



Northern
Ireland
Office

ANNUAL REPORT AND ACCOUNTS 2022-23

HC 1490

18 September 2023

Northern Ireland Office

Annual Report and Accounts 2022-23

(For the year ended 31 March 2023)

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 His Majesty

Ordered by the House of Commons to be printed on
18 September 2023

This is part of a series of departmental publications which, along with the Main Estimates 2023-24 and the document Public Expenditure: Statistical Analyses 2022, present the government's outturn for 2022-23 and planned expenditure for 2023-24.



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ISBN: 978-1-5286-3919-4

E02862920 09/23

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office.

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PERFORMANCE REPORT

FOREWORD BY THE SECRETARY OF STATE FOR NORTHERN IRELAND



The Right Honourable Chris Heaton-Harris MP

I am pleased to present the Northern Ireland Office Annual Report and Accounts 2022-23 to Parliament, the first report I have presented as Secretary of State for Northern Ireland. This year the Government and my department continued to focus efforts on raising prosperity, improving inclusion and societal integration, maintaining safety, and restoring a functioning devolved government.

Clearly, this has been a year of challenges, and my department has worked tirelessly to encourage the Northern Ireland parties to re-establish a fully functioning Executive; however, the Windsor Framework marks a turning point in efforts to resolve issues surrounding the Northern Ireland Protocol and provides a basis for discussions on the reforming of the Executive which will give the people of Northern Ireland the effective governance needed to deliver on the issues that matter most.

In the absence of a functioning devolved government to take the key decisions, it is only right that the Government takes steps to ensure that public services can continue to be delivered and that the Northern Ireland economy is protected. I therefore brought forward legislation to extend the time period for Executive formation and to enable Northern Ireland departments to take limited but necessary steps to maintain the delivery of Northern Ireland's public services.

Government financial support for Northern Ireland has reached unprecedented levels of investment this year and further information on the funding that has been made available through the new PEACE PLUS programme, New Decade New Approach (NDNA) fiscal commitments, New Deal funding, including City Deal funding can be found in this report.

During the year, I also took decisive action to respond to the failure of the Northern Ireland Executive to set a Budget for the financial year 2022-23 to give certainty to departments and to ensure that essential public services could continue to be delivered and to protect spending where it is needed most.

The budget provided health funding of £7.28bn; an increase of £786m when compared with last year's funding, excluding the one-off COVID-19 funding. For education, this budget provided £2.6bn in funding, which is an additional £286m on top of last year's spending (after excluding accounting for one-off COVID support in 2021-22).

The Government also delivered on its commitment to support Northern Ireland households under the energy support scheme but it is disappointing that this was not able to be delivered sooner by a working Northern Ireland Executive.

This year, the Government has taken forward legislative proposals in the form of the Northern Ireland Troubles (Legacy and Reconciliation) Bill which will establish an Independent Commission for Reconciliation and Information Recovery to address the legacy of Northern Ireland's past in a sensitive and respectful way, acknowledging honestly the complexities that still exist.

In May 2022, the Government also took further legislative steps to ensure that abortion services are available to girls and women in Northern Ireland and my department has worked with stakeholders to establish these services.

I am also pleased to say that the Identity and Language (Northern Ireland) Act was passed in December 2022. This legislation will deliver a balanced package of measures for Northern Ireland.

Our work to create a prosperous and equal Northern Ireland heavily depends on delivering the UK Government's vision of a safer Northern Ireland and it was therefore very pleasing that, for the first time in over a decade, the threat level in Northern Ireland reduced from SEVERE to SUBSTANTIAL. In recent months, we have seen an increase in levels of activity relating to Northern Ireland Related Terrorism, which has targeted police officers serving their communities and also put

at risk the lives of children and other members of the public. These attacks have no support, as demonstrated by the reaction to the abhorrent attempted murder of DCI Caldwell. While the threat level was increased again to SEVERE towards the end of the reporting year, the Belfast (Good Friday) Agreement demonstrates how peaceful and democratic politics improve society.

This year marked the 25th anniversary of the Belfast (Good Friday) Agreement. Building on the success of the events held last year to mark the centenary year, the Northern Ireland Office has been working with partners across the region to ensure that the anniversary is recognised appropriately through a civic programme of events that recognise the benefits of the Agreement as well as its continued role in providing a framework for peace and prosperity in Northern Ireland.

As we have done during 2022-23, my department will continue to work tirelessly to deliver a levelled-up United Kingdom and to strengthen Northern Ireland's place within the United Kingdom, by making it a better place to live, to work, and to invest.

Rt. Hon Chris Heaton-Harris MP
Secretary of State for Northern Ireland

Northern Ireland Office Ministers as at 31 March 2023¹



The Rt. Hon. Chris Heaton-Harris MP
Secretary of State For Northern Ireland



Steve Baker MP
Minister of State



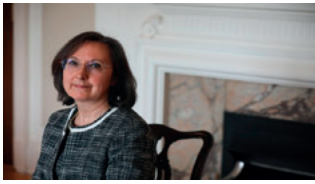
Lord Caine
Parliamentary Under Secretary of State

Further information on our Ministers is available on our website:

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

1 The Rt. Hon Chris Heaton-Harris MP was appointed Secretary of State for Northern Ireland Office on 6 September 2022 replacing Shailesh Vara; Steve Baker was appointed Minister of State on 7 September 2022 replacing Conor Burns.

Directors as at 31 March 2023²



Madeleine Alessandri
Permanent Secretary



Dominic Wilson
Director General



Chris Flatt
Director

-
- 2 Dominic Wilson joined NIO as Director-General in June 2022; Will Gelling joined NIO as Political Director in July 2022 replacing Mark Larmour; Tristan Pedelty joined NIO in July 2022 as Director of Legacy Implementation; Caroline Hacker replaced Nick Payne as Chief Operating Officer in October 2022.



Caroline Hacker

Director



Will Gelling

Director



Colin Perry

Director



Tristan Pedelty

Director

Non-Executive Board Members³



Les Philpott

Lead Non-Executive



Fiona Ross

Non-Executive Board Member



Mike Keating

Board Apprentice

-
- 3 Fiona Ross was appointed as Non-Executive Board Member on 1 March 2023; Louise Wilson stood down as a Non-Executive Board Member in November 2022; Mike Keating replaced Kirsten Kearney as the NIO Board apprentice in September 2022.

PERMANENT SECRETARY'S PERSPECTIVE ON PERFORMANCE



Madeleine Alessandri

Northern Ireland Office Permanent Secretary

The overarching mission of the Northern Ireland Office (NIO) remains to deliver on the Government's commitment to strengthen Northern Ireland's place in the United Kingdom and make it a better place in which to live, work, and do business. This underpins our Outcome Delivery Plan, which sets out our four core priorities of Prosperity, Society, Safety and Governance.

Over the course of the year we welcomed two new Secretaries of State for Northern Ireland into the Department: Shailesh Vara MP, who was with us over the summer period, and Chris Heaton-Harris MP, who joined us in early September along with Steve Baker MP as Minister of State. Lord Caine continued as our Parliamentary Under Secretary of State. Just a few days into their tenure, we were all saddened by the passing of Her Majesty Queen Elizabeth II. While the NIO response plan was well developed, it nonetheless required the whole Department to pull together to lead

the Northern Ireland elements of national mourning. In just four days, working with partners across the region, we both provided a fitting tribute to the Queen in St Anne's Cathedral and warmly welcomed the new King. Our response showed us at our best: the saddest of occasions for our nation demonstrated to the world the very best of UK public service.

The continuing absence of a Northern Ireland Executive and the failure of the Assembly to re-form after the May 2022 elections provided the backdrop to much of the work of the NIO this year. The Department had to respond to the lack of a locally elected Executive by taking new legislation through Parliament. This included setting the 2022/23 budget and providing decision-making powers for the civil servants in charge of the NI Departments, ensuring the continuation of vital services on which the people of Northern Ireland depend.

The Identity and Language Bill completed passage in Parliament, finally delivering a key commitment agreed by the Northern Ireland Political Parties and set out in the New Decade, New Approach (NDNA) Agreement. We progressed legislative measures to ensure women and girls in Northern Ireland will have the same access to reproductive health care as elsewhere in the United Kingdom. Abortion services are finally now in the process of being rolled out across Northern Ireland. And we also enabled the vital legislative step to bring organ donation in Northern Ireland into line with the rest of the country – Dáithí's Law, named after the brave little boy who has done so much to raise awareness of this vital issue.

Throughout the year we continued the sensitive and difficult task of finding a way to address the legacy of the Troubles in Northern Ireland. There are many diverging views and we have continued to engage extensively on this issue with those most impacted and with wider society in Northern Ireland. The legislation to establish an Independent Commission for Reconciliation and Information Recovery continues to progress through Parliament with our Ministerial team listening to all voices to ensure that the Bill is shaped to be the best it can be, while recognising that there is no single right solution to this most challenging of areas.

Keeping people safe from terrorism remains a vital part of the department's work. Although the threat level from terrorism in Northern Ireland was SUBSTANTIAL for much of the year, regrettably it rose again to SEVERE in March 2023. While the July 2022 parading and bonfire season was the most peaceful in recent memory, a number of subsequent National Security attacks, including the abhorrent attempted murder of Detective Chief Inspector Caldwell in February 2023 demonstrated that a small number of individuals remain intent on causing harm. The Department continues to support the work of the police and security services to reduce this threat.

For Northern Ireland to continue to flourish and progress, a strong economy is vital. In support of that, we have continued to allocate funding and drive delivery on New Deal projects, such as the Cyber-AI Hub. Our Ministers have engaged in trade and investment visits to South Korea and Canada, and we provided funding to Invest

NI through the New Deal for Northern Ireland to create new overseas posts. These are driving greater market access for Northern Ireland companies, and helping us build towards a major trade and investment event in autumn 2023. For a second year, £15m of New Deal for Northern Ireland funding has supported the skills agenda in Northern Ireland.

We also successfully concluded negotiations on PEACE PLUS funding, and supported the team negotiating the Windsor Framework, which restores the balance needed to uphold the Belfast (Good Friday) Agreement in all its dimensions.

