                     |
| Other payables   | 13                         | 1,485,386                     | 1,485,386                  | 1,630,090                     | 1,630,090           |
| <b>Total non-current liabilities</b>                                   |                            | <b>1,485,386</b>              | <b>1,485,386</b>           | <b>1,630,090</b>              | <b>1,630,090</b>    |
| <b>Total (liabilities)/assets</b>                                      |                            | <b>(458,137)</b>              | <b>(457,582)</b>           | <b>77,559</b>                 | <b>77,982</b>       |
| <b>Taxpayers' deficit/equity</b>                                       |                            |                               |                            |                               |                     |
| General fund   |                            | (497,287)                     | (496,733)                  | 38,426                        | 38,848              |
| Revaluation reserve  |                            | 39,150                        | 39,151                     | 39,133                        | 39,134              |
| <b>Total (deficit)/equity</b>  |                            | <b>(458,137)</b>              | <b>(457,582)</b>           | <b>77,559</b>                 | <b>77,982</b>       |

**Signed:**


**Madeleine Alessandri**  
**Accounting Officer**  
**21 June 2021**

The notes on pages 85-110 form part of these accounts.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 1 April 2019**

|  |      | Restated<br>Note 18        | 1 April<br>2019<br>Restated<br>Note 18 |
|--|------|----------------------------|--|
|  | Note | £000<br>Core<br>Department | £000<br>Departmental<br>Group          |
| <b>Non-current assets</b>  |      |                            |  |
| Property, plant and equipment  | 6    | 79,452                     | 79,480                                 |
| Intangible assets  |      | 24                         | 50                                     |
| Financial Assets   |      | 1,752,061                  | 1,752,061                              |
| <b>Total non-current assets</b>  |      | <b>1,831,537</b>           | <b>1,831,591</b>                       |
| <b>Current assets</b>  |      |                            |  |
| Trade and other receivables  |      | 7,092                      | 7,125                                  |
| Financial assets   |      | 159,302                    | 159,302                                |
| Cash and cash equivalents  |      | 41,553                     | 41,873                                 |
| <b>Total current assets</b>  |      | <b>207,947</b>             | <b>208,300</b>                         |
| <b>Total assets</b>  |      | <b>2,039,484</b>           | <b>2,039,891</b>                       |
| <b>Current Liabilities</b>   |      |                            |  |
| Trade and other payables   |      | 205,027                    | 205,250                                |
| Provisions   |      | 823                        | 823                                    |
| <b>Total current liabilities</b>                                       |      | <b>205,850</b>             | <b>206,073</b>                         |
| <b>Non-current assets plus/less<br/>net current assets/liabilities</b> |      | <b>1,833,634</b>           | <b>1,833,818</b>                       |
| <b>Non-current liabilities</b>   |      |                            |  |
| Other payables   |      | 1,752,061                  | 1,752,061                              |
| <b>Total non-current liabilities</b>                                   |      | <b>1,752,061</b>           | <b>1,752,061</b>                       |
| <b>Total assets</b>  |      | <b>81,573</b>              | <b>81,757</b>                          |
| <b>Taxpayers' equity</b>   |      |                            |  |
| General fund   |      | 45,569                     | 45,752                                 |
| Revaluation reserve  |      | 36,004                     | 36,005                                 |
| <b>Total equity</b>  |      | <b>81,573</b>              | <b>81,757</b>                          |

**Signed:**


**Madeleine Alessandri**  
**Accounting Officer**  
**21 June 2021**

The notes on pages 85-110 form part of these accounts.

**CONSOLIDATED STATEMENT OF CASH FLOWS****For the Year Ended 31 March 2021**

|  | Note | 2020-21             |                     | 2019-20             |                     |
|--|------|---------------------|---------------------|---------------------|---------------------|
|  |      | Core Dept           | Departmental Group  | Core Dept           | Departmental Group  |
|  |      | £000                | £000                | Restated Note 18    | Restated Note 18    |
| <b>Cash flows from operating activities</b>  |      |                     |                     |                     |                     |
| Net operating expenditure  |      | (20,191,848)        | (20,191,716)        | (16,155,546)        | (16,155,317)        |
| Adjustment for non-cash transactions   | 3,4  | 537,962             | 538,124             | 10,675              | 10,703              |
| (Decrease)/Increase in trade and other receivables   | 12   | 1,995               | 1,976               | 990                 | 986                 |
| (Increase)/Decrease in trade payables  | 13   | 178,501             | 178,560             | (45,612)            | (45,524)            |
| <i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>                         | 13   | (182,296)           | (182,296)           | 50,962              | 50,962              |
| Use of provisions  | 14   | (12)                | (12)                | (815)               | (815)               |
| <b>Net cash outflow from operating activities</b>  |      | <b>(19,655,698)</b> | <b>(19,655,364)</b> | <b>(16,139,346)</b> | <b>(16,139,005)</b> |
| <b>Cash flows from investing activities</b>  |      |                     |                     |                     |                     |
| Purchase of property, plant and equipment  | 6    | (172)               | (779)               | (194)               | (241)               |
| Purchase of intangible assets  | 7    | -                   | 1                   | (135)               | (137)               |
| Loans to other bodies  | 10   | -                   | -                   | (9,587)             | (9,587)             |
| Repayment from other bodies - capital  | 10   | 144,861             | 144,861             | 145,999             | 145,999             |
| Repayment from other bodies – interest   |      | 53,638              | 53,638              | 58,510              | 58,510              |
| <b>Net cash inflow from investing activities</b>   |      | <b>198,327</b>      | <b>197,721</b>      | <b>194,593</b>      | <b>194,544</b>      |
| <b>Cash flows from financing activities</b>  |      |                     |                     |                     |                     |
| From the Consolidated Fund (Supply) – current year   |      | 19,838,715          | 19,838,715          | 16,103,154          | 16,103,154          |
| From the Consolidated Fund (non-supply)  |      | -                   | -                   | -                   | -                   |
| Loans received from the National Loans Fund  | 10   | -                   | -                   | 9,587               | 9,587               |
| Repayments of loans from the National Loans Fund - Capital   | 10   | (144,861)           | (144,861)           | (145,999)           | (145,999)           |
| Repayments of loans from the National Loans Fund - Interest  |      | (53,638)            | (53,638)            | (58,510)            | (58,510)            |
| <b>Net financing</b>   |      | <b>19,640,216</b>   | <b>19,640,216</b>   | <b>15,908,232</b>   | <b>15,908,232</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>182,845</b>      | <b>182,573</b>      | <b>(36,521)</b>     | <b>(36,229)</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   |      | (392)               | (392)               | -                   | -                   |
| <b>Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>  |      | <b>182,453</b>      | <b>182,181</b>      | <b>(36,521)</b>     | <b>(36,229)</b>     |
| <b>Cash and cash equivalents at the beginning of the period</b>  | 11   | <b>5,032</b>        | <b>5,644</b>        | <b>41,553</b>       | <b>41,873</b>       |
| <b>Cash and cash equivalents at the end of the period</b>  | 11   | <b>187,485</b>      | <b>187,825</b>      | <b>5,032</b>        | <b>5,644</b>        |

The notes on pages 85-110 form part of these accounts.