As I look forward to the opportunities and challenges that lie ahead for Northern Ireland, I am extremely grateful to all my colleagues across the NIO. They have unfailingly – and with good humour – responded to the challenging demands placed upon the Department this year. With flexibility, professionalism and tenacity, we have delivered a lot with very little and I am confident that the NIO team will continue to work tirelessly to make Northern Ireland a great place to live, work and invest.

Madeleine Alessandri CMG⁴

-
- 4 Madeleine Alessandri left the NIO in June 2023 and Julie Harrison will take up the post of Permanent Secretary in September 2023. In the intervening period Dominic Wilson has been appointed interim Permanent Secretary and designated by HMT as the Accounting Officer with effect from 1 July 2023.

Northern Ireland Office

Lead Non-Executive Board

Member's Report



Les Philpott

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

Introduction

This is my third report as the Northern Ireland Office's Lead Non-Executive Board member, and Chair of the department's Audit, Risk & Assurance Committee. My report reflects on the work of the Board and the Committee over the last twelve months. It has been prepared in line with HM Treasury guidance, and is based on the information and assurances that were provided to the Board and the Committee during the year.

2022-23 Overview

During this reporting period, the department has made significant progress against delivering on its ambitious Outcome Delivery Plan (ODP). The governance structures established in the last reporting period, including Programme Delivery Boards for each of the four

priority outcomes, are now well established and a more integrated process for supporting delivery and assessing risk has been implemented. Over the past 12 months, I have seen a notable step change in the quality of reporting and, as a consequence, the level of assurance derived by the senior management team and the Board. Further information on the department's achievements, challenges, and risks can be found in the Performance Report section.

The department has continued to rise to the challenge of delivering against a complex political framework, in an environment where many of the levers to achieve delivery outcomes are beyond its direct control. This has been particularly true in regard to sustaining effective governance in Northern Ireland, as well as levelling up with the rest of the UK, and achieving greater inclusion. Following the appointment of the Secretary of State for Northern Ireland in September 2022, he agreed to chair future Board meetings and the membership was reconstituted to include all ministers.

In its new role, the Board has been able to take a strategic role in reviewing and challenging departmental performance in respect of the use of resources, workforce planning, communications and engagement, and the arrangements for managing funding announced as part of previous agreements for Northern Ireland; as well as maintaining an oversight on financial management. The non-executive team has been fully engaged in supporting the Board transition and on the wide range of issues, by bringing their skills and experience to bear in discussions,

on governance and performance delivery and challenging the department's management of risk.

A key focus for the next 12 months, and in the next iteration of the department's delivery plan for 2023-24, which will be published later this year, will be to build on the progress made during the last reporting period to achieve the Secretary of State's vision to make Northern Ireland a better place to live, work and invest.

Board membership and effectiveness

The Board met six times during 2022-23. From December 2022, the Board has been chaired by the Secretary of State, with membership including all Ministers, the Permanent Secretary, Director-General, Chief Operating Officer and the two Non-Executive Board Members. The Board Operating Framework was reviewed and updated in line with these changes in March 2023.

Louise Wilson stood down from her role as a Non-Executive Board Member in November 2022 and Fiona Ross was appointed to the vacant position on 1 March 2023. Mike Keating replaced Kirsten Kearney as the Board Apprentice in September 2022.

An independent review of Board effectiveness was planned for 2022-23 but due to the reconstitution of the membership it was deferred in favour of an independent peer review which will be undertaken in 2023-24.

Audit, Risk & Assurance Committee

The Audit, Risk & Assurance Committee met five 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 the bi-annual Stewardship Statements provided by senior officials and sponsored bodies.

A review of the Committee's effectiveness was commissioned in October 2022 and discussed at the Committee meeting in January 2023. Responses indicated that the Committee is effective, understands its role, and subject to the appointment of an additional member, has the right balance of skills to function effectively.

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 2022-23. I have noted the minor nature of the recommendations in these audits and am assured the department is committed to taking action on these, and the Committee will monitor progress against the implementation of all outstanding recommendations.

I am satisfied that the Committee received effective support from departmental officials 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 executive 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 also undertook a round of meetings with the chairs of the other audit committees to discuss matters of common interest, and took assurance from them that each NDPB was operating effective governance arrangements.

Acknowledgements

As Lead Non-Executive Board Member, I would like to acknowledge the achievements of the whole department in what has been a difficult year.

In particular, as Chair of the Audit, Risk & Assurance Committee, I would like to thank my fellow Committee member Neil Sayers, as well as the auditors and officials within the Northern Ireland Office, for supporting the ongoing work of the Committee. I would also like to welcome Fiona Ross who has recently joined the Committee and pay thanks to the outgoing Permanent Secretary, Madeleine Alessandri, for engaging with, and supporting the work of the Non-Executive Team.

Les Philpott

Overview

Our purpose and core values

The Northern Ireland Office (NIO) supports the Secretary of State for Northern Ireland in delivering the UK 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: 2022-23

The Secretary of State has a clear strategic vision for Northern Ireland:

“To make Northern Ireland a better place to live, work and invest.”

The department's Outcome Delivery Plan sets out the four strategic outcomes that support this vision. They are focussed on **Prosperity, Society, Safety and Governance**. Our whole department effort is focused on delivering these priority outcomes, maximising the use of the resources available.

1. Prosperity

Support the levelling up of Northern Ireland's economy with the rest of the UK

2. Society

Support greater inclusion, tolerance and openness in Northern Ireland

3. Safety

Contribute to a safer Northern Ireland, where terrorist and paramilitary groups are less able to cause harm to communities

4. Governance

Ensure that governance in Northern Ireland is responsive, transparent and able to deliver effective public service

Some of the main milestones progressed this year are outlined below:



Allocated £0.4b+ funding from New Deal and New Decade, New Approach and supported delivery of £250m from Levelling Up and UK Shared Prosperity Fund



Supported Windsor Framework negotiations



Introduced 5 primary legislation bills, including those on legacy, identity and language, the NI budget and opt-out organ donation



Enabled senior Northern Ireland civil servants to take decisions to support public service delivery, in the absence of Ministers



Delivered provisions to facilitate the 2022 Northern Ireland Assembly election



Secured agreement for €1.1 bn PEACEPLUS Programme



Ensured licensing of explosive precursors, prohibited weapons, and firearms



Ensured that households and businesses received support with energy bills



Launched a consultation on Non-Jury Trials (NJT)



Enabled provision of abortion services

Progress against each of the four priority outcomes is set out in more detail in the Strategic Performance Analysis section of this Report. 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

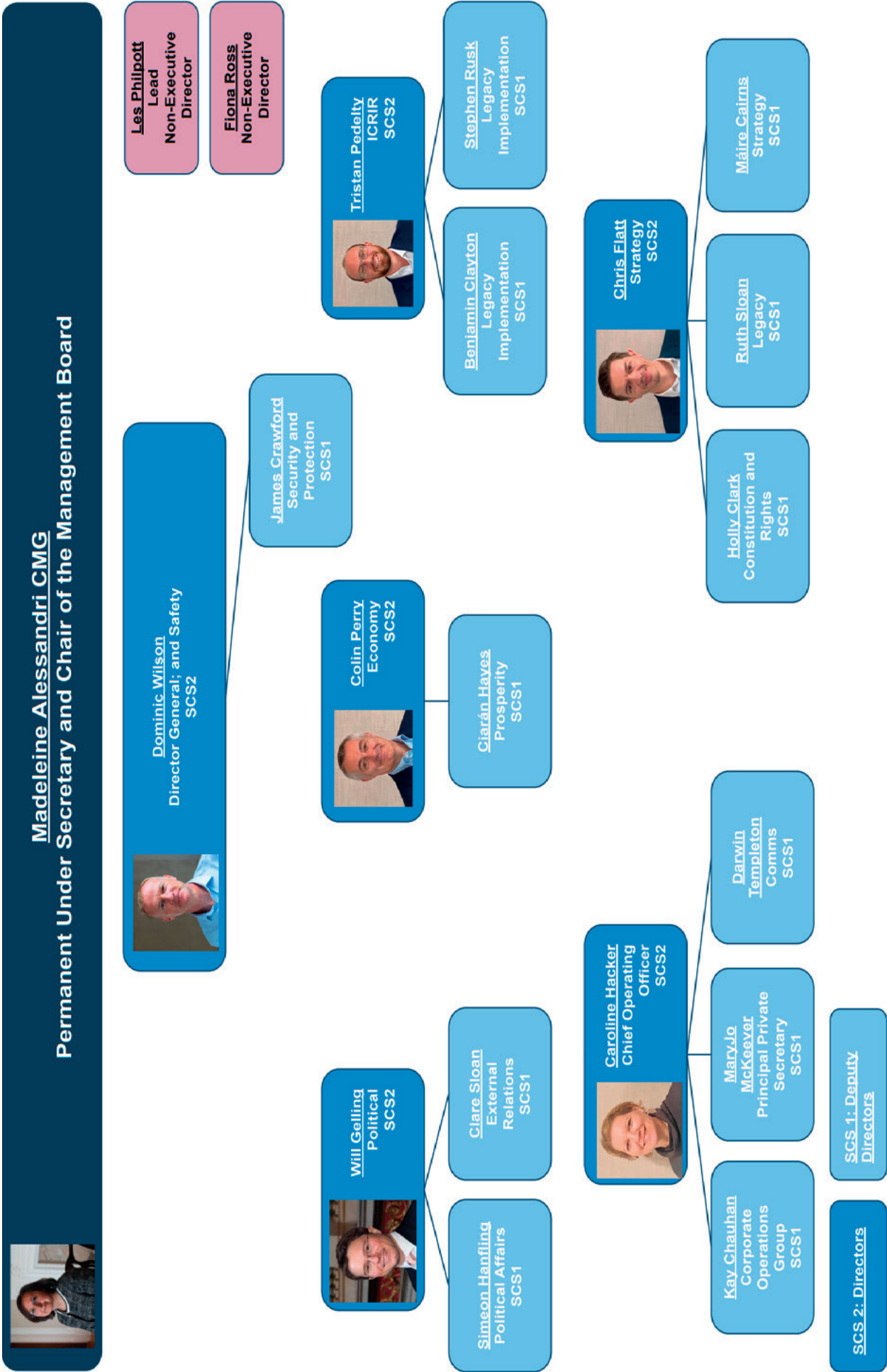
As at 31 March 2023, the Northern Ireland Office employed 166 staff across its offices in Belfast and London. The Departmental Board of the Northern Ireland Office, and the Executive Committee, oversees and manages the work of the department.

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 2023)



Our Finances

Spending summary highlights for 2022-23

| | 2022-23 | 2021-22 | Variance |
|--|-----------|-----------|-----------|
| Spend By Budget Classification | £millions | £millions | £millions |
| Resource DEL (Voted) | 39.6 | 35.1 | 4.5 |
| (Departmental operations including depreciation) | | | |
| Resource DEL (Non-Voted) | 0.0 | 0.0 | 0.0 |
| Election Funding) | | | |
| AME | | | |
| (Non-Cash accounting provisions) | 0.4 | 33.6 | (33.2) |
| Capital DEL | 0.4 | 1.6 | (1.2) |
| (Expenditure on Departmental non-current assets) | | | |
| Non Budget | 19,755 | 19,972 | (217) |
| (NI Executive funding) | | | |

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 His Majesty's Stationery Office (HMSO) and contain details of voted monies for all Government departments. The 2022-23 Supplementary Estimates are available at:

<https://www.gov.uk/government/publications/supplementary-estimates-2022-23>

Departmental Expenditure Limit (DEL): £54,857,000 (including non-voted expenditure of £nil)

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 2022-23, the Department received £11.561m additional RDEL funding at Supplementary Estimates to fund the next Northern Ireland Executive election in 2022-23 and to recover additional Covid related costs incurred at the Assembly election in May 2022 (£7.889m); a transfer from the Government Equalities Office to the NIO relating to Abortion Services Commissioning Team (£0.200m); a transfer from HM Treasury to fund the Economic Innovation Fund (£0.077m); funding (£1.200m) in order to establish the Independent Commission for Reconciliation and Information Recovery (ICRIR); funding for events to mark the 25th anniversary of the Belfast (Good Friday) Agreement (£0.288m); funding for events and services carried out during Operation London Bridge/ Operation Shamrock (£2.134m); funding for Covid-19 and the Infected Blood Inquiries (£0.100m); an increase in depreciation (£1.046m); transfers from NIO to the Northern Ireland Executive for Police Service Northern Ireland (PSNI) for overtime costs related to Operation Shamrock and for Account NI finance systems costs (£1.245m); transfers to Cabinet Office for severance payments to Special Advisors and licencing costs (£0.080m); and surrender to HM Treasury for the removal of the Health and Social Care Levy (£0.048m).

Additional CDEL funding of £0.386m was approved at the Supplementary Estimate 2022-23. This was for a new Electoral Management System for the Electoral

Office of Northern Ireland of £0.437m; a reduction of £0.030m (moved into 2023-24) to cover further IT system upgrades by the Crown Solicitor's Office; and a reduction of £0.021m for the no longer necessary EDRMS and to support the Government's military aid to Ukraine.

Annually Managed Expenditure (AME): £108,634,000

This was mainly related to potential payment due in 2022-23 of £101.9m for PEACE PLUS, a cross-border peace and reconciliation programme in Northern Ireland and the border region of Ireland.

The UK is no longer a member of the European Union but has committed to fund the Programme (an EU programme). The Financing Agreement between the United Kingdom of Great Britain and Northern Ireland, Ireland and the European Commission on the PEACE PLUS Programme 2021-2027 (the "Financing Agreement") was negotiated to govern the implementation of the Programme and make the funding available, including the contribution from the UK Government, to the Special EU Programmes Body (SEUPB) to manage and distribute to beneficiaries of the Programme. The Financing Agreement defines the funding contributions from each of the parties and manages the detail of how the UK's funding contribution will be paid. It also addresses the implementation of the Programme and details the functions of the SEUPB and related bodies, and makes provision for different eventualities over the course of the Programme. The

funding commitment for NIO was agreed as €681m during the 2021-22 financial year.

As an international treaty to which Part 2 of the Constitutional Reform and Governance Act 2010 (CRAG) applies, the Financing Agreement was submitted on 24 March 2023 to go through the scrutiny process under that Act before it could be formally ratified and brought into force. The UK Government also took forward a statutory instrument (SI) in order to ensure the UK, through the SEUPB and the Department of Finance Northern Ireland, meets its international obligations under the Financing Agreement. The Financing Agreement for the PEACE PLUS programme entered into force on the 14 June 2023. This is reflected in note 20 (events after the reporting period). The provision was reduced prior to the year-end by £2.1m to reflect updated foreign exchange rate and discount factors. As payment was not made during 2022-23 the AME budget of £101.9m was not spent.

£6.7m of budget funding was granted for new provisions relating to litigation claims, leasehold dilapidations and remediation work. Total increases to provisions for these items was £2.5m.

Non-Budget Expenditure: £21,347,311,000

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 2022-23 was £21,509m (2021-22: £21,765m) and the department's final capital Estimate for 2022-23 was £2.105m (2021-22: £1.967m).

Comparison of estimate and outturn

Resource

The total outturn shown in the Statement of Outturn against Parliamentary Supply of these Accounts reflects underspend on both the Resource DEL and Resource AME Estimates due to lower than anticipated expenditure on programmes. The net resource outturn for 2022-23 was £19,795m (2021-22: £20,041m) compared with the Estimate of £21,509m (2021-22: £21,765m). This is a variance of £1,714m (2021-22: £1,724m).

The main reasons for this variance are:

- £1,592m funds anticipated to be required by the Northern Ireland Executive were not drawn down from the Consolidated Fund;
- AME funding of £102m was approved which was for the first expected payment for the PEACE PLUS Programme. No payment for the PEACE PLUS programme was made during the 2022-23 financial year and a reduction in the provision value gave rise

to an underutilisation of £104m of the AME budget. Other AME provision funding was underspent by £4m due to lower than anticipated litigation claims, dilapidations and remediation costs;

- other underspends across the remainder of the Department and its ALBs due to lower than anticipated expenditure on programmes and services. This includes £7.3m relating to funding received for a possible NI election in 2022-23 which did not take place, underutilisation of depreciation funding of £1.3m, £1.1m of funding relating to expenditure related to leases now accounted for under IFRS16, slower than anticipated spending relating to the creation of ICRIR of £0.4m and staff vacancies during the financial year of £0.5m.

Capital

The net capital outturn for 2022-23 was £0.41m (2021-22: £1.59m) compared with the Estimate of £2.11m (2021-22: £1.97m). This is a variance of £1.69m (2021-22: £0.38m). This variance resulted from additional capital funding allocated in connection with IFRS 16 implementation (£1.2m) which was not necessary and lower than anticipated capital expenditure in a number of projects across the Department and its ALBs.

Net Cash Requirement

The net cash requirement (note SOPS3) outturn was £19,790m (2021-22: £20,007m) compared with the Estimate of £21,499m (2021-22: £21,581m). This is a variance of £1,709m (2021-22: £1,574m). 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 2023 of £484m (2021-22: £486m) occurs primarily due to an accrued liability for PEACE PLUS made in prior years (of more than £500m).

This results in the continued material net liability on the Statement of Financial Position. Funding for the programme will be fully met via HMT Estimates processes through Annually Managed Expenditure funding. The recognition of this liability does not raise any uncertainty in relation to the department's going concern status.

The liabilities are disclosed net of assets, which principally comprise property, plant and equipment of which Hillsborough Castle and its surrounding estate is an asset of £85.1m (2021-22: £80.8m) as the remainder of the other assets and liabilities largely offset.

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

At 31 March 2022 Land and Property Services (LPS) – Department of Finance NI, undertook the quinquennial valuation of Hillsborough Castle increasing the value by c£3.6m to c£79m. The most recent valuation was carried out as at 31 March 2023 using indices supplied by Land and Property Services increasing the value by c£6.1m to c£83.3m. 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.

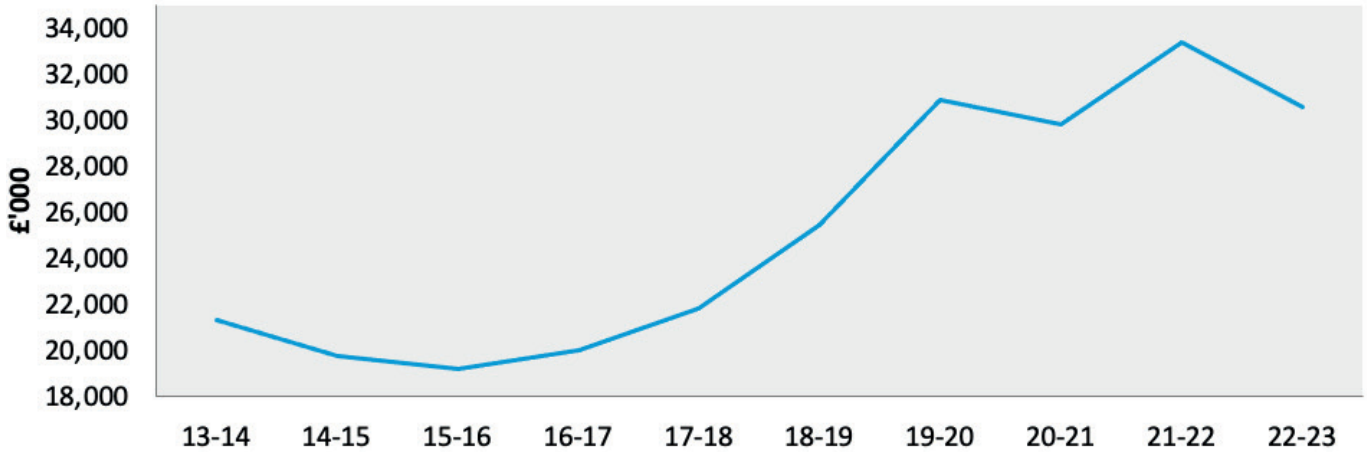
External Auditor

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 2022-23 resulted in a group audit fee of £232,840 (cash audit fee £53,540, non-cash audit fee £179,300) (2021-22 £159,000; cash fee £41,000, non-cash fee £118,000).

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 directly related to the activities of the NIO were published during the year.

Long Term Expenditure Trend

NIO Annual DEL Expenditure (Resource and Capital) 2012-2023



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, 2019-20 and 2022-23, 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. The 2021-22 year had additional spend in relation to the Centenary year, EONI Canvass and relocating from Stormont House to Erskine House.