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

For year ended 31 March 2021– Core Department

|  | Note | General Fund<br>Restated<br>Note 18<br>£000 | Revaluation Reserve<br>Restated<br>Note 18<br>£000 | Taxpayers' Equity<br>Restated<br>Note 18<br>£000 |
|--|------|---|--|--|
| <b>Balance at 31 March 2019 as previously reported</b>   |      | <b>45,569</b>                               | <b>28,703</b>                                      | <b>74,272</b>                                    |
| Prior Period Adjustment (As explained in Note 18)        |      | -   | 7,301  | 7,301  |
| <b>Balance at 31 March 2019 as restated</b>              |      | <b>45,569</b>                               | <b>36,004</b>                                      | <b>81,573</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)  |
| Excess cash paid to the Consolidated Fund                |      | -   | -  | -  |
|  |      | <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 |      | -   | 3,129  | 3,129  |
| Net gain on revaluation of intangible assets             |      | -   | -  | -  |
| Non-cash charges - auditor's remuneration                | 4    | 134   | -  | 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>3,129</b>                                       | <b>(16,152,143)</b>                              |
| <b>Balance at 31 March 2020</b>                          |      | <b>38,426</b>                               | <b>39,133</b>                                      | <b>77,559</b>                                    |
| Net Parliamentary Funding - drawn down                   |      | 19,838,715                                  | -  | 19,838,715                                       |
| Net Parliamentary Funding - deemed                       |      | 5,032                                       | -  | 5,032  |
| Consolidated Fund Standing Services                      | 4    | 120   | -  | 120  |
| Unspent Supply payable to the Consolidated Fund          | 13   | (187,485)                                   | -  | (187,485)  |
| Excess cash paid to the Consolidated Fund                |      | (392)                                       | -  | (392)  |
|  |      | <b>19,655,990</b>                           | <b>-</b>   | <b>19,655,990</b>                                |
| <b>Changes in taxpayers equity for 2020-21</b>           |      |   |  |  |
| Net gain on revaluation of property, plant and equipment |      | -   | 17   | 17   |
| Net gain on revaluation of intangible assets             |      | -   | -  | -  |
| Non-cash charges - auditor's remuneration                | 4    | 145   | -  | 145  |
| Net operating cost for the year                          |      | (20,191,848)                                | -  | (20,191,848)                                     |
| <b>Total recognised income and expense for 2020-21</b>   |      | <b>(20,191,703)</b>                         | <b>17</b>  | <b>(20,191,686)</b>                              |
| <b>Balance at 31 March 2021</b>                          |      | <b>(497,287)</b>                            | <b>39,150</b>                                      | <b>(458,137)</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 85-110 form part of these accounts.

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY**

For year ended 31 March 2020– Departmental Group

|  | Note | General<br>Fund<br>Restated Note<br>18<br>£000 | Revaluation<br>Reserve<br>Restated<br>Note 18<br>£000 | Total<br>Reserves<br>Restated Note<br>18<br>£000 |
|--|------|--|---|--|
| <b>Balance at 31 March 2019 as previously reported</b>   |      | 45,752   | 28,704  | 74,456   |
| Prior Period Adjustment (As explained in Note 18)        |      | -  | 7,301   | 7,301  |
| <b>Balance at 31 March 2019 as restated</b>              |      | <b>45,752</b>                                  | <b>36,005</b>   | <b>81,757</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)  |
| Excess cash paid to the Consolidated Fund                |      |  |   |  |
|  |      | <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 |      | -  | 3,129   | 3,129  |
| Net loss 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>3,129</b>  | <b>(16,151,904)</b>                              |
| <b>Balance at 31 March 2020</b>                          |      | <b>38,848</b>                                  | <b>39,134</b>   | <b>77,982</b>                                    |
| Net Parliamentary Funding - drawn down                   |      | 19,838,715                                     | -   | 19,838,715                                       |
| Net Parliamentary Funding - deemed                       |      | 5,032  | -   | 5,032  |
| Consolidated Fund Standing Services                      | 4    | 120  | -   | 120  |
| Unspent Supply payable to the Consolidated Fund          | 13   | (187,485)                                      | -   | (187,485)  |
| Excess cash paid to the Consolidated Fund                |      | (392)  | -   | (392)  |
|  |      | <b>19,655,990</b>                              | <b>-</b>  | <b>19,655,990</b>                                |
| <b>Changes in taxpayers equity for 2020-21</b>           |      |  |   |  |
| Net gain on revaluation of property, plant and equipment |      | -  | 17  | 17   |
| Net gain on revaluation of intangible assets             |      | -  | -   | -  |
| Non-cash charges - auditor's remuneration                | 4    | 145  | -   | 145  |
| Net operating cost for the year                          |      | (20,194,549)                                   | -   | (20,194,549)                                     |
| Adjustment for NDPBs                                     |      | 2,833  | -   | 2,833  |
| <b>Total recognised income and expense for 2020-21</b>   |      | <b>(20,191,571)</b>                            | <b>17</b>   | <b>(20,191,554)</b>                              |
| <b>Balance at 31 March 2021</b>                          |      | <b>(496,733)</b>                               | <b>39,151</b>   | <b>(457,582)</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 85-110 form part of these accounts.

## NOTES TO THE DEPARTMENTAL ACCOUNTS

### Statement of accounting policies 2020-21

#### 1. Basis of Preparation

The financial statements have been prepared in accordance with the 2020-21 *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 2020-21 have been prepared on a going concern basis. The department's revenue budget has been approved by Parliament for 2021-22 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-19 pandemic, 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 recognition of a provision for the department's best estimate of funding to be provided to the PEACE Plus programme has been made during the 2020-21 financial year following a publicly announced government commitment to devote funds to the programme in December 2020. This has given rise to a material liability on the balance sheet, however although the funding for the programme will be fully met via HMT Estimates processes, the conditions for recognising a corresponding contingent asset have not been met. The agreement is due to be signed during 2021-22, at which point the provision will crystallise into a payable. Funding has been secured via the Mains Estimates process to meet the obligation for the 2020-21 financial year. As such, the recognition of this liability does not raise any uncertainty in relation to 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 with indices supplied by Land and Property Services used in the intervening years.

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, with the exception of land, are depreciated/amortised 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 9 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*

Provisions have been made for obligations 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.

A significant provision of £535m has been made during 2020-21 for PEACE PLUS. This is a cross government scheme whereby UKG has publicly committed to provide funding to the EU for delivery of peace building programmes in Northern Ireland. The value of the provision is £535m assumed as falling due within one year, based on current best estimates of the liability. At present the funding agreement is not yet signed and the precise amount, currency and timing of the outlay is not yet known.

Dilapidations provisions have also been recognised during 2020-21, reflecting dilapidations reports commissioned by the department during the year from a third party supplier to provide a best estimate of the obligatory costs due to the lessor upon exiting the premises currently occupied under leasehold agreement by the department.

##### *(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 a combination of actual bills issued, solicitor time recording, average billing 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 2021**

The department has reviewed the standards, interpretations and amendments to published standards that became effective during 2020-21 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 2021, however the Financial Reporting Advisory Board took the decision in November 2020 to delay the implementation of IFRS 16 for bodies applying the Government Financial Reporting Manual until 1 April 2022.

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

IFRS 17 – Insurance contracts replaces IFRS 4 and has an effective date of 1 January 2023. The new standard combines current measurement of future cash flows with profit recognition over the period of contractual service provision, present insurance service results separately and elect whether to recognise insurance finance income and expenditure in profit and loss or other comprehensive income. Given that the department do not issue insurance policies, no material impact is expected on the financial statements as a result of this standard.