A handwritten signature in black ink, appearing to read 'D Wilson', with a long horizontal stroke extending to the right.

Dominic Wilson
Interim Accounting Officer
7 September 2023

STRATEGIC PERFORMANCE ANALYSIS

The section below sets out in detail our four strategic priority outcomes and essential enabling activity with detail on what we have achieved during 2022-23.

During the reporting period the department made significant progress on its delivery plans particularly given the relatively small size of the department and the immensely challenging political environment.

Many of the completed milestones have seen us deliver work which is of high strategic importance in challenging policy areas and has ultimately helped to protect public finances and maintain public services in Northern Ireland in the ongoing absence of a devolved government. For example, the department delivered 5 pieces of primary legislation and 8 Statutory Instruments. New legislative powers allowed the Secretary of State to deliver a Budget for Northern Ireland – all of which has been emerging additional work for the department.

We have also supported work that culminated in the Windsor Framework which is designed to restore the smooth flow of trade within the UK Internal Market between GB and Northern Ireland. In changing the way the Northern Ireland Protocol operates, the Framework will aim to address practical problems affecting the availability of goods from Great Britain. It is not yet clear how this will impact on the restoration of the Northern Ireland Assembly and the Northern Ireland Executive.

We completed these milestones despite a number of emerging priorities as a result of the prolonged absence of the Northern Ireland Executive. Throughout the year we have managed the risks emerging from this additional work by reprioritising some of our activities, ensuring we always focused our limited resources on the areas which have the greatest impact and are of the most strategic and timely importance.

Looking forward to 2023-24, the political environment means we must focus on Executive Formation and preparing and responding to the risks and challenges that arise as a result of the governance gap. This will impact the level of resources and the approach we take to deliver our other priorities.

However, it is important to recognise that irrespective of whether there is an Executive in place the priority issues we are working towards do not change drastically; rather it is how we go about achieving this that will be adjusted. If and when an Executive is in place, the department can shift back to taking a systems leadership approach to delivering change – exerting influence, brokering agreements and holding others – including the NI Executive – to account for delivery. In the ongoing absence of an Executive, however, the department has had to adjust its leadership approach working more directly and actively with the Northern Ireland Departments and others to overcome the many challenges the lack of devolved government creates.

Priority Outcome 1: Prosperity – Support the levelling up of Northern Ireland’s economy with the rest of the UK

For Northern Ireland to continue to flourish and progress, a strong economy is vital. Economic challenges such as inflation and economic contraction have continued to place pressure on the Northern Ireland economy and subsequently local households, in addition to a governance gap on fiscal and budgetary decision-making resulting from the absence of an Executive.

Highlights of the work we have delivered to meet our Prosperity outcome objective include:

- Laid the Financing Agreement between the UK, Ireland and the European Commission on the PEACE PLUS Programme 2021-2027 in Parliament on 24 March 2023 for parliamentary scrutiny. This provides the detail and framework of the UK Government’s contribution to the programme (the contribution was announced on 8 Sept 2021). The regulations were made on 26 April 2023 and came into force with effect from 18 May 2023;
- Moved onto the delivery phase of New Deal funding after successfully agreeing funding allocations;
- Announced £18.9 million investment in Northern Ireland’s Cyber Security industry, including £11 million Government funding through the New Deal for Northern Ireland, to develop a pipeline of cyber

security professionals as well helping businesses and start-ups develop new opportunities;

- Progressed the four City and Growth Deals in Northern Ireland, with the Belfast City Region Deal moving into delivery phase. Development of business cases continues across the other three deals with the Derry City and Strabane City Deal working towards Full Deal Document signing and the Causeway Coast and Glens Growth Deal and Mid-South West Growth Deal progressing towards Heads of Terms stage;
- Announced New Decade, New Approach (NDNA) unique circumstances funding for Integrated Education (£1.9m) and An Ciste (£4m);
- Supported the Government's negotiation efforts on the Windsor Framework that reached an agreement in principle with the European Union which will restore the smooth flow of trade within the Internal Market, strengthening Northern Ireland's place in the Union;
- Worked to ensure the successful delivery of Northern Ireland's £127 million share of the UK Shared Prosperity Fund (UKSPF);
- Worked with DLUHC to deliver their Levelling Up Fund, with £120m allocated to Northern Ireland, and their Community Ownership Fund, which will invest £4.3m in community projects in Northern Ireland; and
- Ensured that households and businesses in Northern Ireland received support with energy bills.

Priority Outcome 2: Society – Support greater inclusion, tolerance, and openness in Northern Ireland

The Northern Ireland Office continues to deliver on the Government's vision of supporting greater inclusion, tolerance, and openness in Northern Ireland. A reconciled society in Northern Ireland is an essential building block from which all communities here can enjoy greater prosperity and ensure that the Union works for everyone.

Building on the successful delivery of the NDNA commitment to mark the centenary of Northern Ireland in a spirit of mutual respect, inclusiveness, and reconciliation, we turned our focus to the 25th anniversary of the Belfast (Good Friday) Agreement. The year has seen us develop a broad and ambitious programme of events to mark the anniversary, while also focusing on other key priorities in support of this outcome.

Highlights of the work we have delivered to meet our Society outcome objective include:

- Successfully completed the legislative passage for the Identity and Language legislation;
- Introduced The Northern Ireland Troubles (Legacy and Reconciliation) Bill which continues to progress through Parliament;
- Commissioned abortion services in October 2022, ensuring that the Secretary of State for Northern

Ireland upholds his duty under Section 9 of the Northern Ireland (Executive Formation, etc.) Act 2019, and continued to work with delivery partners and stakeholders across government, and in the Northern Ireland Civil Service, in our efforts to see abortion services fully established in Northern Ireland;

- Jointly hosted a three-day conference on “a more confident and inclusive Northern Ireland”;
- Developed a programme of activity to mark the 25th anniversary of the Belfast (Good Friday) Agreement, as part of which we announced the development of a new educational package telling the story of the Belfast (Good Friday) Agreement and Northern Ireland’s transformation over the past quarter century;
- Completed parliamentary passage of The Northern Ireland Flags Regulations; and
- Announced that an independent statutory inquiry will be established into the preventability of the Omagh bombing in August 1998.

Priority Outcome 3: Safety – Contribute to a safer Northern Ireland, where terrorist and paramilitary groups are less able to cause harm to communities

The Northern Ireland Office continued to deliver on the UK Government’s vision of a safer Northern Ireland, where terrorist and paramilitary groups are less able to cause harm to communities, working with all delivery

partners, including national security partners, the PSNI, local community groups, and political leaders. The Northern Ireland Related Terrorism (NIRT) threat level remained at Substantial for most of the year but was increased to SEVERE on 28 March 2023. While the increase is disappointing, we should not lose sight of how the security situation has improved significantly in the last decade, making Northern Ireland a much safer place to live and work.

This year saw one of the most peaceful parading seasons in recent history, with no major incidents declared over the summer of 2022. Nonetheless, conditions remain that require us to remain vigilant. The attempted murder of an off duty PSNI officer in Omagh in February 2023 is a tragic reminder of that fact.

Our response to November's national security attacks was well received by partners who have signalled an improvement in the flow of information over the last year and we will continue to engage partners in support of this vital work.

Highlights of the work we have delivered to meet our Safety outcome objective include:

- Responded effectively to national security incidents;
- Launched a consultation on Non-Jury Trials (NJT) legislation;
- Continued with the management of all aspects of the Home Protection Scheme;

- Delivered our statutory responsibilities with regards to licensing of explosive precursors, prohibited weapons, and firearms; and
- Continued to sponsor the Independent Reporting Commission which published its 5th report in December 2022.

Priority Outcome 4: Governance – Ensure that governance in Northern Ireland is responsive, transparent and able to deliver effective public service

The UK Government's top priority has been the restoration of fully functioning devolved institutions, and work toward this has been the primary focus of our governance outcome.

Key highlights delivered in pursuit of the Governance outcome objective include:

- Responded to the prolonged absence of an NI Executive by introducing the Northern Ireland (Executive Formation etc.) Act 2022 and further legislation to extend the period during which a Northern Ireland Executive may form;
- Clarified the decision-making powers of senior officials of the Northern Ireland Civil Servants to take decisions in the public interest in the absence of Ministers;
- Supported Northern Ireland departments to use these powers by publishing guidance that set out principles to follow;

- Ensured accountability by publishing decisions made by departments;
- Set a Northern Ireland Budget for 2022-23 and bringing forward legislation to give it effect.
- Setting the 2023-24 domestic regional rate in Northern Ireland to ensure the crucial delivery of public services and provide certainty for Northern Ireland taxpayers;
- Reduced the pay of Members of the Legislative Assembly (MLA) by 27.5% to better reflect the work they are doing;
- Legislated for opt-out organ donation in Northern Ireland;
- Continued to build strong diplomatic relations with our partners, such as strengthening our diplomatic presence in Washington and strengthening Irish governmental relations through regular involvement in the British-Irish Intergovernmental Conference; and
- Maintained appropriate plans for elections in Northern Ireland in response to the Secretary of State's election duties and announcing the temporary appointment of Sarah Ling in March 2023 as the Chief Electoral Officer for Northern Ireland in accordance with section 14(5) of the Electoral Law Act (Northern Ireland) 1962.

Strategic Enablers

The strategic enablers that sit at the heart of the NIO's delivery plan and are critical to our success include HR,

Finance, IT, Corporate Governance, Strategic Planning and Private Office activities.

Over the course of the last reporting period, the Northern Ireland Office has continued to ensure that we focus on living within our means, driving efficiencies, and reducing costs as far as possible. To this end, we have appointed a new Chief Operating Officer to oversee further improvements and efficiencies across the remainder of the Spending Review Period.

As part of our commitment to supporting continuous improvement, the Northern Ireland Office completed a review during the last reporting period of the Government Functional Standards and identified those which are currently the most appropriate for a department of our size and best meet our business needs and priorities. A statement of compliance with the relevant standards, signed by the Permanent Secretary, is now undertaken at the start of each financial year as part of our outcome delivery business planning process. Work is ongoing to further embed the relevant standards into our performance and management reporting processes and each functional lead will take this forward during the next reporting period.

Key enabling activities in support of our outcomes delivery objectives include:

- Strengthening our senior leadership team with the recruitment of a new Director General and a new political Director. These appointments bring additional capability and resilience and will ensure we continue

to develop the right strategic design, the right choices for Ministers, the right sequencing for implementation, and the right organisation of available resource;

- Agreeing a departmental Workforce Strategy which will see us move to an efficient self-service HR model;
- Embedding our return to office working;
- Working with the Government Property Agency to assess options for the long term accommodation solution in London;
- Commissioned our second round of public research to gather insight on all aspects of our delivery priorities; and
- Developed a framework for performance and contextual metrics and agreed these with HM Treasury, a key foundation of our ambition to be a data driven organisation that fully understands our performance and the environment within which we deliver it.

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 2022-23, the Northern Ireland Office also offered young people the opportunity to enhance their employability through the Apprenticeships programme, including the Boardroom Apprentice Scheme.

The Northern Ireland Office is committed to being an inclusive employer with a diverse workforce. The department encourages applications from people from the widest possible diversity of backgrounds, cultures, and experiences to join the Northern Ireland Office. 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 2023, the Northern Ireland Office sponsored three executive Non-Departmental Public Bodies, an advisory Non-Departmental Public Body, and a range of smaller 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 the following appointments:

- 10 new Equality Commissioners, with a further 4 Equality Commissioners reappointed;
- A new Northern Ireland Human Rights Commissioner; and
- A temporary Chief Electoral Officer for Northern Ireland.

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 for Northern Ireland also has responsibility for making appointments to a number of statutory and non-statutory positions in public life. In 2022-23, the Secretary of State for Northern Ireland made the following non-regulated appointments:

- a new Non-Executive Board Member and re-appointment of the Lead Non-Executive Board Member;

- a new Civil Service Commissioner and reappointment of the Chair of the Civil Service Commissioners for Northern Ireland; and
- reappointment of the Chair of the Sentence Review Commissioners;

He also agreed that the functions of the Independent Reviewer of National Security Arrangements should be undertaken by the Independent Reviewer of the Justice and Security (Northern Ireland) Act 2007 and the current incumbents' appointment was extended for a further 12 months. The role of the Chair of the Northern Ireland Committee on Protection (NICOP) expired on 31 March 2023 and was not renewed following closure of the Committee.

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 departmental intranet, weekly all staff meetings, staff bulletins, working groups, and other briefings. More formal consultation exercises also take place with staff, including through the Staff Engagement Group, and the 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, as well as proposed changes to staff policies. Throughout the year, close engagement with all colleagues has been crucial to ensure that all colleagues' views were heard on how to embed our new hybrid working model. We also continued to support a Mirror Board so that staff can provide views on wider operational and policy matters, and contribute to shaping strategic decision-making.

There are a number of 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 participates in the Civil Service 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 priorities. The results of the annual Civil Service people

survey were published in December 2022. The report which combines NIO results with those for all Territorial Offices is available at:

<https://www.gov.uk/government/publications/civil-service-people-survey-2022-results>

80% of NIO staff completed the 2022 survey. The department's commitment to our People Plan priorities contributed to an overall engagement score of 61%, which is lower than the previous year (68%) and the Civil Service benchmark (65%). This year's people survey showed a number of positive increases in the 'My Team' and 'My Manager' theme scores, Inclusion and Fair Treatment remains positive at 80% and there was a decrease in staff reporting that they had experienced bullying & harassment. However, in line with the rest of the Civil Service scores were lower than last year for Pay & Benefits and Leadership & Managing Change.

An NIO People Survey Working Group will be taking forward the departmental response focussing on three themes covering Leadership, Wellbeing and Development Opportunities.

Managing Attendance

Throughout the year the Northern Ireland Office kept a strong focus on the well-being of its staff. The majority of staff were able to fulfil their roles whilst working flexibly and being able to avail of the new hybrid working model. Sickness absence figures for the reporting year are included in the Staff Report and show that attendance

was better than the Civil Service average for the last reporting period to March 2023.

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 protected characteristics, 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 is committed to being 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 equality legislation and legal obligations under Northern Ireland, and UK law.

Employment, training and advancement of disabled persons

The Northern Ireland Office 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 encourages the 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 whole department, including a lead on disability issues.

Pensions

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: three providing benefits on a final salary basis (classic, premium and 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.

Those organisations within the boundary covered by the Scheme(s) 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 to support 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. During the period, the department ensured that it continued to remain compliant with all specific recommendations in relation to health and safety, and provide a safe working environment for all.

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

During 2022-23, there were no accidents reported to the relevant authorities (nil in 2021-22).

Social, community and environmental responsibility

The Northern Ireland Office, as part of its corporate responsibility agenda, actively promotes awareness of social, community and environmental issues on its staff intranet, 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 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 health well-being information on work-life balance options, on the department's staff intranet.

Fraud/Whistleblowing/Raising a Concern

The Northern Ireland Office has robust arrangements in place for the prevention, detection and reporting of fraud, and is committed to the highest possible standards of openness, honesty, and accountability. Our arrangements follow the principles outlined in the HM Treasury's publication *Managing Public Money*, and Civil Service policies on whistleblowing or raising a concern about any suspicions on matters that staff think are wrong, illegal or endangers others, including fraud, bribery or corruption. During the reporting period the department kept its counter fraud policy and nominated whistleblowing officers under review. There were no reported cases of fraud or whistleblowing during the reporting period (nil in 2021-22).

Estates management strategy

The Northern Ireland Office's accommodation in London and Belfast is 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 83% (85% in 2021-22) of invoices within five working days, 91% (92% in 2021-22) within 10 working days, and 97% (98%

in 2021-22) 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 promoting the better regulation agenda across the Northern Ireland departments and representing the needs of the devolved administration in Whitehall, and vice versa.

During the reporting period, the Northern Ireland Office published one consultation regarding *Proposals for addressing the legacy of Northern Ireland's past*. 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

Parliamentary Questions

The UK 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 2022-23 are 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 2022-23 (nil in 2021-22).

Freedom of Information requests

Statistics on Freedom of Information requests in central government, including those for the Northern Ireland Office, are published quarterly at:

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

Transparency

The Northern Ireland Office, in line with the UK 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

It has been agreed with HMT and the Cabinet Office that 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. The department is, however, committed to making our estate and operations low impact on the environment and more sustainable and, where possible, we support the delivery of the UK Government's Greening Government Commitments (GGCs). As an illustration, the department has adopted a virtual by default approach, ensuring that essential business travel is kept to a minimum, and operates out of two government hubs that are managed in accordance with sustainable standards.

We recognise that improving sustainability and the drive to Net Zero is a universal agenda. We have established a Sustainability Group to guide the department as we endeavour to model the behaviours and values underpinning the UN's Sustainable Development Goals (SDGs). Moreover, we support the development and delivery of sustainable policies and programmes in Northern Ireland and encourage the Northern Ireland Executive to uphold its UK and international obligations, including representation overseas, with regard to the achievement of the UKs GGCs and UNs SDGs.



Dominic Wilson
Interim Accounting Officer
7 September 2023

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 Performance Report.

Permanent Secretary

The Permanent Secretary and Accounting Officer for the Northern Ireland Office during the whole of the reporting period was Madeleine Alessandri. Dominic Wilson was subsequently appointed interim Permanent Secretary and Accounting Officer for the Northern Ireland Office with effect from 1 July 2023. Further information about the department's Permanent Secretary can be found in the Performance 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 2023 were:

Northern Ireland Human Rights Commission:

| | |
|---------------------------|-------------------|
| Chief Commissioner: | Alyson Kilpatrick |
| Director/Chief Executive: | Dr David Russell |

Parades Commission for Northern Ireland:

Chief Commissioner: Very Revd. Dr Graham Forbes CBE
Secretary: Sarah Teer

Independent Reporting Commission:

Chief Commissioner: Not Applicable
UK Joint Secretary: Chris Atkinson

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.

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 sponsored bodies designated by order made under the GRAA by Statutory Instrument 2022 number 247. The ‘departmental group’, comprises the department and sponsored bodies listed at note 20 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 HM 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 sponsored 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 Report 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 Principal 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 until her departure on 30 June 2023. Dominic Wilson was appointed interim Principal Accounting Officer of the Northern Ireland Office

with effect from 1 July 2023, and after the period covered by this Annual Report but on taking on the role he took assurance from the outgoing Accounting Officer on matters covered in this report.

The Principal Accounting Officer of the department has also appointed the Chief Executives or equivalents of its sponsored non-departmental and other 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 was the Accounting Officer for the Parades Commission for Northern Ireland, and Chris Atkinson was 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 Principal 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, I took assurance from discussions with the previous NIO Accounting Officer and 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 2022-23, 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 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 that 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 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 ministerial and civil service leaders with senior non-executives from outside government. Its purpose is to provide advice, challenge, and assurance on the department's Outcomes Delivery Plan, to monitor performance, and to advise on significant risks. An independent Audit, Risk & Assurance Committee (ARAC) and an Executive Committee (ExCo) support the Board.

During the reporting period the Board met six times (including an extraordinary meeting in June 2022 to discuss the Annual Report and Accounts) and considered a wide range of strategic and corporate issues, as well as scrutinising performance and risk management. The Board was fully engaged in monitoring the use of resources including how the department was responding to the unique challenges to deliver the priorities in the Outcome Delivery Plan. Further information on performance during the year 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 the scrutiny of the corporate risk register; this was refreshed during the reporting

period to realign to the priorities and objectives set out in the Outcome Delivery Plan. The Lead non-executive board member 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 assessed the quality of the information and support it received, can be found in the Lead Non-Executive Board Member report. As noted in the Lead Non-Executive Board Member report over the last 12 months there have been considerable improvements in the quality of reporting and, as a consequence, the level of assurance derived by the senior management team and the Board.

Board membership and attendance

In December 2022 a number of Directors ceased to be members of the NIO Board when it was reconstituted from a management to a departmental board and its membership changed to include all NIO Ministers, Non-Executive Board Members, the Permanent Secretary, Chief Operating Officer and the Director General.

Meetings from December 2022 have been chaired by the Secretary of State. The Board Operating Framework was updated to reflect the changes.