## **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 included as a separate operating segment below.

The Board received management information containing summary of spend on a quarterly 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.

|                        |                   |               |              |            |              |              |              |            | 2020-21           |
|------------------------|-------------------|---------------|--------------|------------|--------------|--------------|--------------|------------|-------------------|
|                        | £000              | £000          | £000         | £000       | £000         | £000         | £000         | £000       | £000              |
|                        | NICF              | CM            | EnG          | PSIG       | EPG          | LG           | SPG          | CSO        | Total             |
| Gross expenditure      | 19,627,000        | 25,184        | 193          | 441        | 2,607        | 107          | 563          | 4,529      | 19,660,624        |
| Receipts               | -                 | (235)         | -            | -          | (122)        | (169)        | (2)          | (3,943)    | (4,471)           |
| <b>Net expenditure</b> | <b>19,627,000</b> | <b>24,949</b> | <b>193</b>   | <b>441</b> | <b>2,485</b> | <b>(62)</b>  | <b>561</b>   | <b>586</b> | <b>19,656,153</b> |
|                        |                   |               |              |            |              |              |              |            | 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> |

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

|  | 2020-21    | 2019-20    |
|--|------------|------------|
|  | £000       | £000       |
|  | Total      | Total      |
| Total net expenditure by operating segment                           | 19,656,153 | 16,147,719 |
| Reconciling items:   |            |            |
| AME and non-voted expenditure not included in analysis               | 535,533    | 7,297      |
| Accounting adjustments   | 30         | 161        |
| Total net expenditure per statement of comprehensive net expenditure | 20,191,716 | 16,155,177 |



### 3. Staff costs

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

| Core staff costs [Audited]                        | 2020-21       |  |              |            |                  | 2019-20       |
|---|---------------|--|--------------|------------|------------------|---------------|
|   | Total         | Permanently employed and inward seconded staff | Others       | Ministers  | Special Advisors | Total         |
|   | £000          |  |              |            |                  | £000          |
| Wages and salaries                                | 14,394        | 13,085   | 1,088        | 220        | -                | 14,978        |
| Social security costs                             | 1,351         | 1,303  | 37           | 12         | -                | 1,407         |
| Other pension costs                               | 3,303         | 3,288  | 15           | -          | -                | 3,346         |
| <b>Sub Total</b>                                  | <b>19,048</b> | <b>17,676</b>                                  | <b>1,140</b> | <b>232</b> | <b>-</b>         | <b>19,731</b> |
| Less recoveries in respect of outward secondments | (289)         | (289)  | -            | -          | -                | (189)         |
| <b>Total net costs*</b>                           | <b>18,759</b> | <b>17,387</b>                                  | <b>1,140</b> | <b>232</b> | <b>-</b>         | <b>19,542</b> |

| Departmental staff costs [Audited]                | 2020-21       |  |              |            |                  | 2019-20       |
|---|---------------|--|--------------|------------|------------------|---------------|
|   | Total         | Permanently employed and inward seconded staff | Others       | Ministers  | Special Advisors | Total         |
|   | £000          |  |              |            |                  | £000          |
| Wages and salaries                                | 15,774        | 14,149   | 1,405        | 220        | -                | 16,292        |
| Social security costs                             | 1,486         | 1,419  | 55           | 12         | -                | 1,539         |
| Other pension costs                               | 3,579         | 3,525  | 54           | -          | -                | 3,622         |
| <b>Sub Total</b>                                  | <b>20,839</b> | <b>19,093</b>                                  | <b>1,514</b> | <b>232</b> | <b>-</b>         | <b>21,453</b> |
| Less recoveries in respect of outward secondments | (289)         | (289)  | -            | -          | -                | (189)         |
| <b>Total net costs*</b>                           | <b>20,550</b> | <b>18,804</b>                                  | <b>1,514</b> | <b>232</b> | <b>-</b>         | <b>21,264</b> |

## 4. Other Expenditure

|   |  | 2020-21<br>£000    |                   | 2019-20<br>£000<br>Restated Note 18 |                   |
|---|--|--------------------|-------------------|-------------------------------------|-------------------|
| Note  | Core Department  | Departmental Group | Core Department   | Departmental Group                  |                   |
| <b>Other Expenditure:</b>                   |  |                    |                   |                                     |                   |
|   | Communications, office supplies and services                                       | 1,719              | 1,899             | 1,423                               | 1,529             |
|   | Events and Conferences   | 21                 | 27                | 12                                  | 30                |
|   | Legal Costs  | 1,977              | 2,028             | 2,492                               | 2,532             |
|   | Maintenance and Utilities  | 2,675              | 2,867             | 3,323                               | 3,493             |
|   | Professional Fees  | 1,058              | 1,316             | 2,222                               | 2,457             |
|   | Audit Fees - ALBs  | -                  | 41                | -                                   | 39                |
|   | Other contracted Out Services  | 208                | 209               | 151                                 | 180               |
|   | Subscriptions to Professional Bodies   | 158                | 158               | 258                                 | 260               |
|   | Training Costs   | 170                | 170               | 88                                  | 89                |
|   | Travel Subsistence and Hospitality   | 172                | 180               | 1,324                               | 1,358             |
|   | All Other Expenditure  | 1,523              | 1,606             | 1,711                               | 1,780             |
| <b>Non-cash items</b>                       |  |                    |                   |                                     |                   |
| 6   | Depreciation   | 2,100              | 2,178             | 1,909                               | 1,921             |
| 7   | Amortisation   | 6                  | 15                | 16                                  | 28                |
| 6,7   | Revaluation  | -                  | 3                 | (1)                                 | (1)               |
| 14  | Provisions Provided In year<br>(provisions for staff costs are included at note 3) | 535,585            | 535,585           | 32                                  | 32                |
|   | Auditors Remuneration and Expenses   | 145                | 145               | 134                                 | 134               |
| <b>Rentals under operating Leases:</b>      |  |                    |                   |                                     |                   |
|   | Hire of plant and machinery  | 9                  | 9                 | 10                                  | 10                |
|   | Other Operating Leases   | 166                | 166               | 216                                 | 216               |
| <b>Consolidated Fund Standing Services:</b> |  |                    |                   |                                     |                   |
|   | Election Funding   | (85)               | (85)              | 7,989                               | 7,989             |
|   | Consolidated Fund Standing Services  | 120                | 120               | 99                                  | 99                |
|   |  | 547,727            | 548,637           | 23,408                              | 24,175            |
| Northern Ireland Consolidated Fund:         |  |                    |                   |                                     |                   |
|   | Grant  | 19,627,000         | 19,627,000        | 16,117,000                          | 16,117,000        |
|   | National Loans Fund Interest   | 53,638             | 53,638            | 58,510                              | 58,510            |
|   | EU grants  | 40,762             | 40,762            | 108,958                             | 108,958           |
|   |  | 19,721,400         | 19,721,400        | 16,284,468                          | 16,284,468        |
|   | <b>Total Expenditure</b>   | <b>20,269,127</b>  | <b>20,270,037</b> | <b>16,307,876</b>                   | <b>16,308,643</b> |

During the year the department did not purchase any non-audit services from its auditor, the National Audit Office. (2019-20, 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 2020-21, all operating income was within the budget (in 2019-20, all operating income was within the budget).