The table below sets out attendance for Board meetings attended by members from 1 April 2022 to 31 March 2023:

| Name | Position | Date joined/departed Board | Eligible meetings | Absent |
|----------------------|--|----------------------------|-------------------|--------|
| Chris Heaton-Harris | Secretary of State | Joined December 2022 | 2 | 1 |
| Steve Baker | Minister of State | Joined December 2022 | 2 | 2 |
| Lord Caine | Parliamentary Under Secretary of State | Joined December 2022 | 2 | 2 |
| Madeleine Alessandri | Permanent Secretary and Accounting Officer | - | 6 | 0 |
| Dominic Wilson | Director General | Joined September 2022 | 3 | 0 |
| Caroline Hacker | Chief Operating Officer | Joined December 2022 | 2 | 0 |
| Nick Payne | Chief Operating Officer | Departed September 2022 | 4 | 0 |
| Tom Carney | Director | Departed June 2022 | 3 | 2 |
| Holly Clark | Acting Director | Departed June 2022 | 2 | 1 |
| Chris Flatt | Director | Departed December 2022 | 4 | 3 |
| Will Gelling | Director | Departed December 2022 | 1 | 0 |
| Mark Larmour | Director | Departed May 2022 | 1 | 0 |

| Name | Position | Date joined/departed Board | Eligible meetings | Absent |
|-----------------|--------------------|----------------------------|-------------------|--------|
| Tristan Pedelty | Director | Departed December 2022 | 1 | 0 |
| Colin Perry | Director | Departed December 2022 | 4 | 1 |
| Les Philpott | Lead Non-Executive | - | 6 | 0 |
| Louise Wilson | Non-Executive | Departed November 2022 | 4 | 4 |
| Fiona Ross | Non-Executive | Joined March 2023 | 0 | 0 |

Executive Committee

The Executive Committee (ExCo) is the senior executive leadership of the Northern Ireland Office, chaired by the Permanent Secretary. It operates under delegated authority of the Board, and within the overall strategic context set by ministers, with particular responsibility for delivering on operational priorities, and setting the culture and tone for the department. It 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, ExCo focused on developing new reporting arrangements for delivering the priorities in the department's Outcome Delivery Plan, as well as reviewing plans for a new communications strategy based on the ODP, and monitored the successful delivery of the Belfast Good Friday Agreement 25th Anniversary celebrations. Staff wellbeing and resourcing was also a key priority for ExCo throughout the year.

Northern Ireland Office Audit, Risk and Assurance Committee

The Audit, Risk and Assurance Committee (ARAC) supports the Board and Principal Accounting Officer by providing an independent view of the risk, internal control, and governance arrangements, and assessing the comprehensiveness, reliability, and integrity of those assurances. The Committee also reviews and

makes recommendations to the Principal Accounting Officer on the preparation and sign-off of the annual accounts. In line with the requirements of the Corporate Governance in Central Government Departments: Code of Good Practice 2017 and HM Treasury's Audit and risk assurance handbook the ARAC is chaired by a non-executive board member, the current chair is the Lead Non-Executive Director, Les Philpott.

The table below sets out the attendance of members from 1 April 2022 to 31 March 2023:

| Name | Date joined/departed | Eligible meetings | Absent |
|---------------|------------------------|-------------------|--------|
| Les Philpott | | 5 | 0 |
| Louise Wilson | Departed November 2022 | 4 | 4 |
| Neil Sayers | | 5 | 0 |
| Fiona Ross | Joined March 2023 | 0 | 0 |

During the reporting year, regular reports on the ARACs work were provided to the Principal Accounting Officer and the Board. Further information on the membership and work of the ARAC can be found in the Lead Non-Executive Board Members 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 Principal 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 Board members as at 31 March 2023 are set out below:

| Name | Position/Interest |
|----------------------|--|
| Madeleine Alessandri | Chair, Civil Service Retirement Fellowship |
| Dominic Wilson | None declared |
| Caroline Hacker | None declared |
| Les Philpott | Non-Executive Board Chair, Government Actuary's Department Chair, National Examination Board in Occupational Safety and Health (NEBOSH) Non-Executive Director, Benenden Healthcare Society Ltd |
| Fiona Ross | Non-Executive Director, Network Rail Non-Executive Director, Scottish Government Chair, Córas Iompair Éireann (CIÉ) Chair, National Paediatric Hospital Development Board Non-Executive Director, JK Funds Non-Executive Director, Evelyn Partners Non-Executive Director, SphereInvest Independent Shareholder Advisor, Bristol City Council |

The Northern Ireland Office's processes for registering outside interests and employments 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, 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 Principal 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 2022-23, the department did not issue any decision on any application submitted under the Business Appointment Rules (nil in 2021-22).

Risk management, internal 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 internal control environment, and this assurance is a source of evidence

underpinning the Principal Accounting Officer's Governance Statement.

Internal audit services are provided to the Northern Ireland Office by the Government's Internal Audit Agency, who work in accordance with Public Sector Internal Audit Standards. The work of internal auditors includes reviewing information and holding meetings with senior management, to look at the governance, risk, and internal control framework.

The Head of Internal Audit from the Government's Internal Audit Agency provides an annual assurance to the department's Principal Accounting Officer, by way of an independent opinion on the adequacy and effectiveness of governance, risk, and internal control arrangements. Their internal audit opinion is informed by the internal audit work carried out throughout the reporting period. Their annual work plan is developed in agreement with senior management, the Principal Accounting Officer and the ARAC, and is informed by an analysis of the risks to which the Northern Ireland Office is exposed.

The Internal Audit opinion for 2022-23 reported no significant control issues, and gave a "moderate" level of assurance that the Northern Ireland Office's overall risk, internal control, and governance framework is adequate to enable the achievement of its objectives, and that the department's key risks are being effectively managed.

Capacity to handle risk

During the year, the Board reviewed risks associated with the delivery of its strategic priorities and objectives at each of its meetings, particularly the risks that emerged from the continuing absence of a functioning NI Executive and impact on the delivery of public services in Northern Ireland. 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.

ExCo regularly reviewed those operational business risks and opportunities with the highest risk ratings commissioning further consideration or action as appropriate. The ARAC was also presented with a quarterly summary of the departmental risk and opportunity register and undertook deep dives into specific risk areas including reviewing ALB risk registers. Outcome Delivery Programme Boards focused on reviewing and managing lower level risk captured in relation to each of the four priority outcomes.

Over the reporting year, the department strengthened and integrated its approach to operational performance reporting and risk management with the introduction of a consolidated performance reporting process and central risk register to ensure that risks are aligned to the department's Outcome Delivery Plan, and that risk is properly and appropriately managed across the department at the right level. This joined-up approach facilitates consideration of the interrelationship between

delivery milestones and associated risks at monthly Outcome Delivery Programme Board review meetings as well as providing a clear and transparent record of all changes made to the departmental and programme level risk registers. This process also includes consideration of opportunities which are captured in a similar format to risks and similarly considered at Programme Board, ExCo and Board level.

The Board also took assurance from the presentation of the first Annual Risk Assurance report as well as the oversight provided by ExCo on the effectiveness of the internal controls to manage operational level risk, and from the Audit and Risk Committee on the adequacy and effectiveness of the overall 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, risk mitigation, and communication processes. At regular intervals, assurance is sought from each business area that risk management requirements are being complied with. The Chief Operating Officer acts as risk champion at Board level to support the department's approach to managing risk.

Further information on how the department managed risk, took mitigation action, and delivered its strategic priorities and objectives, can be found in the Strategic Performance Analysis section.

Information Assurance

During the year, information assurance and information security updates were provided to the Board, ExCo, and the Audit, Risk and Assurance 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 Regulation (GDPR). Our Data Protection Officer, also provides advice and support to our sponsored bodies and monitors compliance.

During the year there were no data breaches reported to the Information Commissioner's Office (ICO) (none in 2021-22).

Stewardship Statements

Each Deputy Director in the core department, and the senior official in each sponsored body, signs a stewardship statement providing assurance to the Principal Accounting Officer on governance, risk management, and the operation of internal controls within their business areas. These stewardship statements clearly set out the internal controls that should be in place, and the steps taken to monitor the effectiveness of those controls.

The statements are normally reviewed in-year, and an assessment of the effectiveness of those controls is also carried out at the end of the reporting year. The Board and the ARAC review a summary report of the effectiveness of the internal control measures at mid-year

and the year-end. For 2022-23, no significant concerns were identified following the end of year review.

Transparency Reporting

The NIO publishes monthly data on spend over £25,000, GPC payments over £500 and Workforce Management Information as well as publishing quarterly data on gifts, hospitality, meetings and travel for ministers, senior officials and special advisors alongside data on prompt payment and senior civil servants in post. For 2022-23 the majority of these datasets were published in accordance with the Cabinet Office publication timelines on Gov.uk and were published on data.gov.uk. Further information can be found here:

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

Sponsored Bodies

During 2022-23, the Northern Ireland Office's senior management team regularly engaged with senior officials from our sponsored bodies; these meetings covered a wide range of operational and governance matters. Assurances were also sought that each sponsored body was operating sound governance arrangements through the stewardship statement arrangements. In addition to reviewing these assurances, the Board and the Audit, Risk and Assurance Committee received quarterly updates on general governance matters, and engaged directly with a number of sponsored bodies.

I took assurance from the Audit, Risk and Assurance Committee, senior sponsors, and the governance statements produced by the three Non-Departmental Public Bodies (which are subject to review by both internal and external auditors) that all the department's sponsored bodies were continuing to operate effectively and efficiently.

Summary of effectiveness

For the period 2022-23, 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 departmental Board of the Northern Ireland Office 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 the department's sponsored bodies accounts were published in July 2023.

In addition to the audited accounts for sponsored bodies, the department also has responsibility for electoral policy in Northern Ireland, and for publishing the expenses of

the Returning Officer for Northern Ireland. From 2021-2022, the department has agreed with HM Treasury that these costs will be consolidated and reported on through the Northern Ireland Office group accounts (see Note 21).

No Ministerial directions were issued to me in my role as the Principal Accounting Officer for the Northern Ireland Office during the reporting period.

A handwritten signature in black ink, appearing to read 'D Wilson', written in a cursive style.

Dominic Wilson
Interim Accounting Officer
7 September 2023

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.org.uk>

The department has two non-executive directors details of whom 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.

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) ⁵ | Total (to nearest £1,000) |
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | | |
| Minister 1 Rt. Hon Brandon Lewis MP – Secretary of State for Northern Ireland (from 13th February 2020 to 6th July 2022) ⁶ | 17,965 (67,505 FYE) | 67,505 | - | - | 4,000 17,000 | 39,000 84,000 |

5 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.

6 Severance pay of £16,876 was due to Brandon Lewis on his departure.

| Single total figure of remuneration | | | | | | | | |
|--|---------------------------|---------------------------|------------------------------------|---------|---|---------|---------------------------|---------|
| Ministers | Salary (£) | | Benefits in kind (to nearest £100) | | Pension benefits (to nearest £1,000) ⁵ | | Total (to nearest £1,000) | |
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Minister 2 Rt. Hon. Conor Burns MP – Minister of State for Northern (from 16 th September 2021 to 6 th September 2022) | 15,840 (31,680 FYE) | 17,160 (31,680 FYE) | - | - | 3,000 | 4,000 | 19,000 | 21,000 |
| Minister 3 Lord Caine Parliamentary Under Secretary of State (from 5 th November 2021) ⁷ | - | - | - | - | - | - | - | - |

7 Lord Caine does not receive a salary for his work in the department.

| Single total figure of remuneration | | | | | | | | |
|---|---------------------------|---------|------------------------------------|---------|---|---------|---------------------------|---------|
| Ministers | Salary (£) | | Benefits in kind (to nearest £100) | | Pension benefits (to nearest £1,000) ⁵ | | Total (to nearest £1,000) | |
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Minister 4 Rt. Hon Shailesh Vara MP – Secretary of State for Northern Ireland (from 7 th July 2022 to 5 th September 2022) ⁸ | 11,100 (67,505 FYE) | - | - | - | 3,000 | - | 31,000 | - |
| Minister 5 Rt. Hon Chris Heaton-Harris MP – Secretary of State for Northern Ireland (from 6 th September 2022) | 38,440 (67,505 FYE) | - | - | - | 10,000 | - | 48,000 | - |

8 Severance pay of £16,876 was due to Shailesh Vara on his departure.

| Single total figure of remuneration | | | | | | |
|---|---------------------------|---------|------------------------------------|---------|---|---------------------------|
| Ministers | Salary (£) | | Benefits in kind (to nearest £100) | | Pension benefits (to nearest £1,000) ⁵ | Total (to nearest £1,000) |
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Minister 6 Steve Baker MP – Minister of State for Northern Ireland Office (from 7 th September 2022) | 17,952 (31,680 FYE) | - | - | - | 5,000 | - |

[Audited]

| Single total figure of remuneration | | | | | | | | | | |
|--|----------------|-----------------------------------|------------------------|---------|------------------------------------|---------|--|---------|---------------|---------|
| Officials ⁹ | Salary (£'000) | | Bonus Payments (£'000) | | Benefits in kind (to nearest £100) | | Pension benefits (to nearest £1,000) ¹⁰ | | Total (£'000) | |
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Permanent Secretary Madeleine Alessandri | 160-165 | 155-160 Restated ¹¹ | - | - | 13,900 | 14,700 | - | - | 170-175 | 170-175 |

- 9 Mike Keating replaced Kirsten Kearney as the Board Apprentice in September 2022 and does not receive a salary for his work in the department.
- 10 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.
- 11 The 2021-22 salary bracket for Colin Perry has been restated to reflect a correction to salary bracket disclosed in the prior year.

| Single total figure of remuneration | | | | | | | | | | |
|---|---------------------------|---------------------------|------------------------|-------|------------------------------------|---|--|--------|---------------|---------|
| Officials ⁹ | Salary (£'000) | | Bonus Payments (£'000) | | Benefits in kind (to nearest £100) | | Pension benefits (to nearest £1,000) ¹⁰ | | Total (£'000) | |
| | | | | | | | | | | |
| Director Colin Perry | 95-100 | 90-95 | 10-15 | 10-15 | - | - | (41,000) ¹² | 9,000 | 65-70 | 120-125 |
| Director Mark Larmour (From 6 th September 2011 to 31st May 2022) | 15-20 (FYE 95-100) | 90-95 | - | - | - | - | 16,000 | 19,000 | 30-35 | 110-115 |
| Director Chris Flatt | 95-100 | 90-95 | 10-15 | 10-15 | - | - | 14,000 | 26,000 | 120-125 | 130-135 |
| Director Andrew Pike (From 17 th February 2020 to 5 th November 2021) | - | 70-75 (110-115 FYE) | - | - | - | - | - | 9,000 | - | 80-85 |
| Director Nicholas Payne (From 14 th February 2022 to 31st October 2022) | 75-80 (125-130 FYE) | 10-15 (125-130 FYE) | 0-5 | - | - | - | - | 2,000 | 80-85 | 15-20 |

12 Final salary member (classic/classic plus/premium) who has transitioned to alpha. The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. Where there is no or a small pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase – that is, in real terms, the pension value can reduce, hence the negative values.

| Single total figure of remuneration | | | | | | | | | | |
|---|--|---|------------------------|---|------------------------------------|---|--|---|---------------|---|
| Officials ⁹ | Salary (£'000) | | Bonus Payments (£'000) | | Benefits in kind (to nearest £100) | | Pension benefits (to nearest £1,000) ¹⁰ | | Total (£'000) | |
| | Director Tom Carney (From 12th July 2021 to 30 th June 2022) ¹³ | - | - | - | - | - | - | - | - | - |
| Director William Gelling (From 6 th July 2022) | 65-70 (95-100 FYE) | - | - | - | - | - | 26,000 | - | 95-100 | - |
| Director | | | | | | | | | | |
| Director Tristan Pedely (From 4 th July 2022) ¹⁴ | 40-45 (100-105 FYE) | - | - | - | - | - | 9,000 | - | 50-55 | - |
| Director Caroline Hacker (From 31 st October 2022) | 35-40 (95-100 FYE) | - | - | - | - | - | 16,000 | - | 55-60 | - |
| Acting Director Holly Clark (From 1 st June 2022 – 31 st August 2022) | 20-25 (95-100 FYE) | - | - | - | - | - | 2,000 | - | 25-30 | - |
| Director General Dominic Wilson (From 20 th June 2022) | 95-100 (125-130 FYE) | - | - | - | - | - | - | - | 95-100 | - |

- 13 Tom Carney was paid by the Cabinet Office during his time in the Department.
- 14 Tristan Pedely was paid by the Cabinet office for the period 4th July 2022 to 31st October 2022.

| Single total figure of remuneration | | | | | | | | | |
|---|-----------------|---------------------|------------------------|------------------------------------|---|--|---|---------------|-------|
| Officials ⁹ | Salary (£'000) | | Bonus Payments (£'000) | Benefits in kind (to nearest £100) | | Pension benefits (to nearest £1,000) ¹⁰ | | Total (£'000) | |
| | | | | | | | | | |
| Non-Executive Director Les Philpott | 10-15 | 10-15 | - | - | - | - | - | 10-15 | 10-15 |
| Non-Executive Director Louise Wilson (From 1 st October 2020 to 30th November 2022) | 5-10 | 5-10 (FYE 10-15) | - | - | - | - | - | 5-10 | 5-10 |
| Non-Executive Director Fiona Ross (From 1 st March 2023) | 0-5 (10-15 FYE) | - | - | - | - | - | - | 0-5 | - |

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 (£84,144 from 1 April 2022) 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 2022-23 relate to performance in 2021-22 and the comparative bonuses reported for 2021-22 relate to the performance in 2020-21.

Fair Pay Disclosures [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.

| | 2022-23 | 2021-22 |
|--|---------------------|---------------------|
| Band of Highest Paid Director FYE Total Remuneration | £170,000 – £175,000 | £170,000 – £175,000 |
| Percentage change in performance pay and bonuses for highest paid Director | 0% | (100)% |
| Median total pay and benefits ratio | 3.9 | 4.1 |
| Median total pay and benefits | £43,897 | £41,747 |
| Percentage change in Director total pay and benefits | 0.6% | (1.3)% |
| Ratio between highest paid director and 25 th Percentile | 4.6 | 5.1 |
| 25 th Percentile total pay and benefits | £37,683 | £34,262 |
| Ratio between highest paid director and 75 th Percentile | 3.0 | 3.2 |
| 75 th Percentile total pay and benefits | £56,971 | £54,274 |

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.

The median remuneration of the workforce was £43,897 (2021-22: £41,747). The salary component of the median was £43,647 (2021-22: £41,747). The decrease in median pay multiple is due to an increase in median remuneration of the workforce resulting from an average 2% pay rise received in year. The lower quartile remuneration (representing the 25th percentile of the linear distribution) was £37,683 (the salary component of this was £37,683) (2021-22: £34,262) and the upper quartile remuneration (representing the 75th percentile of the linear distribution) was £56,971 (the salary component of this was £56,062) (2021-22: £54,274).

In 2022-23, no (2021-22, nil) employee received remuneration in excess of the highest-paid director. Remuneration ranged from £22,275 to £175,000 (2021-22: £14,000 to £173,000) as set out in page 96-98.

For employees of the entity taken as a whole, the average percentage changes from the previous financial year of salary and allowances was 12% (2021-22: 20%) and the percentage change in performance pay and bonuses payable was 48% (2021-22: (7.5)%).

Ministers' Pension Benefits

[Audited]

| Minister | Accrued pension at age 65 as at 31/3/23 | Real increase in pension at age 65 | CETV at 31/3/23 ¹⁵ | CETV at 31/3/22 | Real increase in CETV |
|--|---|------------------------------------|-------------------------------|-----------------|-----------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Minister 1 Rt. Hon Brandon Lewis MP – Secretary of State for Northern Ireland (from 13th February 2020 to 6th July 2022) | 5-10 | 0-2.5 | 99 | 91 | 2 |
| Minister 2 Rt. Hon. Conor Burns MP – Minister of State for Northern (from 16th September 2021 to 6th September 2022) | 0-5 | 0-2.5 | 13 | 9 | 2 |

15 CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

| Minister | Accrued pension at age 65 as at 31/3/23 £000 | Real increase in pension at age 65 £000 | CETV at 31/3/23¹⁵ £000 | CETV at 31/3/22 £000 | Real increase in CETV £000 |
|--|--|---|---|--------------------------------|--------------------------------------|
| Minister 4 Rt. Hon Shailesh Vara MP – Secretary of State for Northern Ireland (from 7 th July 2022 to 5 th September 2022) | 0-5 | 0-2.5 | 73 | - | 2 |
| Minister 5 Rt. Hon Chris Heaton-Harris MP – Secretary of State for Northern Ireland (from 6 th September 2022) | 0-5 | 0-2.5 | 52 | - | 6 |
| Minister 6 Steve Baker MP – Minister of State for Northern Ireland Office (from 7 th September 2022) | 0-5 | 0-2.5 | 11 | - | 3 |

Ministerial pensions

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). Pension scheme administration is provided by Buck Pensions UK who are retirement plans administrators. 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.