|                                  | 2020-21<br>£000    |                       | 2019-20<br>£000    |                       |
|----------------------------------|--------------------|-----------------------|--------------------|-----------------------|
|                                  | Core<br>department | Departmental<br>group | Core<br>department | Departmental<br>group |
| <b>Administration income:</b>    |                    |                       |                    |                       |
| Professional Fees                | 3,943              | 3,943                 | 4,761              | 4,761                 |
| Other administrative income      | 235                | 235                   | 156                | 156                   |
|                                  | <b>4,178</b>       | <b>4,178</b>          | <b>4,917</b>       | <b>4,917</b>          |
| <b>Programme income:</b>         |                    |                       |                    |                       |
| Other                            | 293                | 293                   | 2,309              | 2,344                 |
| National Loans Fund interest     | 53,638             | 53,638                | 58,511             | 58,511                |
| Income from EU for NI programmes | 40,762             | 40,762                | 108,958            | 108,958               |
|                                  | <b>94,693</b>      | <b>94,693</b>         | <b>169,778</b>     | <b>169,813</b>        |
| <b>Total</b>                     | <b>98,871</b>      | <b>98,871</b>         | <b>174,695</b>     | <b>174,730</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 2020                             | 84,564                     | 1,718            | 1,702                             | 1,176                        | 3,040                             | 718                                     | 92,918        |
| Transfers                                   | (6)                        |                  | 75                                | 77                           | 332                               | (328)                                   | 150           |
| Additions                                   | -                          | -                | 629                               | 118                          | 66                                | (35)                                    | 778           |
| Disposals                                   | -                          | -                | (194)                             | (351)                        | (1,015)                           | -                                       | (1,560)       |
| Revaluations                                | -                          | -                | 3                                 | 8                            | 23                                | -                                       | 34            |
| <b>At 31 March 2021</b>                     | <b>84,558</b>              | <b>1,718</b>     | <b>2,215</b>                      | <b>1,028</b>                 | <b>2,446</b>                      | <b>355</b>                              | <b>92,320</b> |
| <b>Depreciation</b>                         |                            |                  |                                   |                              |                                   |   |               |
| At 1 April 2020                             | 7,682                      | -                | 892                               | 915                          | 2,499                             | -                                       | 11,988        |
| Transfers                                   | (45)                       |                  | 115                               | (7)                          | (48)                              | -                                       | 15            |
| Charged in year                             | 1,505                      | -                | 218                               | 93                           | 362                               | -                                       | 2,178         |
| Disposals                                   | -                          | -                | (194)                             | (349)                        | (1,008)                           | -                                       | (1,551)       |
| Revaluation                                 | -                          | -                | 1                                 | 4                            | 12                                | -                                       | 17            |
| <b>At 31 March 2021</b>                     | <b>9,142</b>               | <b>-</b>         | <b>1,032</b>                      | <b>656</b>                   | <b>1,817</b>                      | <b>-</b>                                | <b>12,647</b> |
| <b>Carrying Amount</b>                      |                            |                  |                                   |                              |                                   |   |               |
| <b>At 31 March 2021</b>                     | <b>75,416</b>              | <b>1,718</b>     | <b>1,183</b>                      | <b>372</b>                   | <b>629</b>                        | <b>355</b>                              | <b>79,673</b> |
| <b>Carrying Amount</b>                      |                            |                  |                                   |                              |                                   |   |               |
| <b>At 31 March 2020</b>                     | <b>76,882</b>              | <b>1,718</b>     | <b>810</b>                        | <b>261</b>                   | <b>541</b>                        | <b>718</b>                              | <b>80,930</b> |
| Of the total:                               |                            |                  |                                   |                              |                                   |   |               |
| Department                                  | 75,416                     | 1,718            | 687                               | 309                          | 610                               | 347                                     | 79,087        |
| Other designated bodies                     | -                          | -                | 496                               | 64                           | 19                                | 7                                       | 586           |
| <b>Carrying amount at 31<br/>March 2020</b> | <b>75,416</b>              | <b>1,718</b>     | <b>1,183</b>                      | <b>372</b>                   | <b>629</b>                        | <b>355</b>                              | <b>79,673</b> |

## Restated – Note 18

|   | 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        |
| Prior period adjustment -<br>Note 18        | 7,872                      | -                | -                                 | -                            | -                                 | -                                       | 7,872         |
| At 1 April 2019 - Restated                  | 81,009                     | 1,718            | 1,512                             | 1,038                        | 3,459                             | 794                                     | 89,530        |
| Additions                                   | -                          | -                | 132                               | 174                          | 11                                | (76)                                    | 241           |
| Disposals                                   | -                          | -                | -                                 | (46)                         | (441)                             | -                                       | (487)         |
| Impairment                                  | -                          | -                | -                                 | -                            | -                                 | -                                       | -             |
| Indexation to SOCNE                         | -                          | -                | -                                 | -                            | 2                                 | -                                       | 2             |
| Revaluation                                 | 3,555                      | -                | 58                                | 10                           | 9                                 | -                                       | 3,632         |
| <b>At 31 March 2020</b>                     | <b>84,564</b>              | <b>1,718</b>     | <b>1,702</b>                      | <b>1,176</b>                 | <b>3,040</b>                      | <b>718</b>                              | <b>92,918</b> |
| <b>Depreciation</b>                         |                            |                  |                                   |                              |                                   |   |               |
| At 1 April 2019                             | 5,348                      | -                | 714                               | 858                          | 2,559                             | -                                       | 9,479         |
| Prior period adjustment -<br>Note 18        | 571                        | -                | -                                 | -                            | -                                 | -                                       | 571           |
| At 1 April 2019 - Restated                  | 5,919                      | -                | 714                               | 858                          | 2,559                             | -                                       | 10,050        |
| Charged in year                             | 1,442                      | -                | 144                               | 98                           | 377                               | -                                       | 2,061         |
| Disposals                                   | -                          | -                | -                                 | (45)                         | (441)                             | -                                       | (486)         |
| Revaluation                                 | 321                        | -                | -                                 | -                            | -                                 | -                                       | 321           |
| Indexation to SOCNE                         | -                          | -                | 34                                | 4                            | 4                                 | -                                       | 42            |
| <b>At 31 March 2020</b>                     | <b>7,682</b>               | <b>-</b>         | <b>892</b>                        | <b>915</b>                   | <b>2,499</b>                      | <b>-</b>                                | <b>11,988</b> |
| <b>Carrying Amount</b>                      |                            |                  |                                   |                              |                                   |   |               |
| <b>At 31 March 2020</b>                     | <b>76,882</b>              | <b>1,718</b>     | <b>810</b>                        | <b>261</b>                   | <b>541</b>                        | <b>718</b>                              | <b>80,930</b> |
| <b>Carrying Amount</b>                      |                            |                  |                                   |                              |                                   |   |               |
| <b>At 31 March 2019</b>                     | <b>75,090</b>              | <b>1,718</b>     | <b>798</b>                        | <b>180</b>                   | <b>900</b>                        | <b>794</b>                              | <b>79,480</b> |
| Of the total:                               |                            |                  |                                   |                              |                                   |   |               |
| Department                                  | 76,882                     | 1,718            | 804                               | 274                          | 517                               | 675                                     | 80,868        |
| Other designated bodies                     | -                          | -                | 6                                 | (13)                         | 24                                | 43                                      | 62            |
| <b>Carrying amount at 31<br/>March 2020</b> | <b>76,882</b>              | <b>1,718</b>     | <b>810</b>                        | <b>261</b>                   | <b>541</b>                        | <b>718</b>                              | <b>80,930</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. The annual report and accounts have been adjusted using a prior period adjustment to account for indexation that should have been recognised in the interim years between quinquennial valuation.

## 7. Intangible assets – Departmental Group

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

|   | Software Licenses | Software Licenses |
|---|-------------------|-------------------|
|   | 2020-21<br>£000   | 2019-20<br>£000   |
| <b>Cost or valuation</b>                |                   |                   |
| Opening balance                         | 549               | 1,215             |
| Transfers                               | (150)             | -                 |
| Additions                               | -                 | 138               |
| Disposals                               | (191)             | (804)             |
| Revaluation                             | -                 | -                 |
| <b>Closing balance</b>                  | <b>208</b>        | <b>549</b>        |
| <b>Amortisation</b>                     |                   |                   |
| Opening balance                         | 389               | 1,165             |
| Transfers                               | (15)              | -                 |
| Charged in year                         | 15                | 28                |
| Disposals                               | (191)             | (804)             |
| Revaluation                             | -                 | -                 |
| <b>Closing balance</b>                  | <b>198</b>        | <b>389</b>        |
| <b>Carrying Amount at 31 March 2021</b> | <b>10</b>         | <b>160</b>        |
| <b>Carrying Amount at 31 March 2020</b> | <b>160</b>        | <b>160</b>        |
| Of the total:                           |                   |                   |
| Department                              | 2                 | 144               |
| Other designated bodies                 | 8                 | 16                |
|   | <b>10</b>         | <b>160</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.

|   | 2020-21<br>£000    |                       | 2019-20<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>Buildings:</b>   |                    |                       |                    |                       |
| Not later than one year   | 1,365              | 1,445                 | 1,275              | 1,405                 |
| Later than one year and not later than 5 years                                | 2,224              | 2,724                 | 2,163              | 2,582                 |
| Later than five years   | -                  | 378                   | -                  | 446                   |
|   | <b>3,589</b>       | <b>4,547</b>          | <b>3,438</b>       | <b>4,433</b>          |
| <b>Other:</b>   |                    |                       |                    |                       |
| Not later than one year   | 12                 | 12                    | 16                 | 16                    |
| Later than one year and not later than 5 years                                | 48                 | 48                    | 50                 | 50                    |
| Later than five years   | 10                 | 10                    | 10                 | 10                    |
|   | <b>70</b>          | <b>70</b>             | <b>76</b>          | <b>76</b>             |
| <b>Total</b>  | <b>3,659</b>       | <b>4,617</b>          | <b>3,514</b>       | <b>4,509</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

|                            | 2020-21<br>£000  | 2019-20<br>£000  |
|----------------------------|------------------|------------------|
| Balance at 1 April         | 1,774,951        | 1,911,363        |
| Additions                  | -                | 9,587            |
| Repayments                 | (144,861)        | (145,999)        |
| <b>Balance at 31 March</b> | <b>1,630,090</b> | <b>1,774,951</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:

|                                 | 2020-21<br>£000  | 2019-20<br>£000  |
|---------------------------------|------------------|------------------|
| Current assets                  | 144,704          | 144,861          |
| Non-current assets              | 1,485,386        | 1,630,090        |
| <b>Balance at 31 March 2021</b> | <b>1,630,090</b> | <b>1,774,951</b> |

## 11. Cash and cash equivalents

|   | 2020-21<br>£000    |                       | 2019-20<br>£000    |                       |
|---|--------------------|-----------------------|--------------------|-----------------------|
|   | Core<br>Department | Departmental<br>Group | Core<br>Department | Departmental<br>Group |
| Balance at 1 April 2020                         | 5,032              | 5,644                 | 41,553             | 41,873                |
| Net change in cash balance                      | 182,453            | 182,181               | (36,521)           | (36,229)              |
| <b>Balance at 31 March 2021</b>                 | <b>187,485</b>     | <b>187,825</b>        | <b>5,032</b>       | <b>5,644</b>          |
| The following balances at 31 March are held at: |                    |                       |                    |                       |
| Government Banking Service                      | 185,039            | 185,039               | 2,265              | 2,265                 |
| Commercial banks and cash in hand               | 2,446              | 2,786                 | 2,767              | 3,379                 |
| <b>Balance at 31 March 2021</b>                 | <b>187,485</b>     | <b>187,825</b>        | <b>5,032</b>       | <b>5,644</b>          |



**12. Trade receivables, financial and other assets**

|   | 2020-21<br>£000    |                       | 2019-20<br>£000    |                       |
|---|--------------------|-----------------------|--------------------|-----------------------|
|   | Core<br>Department | Departmental<br>Group | Core<br>Department | Departmental<br>Group |
| <b>Amounts falling due within one year:</b> |                    |                       |                    |                       |
| VAT Receivables                             | 48                 | 48                    | 1,153              | 1,153                 |
| Trade receivables                           | 2,567              | 2,569                 | 3,843              | 3,846                 |
| Other receivables                           | 144                | 144                   | 8                  | 8                     |
| Prepayments and accrued income*             | 1,347              | 1,404                 | 1,097              | 1,132                 |
| <b>Total</b>                                | <b>4,106</b>       | <b>4,165</b>          | <b>6,101</b>       | <b>6,139</b>          |

\*£0.75 million of this balance represents work in progress not yet billed (2019-20, £0.73m).

**13. Trade payables and other current liabilities**

|   | 2020-21<br>£000    |                       | 2019-20<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  | 428                | 453                   | -                  | 16                    |
| Trade and other payables  | 1,674              | 1,721                 | 502                | 547                   |
| Accruals and deferred income  | 3,616              | 3,907                 | 8,914              | 9,124                 |
| Property, plant and equipment accruals                              | 9                  | 9                     | 106                | 140                   |
| Current element of repayment of National Loans Fund                 | 144,704            | 144,704               | 144,861            | 144,861               |
| Amounts issued from the Consolidated Fund but not spent at year end | 187,485            | 187,485               | 5,032              | 5,032                 |
| Amounts received due to be paid to the Consolidated Fund            | -                  | -                     | -                  | -                     |
|   | <b>337,916</b>     | <b>338,279</b>        | <b>159,415</b>     | <b>159,720</b>        |
| <b>Amounts falling due after more than one year:</b>                |                    |                       |                    |                       |
| Repayment of National Loans Fund                                    | 1,485,386          | 1,485,386             | 1,630,090          | 1,630,090             |
| <b>Total</b>  | <b>1,823,302</b>   | <b>1,823,666</b>      | <b>1,789,505</b>   | <b>1,789,810</b>      |

## 14. Provisions for liabilities and charges

| <b>2020-21</b>                       |                       |      |                   |       |                     |       |                   |         |                        |      |         |         |
|--------------------------------------|-----------------------|------|-------------------|-------|---------------------|-------|-------------------|---------|------------------------|------|---------|---------|
| <b>£000</b>                          |                       |      |                   |       |                     |       |                   |         |                        |      |         |         |
|                                      | Compensation Payments |      | Litigation Claims |       | Restructuring Costs |       | Grant Commitments |         | Leasehold Dilapidation |      | Total   |         |
|                                      | Core                  | Dept | Core              | Dept  | Core                | Dept  | Core              | Dept    | Core                   | Dept | Core    | Dept    |
| <b>Balance at 1 April 2020</b>       | 12                    | 12   | 20                | 20    | -                   | -     | -                 | -       | -                      | -    | 32      | 32      |
| Provided in the year                 | -                     | -    | 149               | 149   | -                   | -     | 535,000           | 535,000 | 436                    | 511  | 535,585 | 535,660 |
| Provisions not required written back | -                     | -    | -                 | -     | -                   | -     | -                 | -       | -                      | -    | -       | -       |
| Provisions utilised in the year      | (12)                  | (12) | -                 | -     | -                   | -     | -                 | -       | -                      | -    | (12)    | (12)    |
| <b>Balance at 31 March 2021</b>      | -                     | -    | 169               | 169   | -                   | -     | 535,000           | 535,000 | 436                    | 511  | 535,605 | 535,680 |
| <b>2019-20</b>                       |                       |      |                   |       |                     |       |                   |         |                        |      |         |         |
| <b>£000</b>                          |                       |      |                   |       |                     |       |                   |         |                        |      |         |         |
|                                      | Compensation Payments |      | Litigation Claims |       | Restructuring Costs |       | Grant Commitments |         | Leasehold Dilapidation |      | Total   |         |
|                                      | Core                  | Dept | Core              | Dept  | Core                | Dept  | Core              | Dept    | Core                   | Dept | Core    | Dept    |
| <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>      | 12                    | 12   | 20                | 20    | -                   | -     | -                 | -       | -                      | -    | 32      | 32      |

Analysis of expected timing of discounted flows:

|   | 2020-21<br>£000 |                    | 2019-20<br>£000 |                    |
|---|-----------------|--------------------|-----------------|--------------------|
|   | Core Department | Departmental Group | Core Department | Departmental Group |
| Not later than one year                           | 535,605         | 535,680            | 32              | 32                 |
| Later than one year and not later than five years | -               | -                  | -               | -                  |
| Later than five years                             | -               | -                  | -               | -                  |
| <b>Balance at 31 March</b>                        | <b>535,605</b>  | <b>535,680</b>     | <b>32</b>       | <b>32</b>          |

|   | Grant Commitments | Litigation Claims | Leasehold Dilapidations | Total          |
|---|-------------------|-------------------|-------------------------|----------------|
| Not Later than one year                           | 535,000           | 169               | 511                     | 535,680        |
| Later than one year and not later than five years | -                 | -                 | -                       | -              |
| Later than five years                             | -                 | -                 | -                       | -              |
| <b>Balance at 31 March 2021</b>                   | <b>535,000</b>    | <b>169</b>        | <b>511</b>              | <b>535,680</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: £Nil (2019-20: £12k)

A provision was created for a liability of £12k relating to a claim for personal injury which has since been settled in 2020-21.

#### 14.2 Provision for Litigation Claims: £169k (2019-20: £20k)

A provision was created in 2019-20 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 which has not yet been settled as at the end of the current financial year.

A further provision has been recognised during the year for a liability of £149k in relation to a judicial review challenge which was allowed on the Boundary Commission of Northern Ireland's

Final Recommendations Report relating to the configuration of Northern Ireland constituencies for which the precise amount of payment is not yet known.

#### **14.3 Provision for Grant Commitments: £535,000k (2019-20: £nil)**

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. During the 2020-21 financial year, a public commitment was made to provide funding in excess of £500m to the programme. However, as the agreement defining the precise amount and timing of the payments has not yet been finalised, a provision has been recognised for the best estimate of the obligation as at the reporting date.

Funding for the programme will be fully met via HMT Estimates processes, the conditions for recognising a corresponding contingent asset have not been met. The agreement is due to be signed during 2021-22, at which point the provision will crystallise into a payable. Funding has been secured via the Mains Estimates process to meet the obligation for the 21/22 financial year. As such, the recognition of this liability does not raise any uncertainty in relation to the department's going concern status.

#### **14.4 Provision for Leasehold dilapidation: £511k (2019-20: £nil)**

Dilapidations reports were commissioned during the 2020-21 financial year setting out the cost to make good the premises occupied by the department upon exiting the relevant lease and a provision is recognised in the current year to reflect the estimated future outlay as a result of the leasehold conditions. These items are not individually nor collectively material and therefore a prior period adjustment has not been made to restate these values for previous financial years.

### **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**

In November 2020, the Secretary of State announced his decision not to establish a public inquiry into the murder of the Belfast solicitor Patrick Finucane at this time. He committed to reassess whether a public inquiry is necessary to resolve any outstanding obligations under Article 2 of the European Convention on Human Rights in light of the PSNI review process and the ongoing Police Ombudsman investigations into the case. In April 2021, Geraldine Finucane was granted leave at the High Court to seek a judicial review of the Secretary of State's decision.

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

As at 31 March 2021, there are Internment cases pending against the department or the Secretary of State which could result in damages against the department for false imprisonment of individuals who are claiming their detention was unlawful. 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. Prior Period Restatement**

An error was identified in the recording of PPE indexation from the 2017-18 Accounts onwards. PPE revaluation gains were understated with a corresponding understatement of depreciation. A Prior Period

Adjustment (PPA) has been completed to account for this error. The effect of the restatement on each financial statement is as follows:

*Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2020 (extract):*

| <b>Core Department</b>                                  | <i>Adjustment</i> |                | <i>Restated</i>   |
|---|-------------------|----------------|-------------------|
|   | <i>2020</i>       | <i>2020</i>    | <i>2020</i>       |
|   | <b>£000</b>       | <b>£000</b>    | <b>£000</b>       |
| Other costs - depreciation (net operating expenditure)  | 16,307,876        | 140            | 16,308,016        |
| Net gain on revaluation (comprehensive net expenditure) | (40)              | (3,234)        | (3,274)           |
|   | <u>16,307,836</u> | <u>(3,094)</u> | <u>16,304,742</u> |

| <b>Departmental group</b>                               | <i>Adjustment</i> |                | <i>Restated</i>   |
|---|-------------------|----------------|-------------------|
|   | <i>2020</i>       | <i>2020</i>    | <i>2020</i>       |
|   | <b>£000</b>       | <b>£000</b>    | <b>£000</b>       |
| Other costs - depreciation (net operating expenditure)  | 16,308,643        | 140            | 16,308,783        |
| Net gain on revaluation (comprehensive net expenditure) | (40)              | (3,234)        | (3,274)           |
|   | <u>16,308,603</u> | <u>(3,094)</u> | <u>16,305,509</u> |

*Consolidated statement of financial position for the year ended 31 March 2020 (extract):*

| <b>Core Department</b>      | <i>Adjustment</i> |             | <i>Restated</i> |
|-----------------------------|-------------------|-------------|-----------------|
|                             | <i>2020</i>       | <i>2020</i> | <i>2020</i>     |
|                             | <b>£000</b>       | <b>£000</b> | <b>£000</b>     |
| Property, Plant & Equipment | 70,473            | 10,395      | 80,868          |
| Revaluation Reserve         | (28,738)          | (10,395)    | (39,133)        |
|                             | <u>41,735</u>     | <u>-</u>    | <u>42,867</u>   |

| <b>Departmental group</b>   | <i>Adjustment</i> |             | <i>Restated</i> |
|-----------------------------|-------------------|-------------|-----------------|
|                             | <i>2020</i>       | <i>2020</i> | <i>2020</i>     |
|                             | <b>£000</b>       | <b>£000</b> | <b>£000</b>     |
| Property, Plant & Equipment | 70,535            | 10,395      | 80,930          |
| Revaluation Reserve         | (28,739)          | (10,395)    | (39,134)        |
|                             | <u>41,796</u>     | <u>-</u>    | <u>41,796</u>   |

*Consolidated statement of financial position for the year ended 31 March 2019 (extract):*

| <b>Core Department</b>      | <i>Adjustment</i> |             | <i>Restated</i> |
|-----------------------------|-------------------|-------------|-----------------|
|                             | <i>2019</i>       | <i>2019</i> | <i>2019</i>     |
|                             | <b>£000</b>       | <b>£000</b> | <b>£000</b>     |
| Property, Plant & Equipment | 72,151            | 7,301       | 79,452          |
| Revaluation Reserve         | (28,703)          | (7,301)     | (36,004)        |
|                             | <u>146,423</u>    | <u>-</u>    | <u>115,456</u>  |

| <b>Departmental group</b>   | <i>Adjustment</i> |             | <i>Restated</i> |
|-----------------------------|-------------------|-------------|-----------------|
|                             | <i>2019</i>       | <i>2019</i> | <i>2019</i>     |
|                             | <b>£000</b>       | <b>£000</b> | <b>£000</b>     |
| Property, Plant & Equipment | 72,179            | 7,301       | 79,480          |
| Revaluation Reserve         | (28,704)          | (7,301)     | (36,005)        |
|                             | <u>43,475</u>     | <u>-</u>    | <u>43,475</u>   |

*Consolidated statement of cash flows for the year ended 31 March 2020 (extract):*

| Departmental Group                           | Adjustment          |          | Restated            |
|--|---------------------|----------|---------------------|
|  | 2020                | 2020     | 2020                |
|  | £000                | £000     | £000                |
| <i>Cash Flows from operating activities:</i> |                     |          |                     |
| Adjustment for non-cash transactions         | 10,563              | 140      | 10,703              |
| <i>Cash Flows from operating activities:</i> |                     |          |                     |
| Net operating Expenditure                    | (16,155,177)        | (140)    | (16,155,317)        |
|  | <u>(16,144,614)</u> | <u>-</u> | <u>(16,144,614)</u> |

## 19. Entities within the Departmental boundary

The entities within the boundary during 2020-21 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 (non-statutory)  
Veteran's Commissioner (non-statutory)  
Independent Reviewer of National Security Arrangements in Northern Ireland (non-statutory)

\*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. There were no material events after the reporting period to report.

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 I: REGULATORY REPORTING 2020-21 (Unaudited)**

| <b>Spending by Northern Ireland Office &amp; Northern Ireland Executive 2015-16 to 2021-22</b>  |                   |                   |                   |                   |                   |                   |                        |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------------|-------------------|
|   | 2015-16           | 2016-17           | 2017-18           | 2018-19           | 2019-20           | 2020-21           | 2020-21                | 2021-22           |
|   | Outturn           | Outturn           | Outturn           | Outturn           | Outturn           | Plans             | Outturn <sup>(7)</sup> | Plans             |
|   | £'000             | £'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            | 22,639            | 24,159            | 22,147                 | 20,441            |
| Other resource expenditure  | 12,664            | 11,524            | 10,720            | 6,444             | 16,719            | 8,134             | 6,568                  | 14,609            |
| <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>39,358</b>     | <b>32,293</b>     | <b>28,715</b>          | <b>35,050</b>     |
| <b>Northern Ireland Office Capital</b>  | <b>1,973</b>      | <b>445</b>        | <b>1,496</b>      | <b>451</b>        | <b>345</b>        | <b>897</b>        | <b>852</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>39,703</b>     | <b>33,190</b>     | <b>29,567</b>          | <b>35,310</b>     |
| <i>less depreciation &amp; impairments</i>  | <i>-1,681</i>     | <i>-1,956</i>     | <i>-1,872</i>     | <i>-1,920</i>     | <i>-1,925</i>     | <i>-2,100</i>     | <i>-2,106</i>          | <i>-2,046</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>37,778</b>     | <b>31,090</b>     | <b>24,761</b>          | <b>33,264</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        | 11,944,961        | 16,256,705        | 15,526,503             | 14,806,210        |
| Capital   | 765,747           | 1,005,419         | 1,147,995         | 1,297,127         | 1,346,216         | 1,895,694         | 1,717,575              | 1,867,413         |
| <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>13,291,177</b> | <b>18,152,399</b> | <b>17,244,078</b>      | <b>16,673,623</b> |
| <i>less depreciation &amp; impairments</i>  | <i>-254,883</i>   | <i>-590,316</i>   | <i>-546,594</i>   | <i>-525,327</i>   | <i>-584,321</i>   | <i>-1,044,120</i> | <i>-642,174</i>        | <i>-1,034,804</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>12,706,856</b> | <b>17,108,279</b> | <b>16,601,904</b>      | <b>15,638,819</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 2019-20: Provision &amp; Final Outturn</b>                   |                           |                        |                  |
|---|---------------------------|------------------------|------------------|
|   | <b>Original Provision</b> | <b>Final 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>  | 13038.19                  | 13,428.9               | 13,291.2         |
| Annually Managed Expenditure (inc Other AME)  | 10,514.6                  | 11,075.2               | 9,960.4          |
| Expenditure Financed by Regional Rates  | 643.1                     | 652.7                  | 656.1            |
| Expenditure Financed by RRI Borrowing   | 0.0                       | 10.9                   | 9.6              |
| <b>Total Managed Expenditure (DEL, AME &amp; Other AME)</b>   | <b>24,195.8</b>           | <b>25,167.7</b>        | <b>23,917.2</b>  |
| Less: non-cash expenditure (depreciation, impairments etc)  | -4,563.5                  | -5,111.6               | -3,988.4         |
| Less: Resource consumption of NDPBs (DEL, AME & Other AME)  | -13,360.9                 | -13,484.6              | -13,652.4        |
| Add: Cash grants paid to NDPBs  | 8,914.6                   | 9,388.7                | 9,059.5          |
| Utilisation of Provisions   | 1,320.0                   | 1,465.1                | 1,412.8          |
| Movement in debtors/creditors   | 140.9                     | 131.8                  | 42.0             |
| Prior year adjustment   | -                         | -                      | -0.4             |
| <b>Supply Expenditure</b>   | <b>16,646.9</b>           | <b>17,557.1</b>        | <b>16,790.4</b>  |
| Interest Payable to National Loans Fund   | 63.4                      | 58.5                   | 58.7             |
| 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                    | 9.2              |
| Loans Issued  | -                         | -                      | 65.7             |
| Sums Repaid   | -                         | -                      | 48.1             |
| Temporary Investments   | -                         | -                      | 2,588.0          |
| Advances from the Consolidated fund   | -                         | -                      | 19.7             |
| <b>Total Expenditure</b>  | <b>17,477.0</b>           | <b>18,392.7</b>        | <b>20,347.3</b>  |
| <b>Income</b>   |                           |                        |                  |
| RRI Borrowing from National Loans Fund  | 0.0                       | 10.9                   | 9.6              |
| District Rates  | 636.7                     | 647.2                  | 1,373.3          |
| Regional Rates  | 764.0                     | 773.0                  |                  |
| Interest Receivable in respect of loans made from NI Consolidated Fund  | 43.7                      | 40.0                   | 40.0             |
| NICF Loan Repaid  | -                         | -                      | 71.4             |
| Internal Departmental Funds   | -                         | -                      | 27.9             |
| Advances from the consolidated fund   | -                         | -                      | 19.7             |
| Temporary Investments   | -                         | -                      | 2,588.0          |
| Excess of Capital Receipts over capital issues  | -                         | -                      | -0.3             |
| <b>Miscellaneous receipts</b>   | <b>34.5</b>               | <b>33.4</b>            | <b>100.7</b>     |
| <i>of which:</i>  |                           |                        |                  |
| NICF Balance  | 0.5                       | 0.5                    | 0.0              |
| Continental Shelf   | 1.2                       | 1.7                    | 1.7              |
| Misc - NIHE, Land Annuities etc   | 5.3                       | 3.3                    | 3.6              |
| Excess Accruing Resources   | 3.2                       | 3.0                    | 12.4             |
| CFERS   | 21.6                      | 22.2                   | 75.6             |
| EU CFERS  | 2.7                       | 2.7                    | 7.4              |
| <b>Total Income</b>   | <b>1,478.9</b>            | <b>1,504.5</b>         | <b>4,230.3</b>   |
| <b>Cash grant payable to the NI Consolidated Fund <sup>(3)</sup></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 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 2020-21: Provision and Estimated outturn</b>                 |                           |                        |                          |
|---|---------------------------|------------------------|--------------------------|
|   | <b>Original Provision</b> | <b>Final Provision</b> | <b>Estimated Outturn</b> |
|   | <b>£ million</b>          | <b>£ million</b>       | <b>£ million</b>         |
| Departmental Expenditure Limit (Resource DEL + Capital DEL) (2) (4)   | 15,349.8                  | 18,152.4               | 18,152.4                 |
| Annually Managed Expenditure (inc Other AME)  | 11,958.8                  | 12,145.3               | 12,145.3                 |
| Expenditure Financed by Regional Rates  | 652.7                     | 316.7                  | 316.7                    |
| Expenditure Financed by RRI Borrowing   | 200.0                     | 0.0                    | 0.0                      |
| <b>Total Managed Expenditure (DEL, AME &amp; Other AME)</b>   | <b>28,161.2</b>           | <b>30,614.4</b>        | <b>30,614.4</b>          |
| Less Non Cash charges   | -5,803.5                  | -5,561.7               | -5,561.7                 |
| Less Non Voted (DEL, AME & Other AME)   | -303.8                    | -15,341.9              | -15,341.9                |
| Voted Other Expenditure outside DEL   |                           | 11,085.2               | 11,085.2                 |
| Utilisation of Provisions   | 1,392.6                   | 1,480.6                | 1,480.6                  |
| Movement in debtors/creditors (Z999)  | 44.2                      | 827.3                  | 827.3                    |
| <b>Supply Expenditure</b>   | <b>23,490.8</b>           | <b>23,103.9</b>        | <b>23,103.9</b>          |
| Interest Payable to National Loans Fund   | 53.8                      | 53.7                   | 53.7                     |
| District Council Rates  | 662.9                     | 664.7                  | 664.7                    |
| Repayment of Principal of RRI Loans (financed by Regional Rates income)   | 124.1                     | 124.1                  | 124.1                    |
| Other Services (Statutory Salaries & Miscellaneous Receipts)  | 9.5                       | 9.2                    | 9.2                      |
| <b>Total Expenditure</b>  | <b>24,341.2</b>           | <b>23,955.7</b>        | <b>23,955.7</b>          |
| <b>Income</b>   |                           |                        |                          |
| RRI Borrowing from National Loans Fund  | 200.0                     | 0.0                    | 0.0                      |
| District Rates  | 662.9                     | 664.7                  | 664.7                    |
| Regional Rates  | 776.8                     | 440.8                  | 440.8                    |
| Interest Receivable in respect of loans made from NI Consolidated Fund  | 36.9                      | 36.3                   | 36.3                     |
| <b>Miscellaneous receipts</b>   | <b>61.7</b>               | <b>211.5</b>           | <b>211.5</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>1.7</i>                | <i>2.0</i>             | <i>2.0</i>               |
| <i>Misc - NIHE, Land Annuities etc</i>  | <i>3.5</i>                | <i>6.0</i>             | <i>6.0</i>               |
| <i>Excess Accruing Resources</i>  | <i>3.0</i>                | <i>3.0</i>             | <i>3.0</i>               |
| <i>CFERS</i>  | <i>50.0</i>               | <i>200.0</i>           | <i>200.0</i>             |
| <i>EU CFERS</i>   | <i>3.0</i>                | <i>0.0</i>             | <i>0.0</i>               |
| <b>Total Income</b>   | <b>1,738.3</b>            | <b>1,353.3</b>         | <b>1,353.3</b>           |
| Underspend of cash grant  |                           |                        | -2,975.3                 |
| <b>Cash Grant payable to Northern Ireland Consolidated</b>  | <b>22,602.9</b>           | <b>22,602.3</b>        | <b>19,627.0</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 2020-21 outturn for Northern Ireland Executive Expenditure is not yet available           |                           |                        |                          |

| <b>Calculation of Grant Payable to Northern Ireland Consolidated Fund 2021-22</b>  |                  |  |  |
|--|------------------|--|--|
|  | <b>£ million</b> |  |  |
| Departmental Expenditure Limit (Resource DEL + Capital DEL)  | 16,673.6         |  |  |
| Annually Managed Expenditure (inc Other AME)   | 12,786.2         |  |  |
| Expenditure Financed by Regional Rates   | 580.1            |  |  |
| Expenditure Financed by RRI Borrowing  | 170.0            |  |  |
| <b>Total Managed Expenditure (DEL, AME &amp; Other AME)</b>  | <b>30,210.0</b>  |  |  |
| Less: non-cash expenditure (depreciation, impairments etc)   | -5,556.3         |  |  |
| Less: Resource consumption of NDPBs (DEL, AME & Other AME)   | -14,265.8        |  |  |
| <i>Other Voted Expenditure outside DEL</i>   | 10,462.0         |  |  |
| Utilisation of Provisions  | 1,383.0          |  |  |
| Movement in debtors/creditors  | 70.8             |  |  |
| <b>Total Supply Expenditure</b>  | <b>22,303.6</b>  |  |  |
| Interest Payable to National Loans Fund  | 49.1             |  |  |
| District Council Rates   | 677.2            |  |  |
| Repayment of Principal of RRI Loans (financed by Regional Rates income)  | 127.3            |  |  |
| Other Services (Statutory Salaries & Miscellaneous Receipts)   | 10.0             |  |  |
| <b>Total Expenditure</b>   | <b>23,167.2</b>  |  |  |
| <b>Less Income</b>   |                  |  |  |
| RRI Borrowing from National Loans Fund   | 170.0            |  |  |
| District Rates   | 677.2            |  |  |
| Regional Rates   | 707.4            |  |  |
| Interest Receivable in respect of loans made from NI Consolidated Fund   | 33.5             |  |  |
| Miscellaneous receipts   | <b>113.2</b>     |  |  |
| <i>of which:</i>   |                  |  |  |
| <i>NICF Balance</i>  | <b>0.5</b>       |  |  |
| <i>Continental Shelf</i>   | 2.0              |  |  |
| <i>Misc - NIHE, Land Annuities etc</i>   | 6.7              |  |  |
| <i>Excess Accruing Resources</i>   | 3.0              |  |  |
| <i>CFERS</i>   | 100.0            |  |  |
| <i>EU CFERS</i>  | 1.0              |  |  |
| <b>Total Income</b>  | <b>1,701.3</b>   |  |  |
| <b>Cash Grant payable to Northern Ireland Consolidated Fund by Northern Ireland Office</b>                               | <b>21,465.9</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   |                  |  |  |

## **ANNEX II: ALB REPORTING 2020-21 (Unaudited)**

|   | Total Operating Income | Total Operating Expenditure | Net Expenditure for the year (including financing) | Permanently Employed Staff |             | Other Staff         |             |
|---|------------------------|-----------------------------|--|----------------------------|-------------|---------------------|-------------|
|   |                        |                             |  | Number of Employees        | Staff Costs | Number of Employees | Staff Costs |
| £'000   |                        |                             |  |                            |             |                     |             |
| <b>NIO Core incl. other NIO sponsored bodies<sup>12</sup></b> | (98,871)               | 20,290,719                  | 20,191,848   | 279                        | 17,388      | 5                   | 1,371       |
| <b>NIHRC</b>  | -                      | 1,636                       | 1,636  | 17                         | 668         | 7                   | 317         |
| <b>PCNI</b>   | -                      | 732                         | 732  | 7                          | 525         | 7                   | -           |
| <b>IRC</b>  | -                      | 335                         | 335  | 3                          | 224         | 3                   | 55          |

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<sup>12</sup> These figures include staff employed in the Crown Solicitor's Office, by the Chief Electoral Officer for Northern Ireland and other sponsored bodies.

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