Directors' Pension Benefits

[Audited]

| Officials* | Accrued pension at age at 31/03/23 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/03/23 ¹⁶ | CETV at 31/03/22 | Real increase in CETV ¹⁷ | Employer contribution to partnership pension account |
|---|---|--|--------------------------------|------------------|-------------------------------------|--|
| | £000 | £000 | £000 | £000 | £000 | Nearest £100 |
| Mark Larmour Director (From 6 th September 2011 to 31st May 2022) | 40-45 | 0-2.5 | 666 | 626 | 11 | - |

16 CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

17 Taking account of inflation, the CETV funded by the employer has decreased in real terms.

| Officials* | Accrued pension at pension age at 31/03/23 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/03/23 ¹⁶ | CETV at 31/03/22 | Real increase in CETV ¹⁷ | Employer contribution to partnership pension account |
|--|---|--|--------------------------------|------------------|-------------------------------------|--|
| | £000 | £000 | £000 | £000 | £000 | Nearest £100 |
| Colin Perry Director | 50 – 55 plus a lump sum of 135-140 | 0 plus a lump sum of 0 | 1,186 | 1,123 | (56) | - |
| Chris Flatt Director | 30 – 35 plus a lump sum of 45 – 50 | 0 – 2.5 plus a lump sum of 0 | 451 | 405 | (1) | - |
| Nicholas Payne (From 14 th February 2022 to 31st October 2022) Director | 75-80 | 0-2.5 | 1,389 | 1,330 | (10) | - |

| Officials* | Accrued pension at pension age at 31/03/23 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/03/23 ¹⁶ | CETV at 31/03/22 | Real increase in CETV ¹⁷ | Employer contribution to partnership pension account |
|---|---|--|--------------------------------|------------------|-------------------------------------|--|
| | £000 | £000 | £000 | £000 | £000 | Nearest £100 |
| Andrew Pike (From 17th February 2020 to 5 th November 2021) Director | - | - | - | 1,238 | - | - |
| Madeleine Alessandri Permanent Secretary | - | - | - | - | - | 28,600 |
| William Gelling (From 6th July 2022) Director | 25 – 30 plus a lump sum of 40 – 45 | 0 – 2.5 plus lump sum of 0 | 411 | 367 | 11 | - |

| Officials* | Accrued pension at pension age at 31/03/23 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/03/23 ¹⁶ | CETV at 31/03/22 | Real increase in CETV ¹⁷ | Employer contribution to partnership pension account |
|---|---|--|--------------------------------|------------------|-------------------------------------|--|
| | £000 | £000 | £000 | £000 | £000 | Nearest £100 |
| Tristan Pedelty (From 4th July 2022) Director | 30 – 35 | 0 – 2.5 | 365 | 348 | (5) | - |
| Caroline Hacker (From 31st October 2022) Director | 5 – 10 | 0 – 2.5 | 79 | 66 | 7 | - |
| Holly Clark (From 1st June 2022 – 31st August 2022) Acting Director | 25 – 30 | 0 – 2.5 | 327 | 322 | (2) | - |

| Officials* | Accrued pension at pension age at 31/03/23 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/03/23 ¹⁶ | CETV at 31/03/22 | Real increase in CETV ¹⁷ | Employer contribution to partnership pension account |
|---|---|--|--------------------------------|------------------|-------------------------------------|--|
| | £000 | £000 | £000 | £000 | £000 | Nearest £100 |
| Dominic Wilson (From 20th June 2022) Director General | 50 – 55 plus lump sum of 100 – 105 | 0 – 2.5 plus lump sum of 0 | 912 | 841 | (13) | - |

*Tom Carney was paid by the Cabinet Office during his time in the department.

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 (CSOPS) 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).

In 2018, the Court of Appeal found that the protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, the discrimination identified by the Courts in the way that the 2015 pension reforms were introduced must be removed. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the alternative schemes e.g. legacy PCSPS & PCSPS(NI) ‘Classic’, ‘Premium’ or ‘Nuvos’ (legacy scheme) or alpha. Scheme regulations made in March 2022, closed the PCSPS & PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS & PCSPS(NI) members (including partially retired members in active service) moved to ‘alpha’ from 1 April 2022.

This completes Phase One to remedy the discrimination identified by the Courts. Any pension benefits built up in the legacy scheme prior to this date are unaffected and PCSPS & PCSPS(NI) benefits remain payable

in accordance with the relevant scheme rules. Phase Two will see the implementation of the Deferred Choice Underpin. That is, giving eligible members a choice between legacy scheme and alpha scheme benefits for service between 1 April 2015 and 31 March 2022. This choice will be available to members at retirement or after 1 October 2023. Any members who take their benefits before 1 October 2023 will be remedied at a later date. At this stage, allowance has not yet been made within CETVs for this remedy.

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 an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). 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 (2021-22: Nil).

Ministers

Two ministers left under severance terms and received compensation payments totalling £33,752 (2021-22: Nil).

Staff Report

| Departmental Group Staff costs (Audited) | | | | | | 2022-23 | 2021-22 |
|---|---------------|--|--------------|------------|------------------|----------|---------------|
| | Total | Permanently employed and inward seconded staff | Others | Ministers | Special Advisors | £000 | £000 |
| Wages and salaries | 19,149 | 17,129 | 1,765 | 255 | - | - | 17,138 |
| Social security costs | 1,870 | 1,789 | 69 | 12 | - | - | 1,681 |
| Other pension costs | 4,077 | 4,038 | 39 | - | - | - | 4,021 |
| Sub Total | 25,096 | 22,956 | 1,873 | 267 | - | - | 22,840 |
| Less recoveries in respect of outward secondments | (438) | (438) | - | - | - | - | (421) |
| Total net costs | 24,658 | 22,518 | 1,873 | 267 | - | - | 22,419 |

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]

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: three providing benefits on a final salary basis (classic, premium and 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 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). Details of the PCSPS (NI) are available in the PCSPS (NI) resource accounts.

For 2022-23, total employers' contributions of £4,028,119 (2021-22: £3,972,509) were payable at rates in the range 26.6% to 30.3% of pensionable pay for CSOPs and 28.7% to 34.2% per cent of pensionable pay for CSOPS (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 2022-23 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 £47,581 (2021-22: £47,271) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age related and ranged from 8% to 14.75% pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings.

In addition, employer contributions of £1,461 (2021-22: £1,450), 0.5% of pensionable earnings, were payable to CSOPS and to the CSOPS (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 £4,467. Contributions prepaid at that date were £nil.

No person (2021-22: Nil) retired early on ill-health grounds. The total additional accrued pension liabilities in the year amounted to £nil (2021-22: £nil).

Staff Numbers [Audited]

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

| | Total | Permanent Staff | 2022-23 Number | | | | 2021-22 Number |
|---------------------------|------------|-----------------|--------------------|-----------|-----------|------------------|----------------|
| | | | Inward Secondments | Others | Ministers | Special Advisors | |
| NIO Core Department | 199 | 175 | 17 | 1 | 3 | 3 | 181 |
| NIO sponsored NDPBs | 52 | 23 | 9 | 20 | - | - | 50 |
| Other NIO sponsored ALBs* | 103 | 2 | 101 | - | - | - | 109 |
| Total | 354 | 200 | 127 | 21 | 3 | 3 | 340 |

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

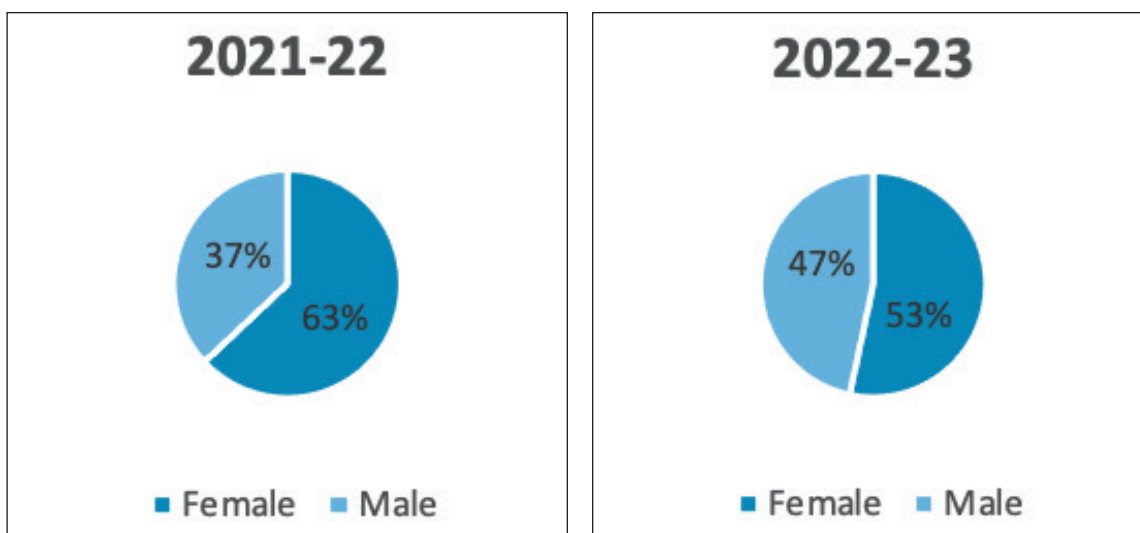
Staff turnover during 2022-23 (unaudited) was 6.67% (2021-22, 6.39%) (based on an average employee figure of 165 staff with 11 NIO staff having left the civil service during the year).

Staff Composition (Unaudited)

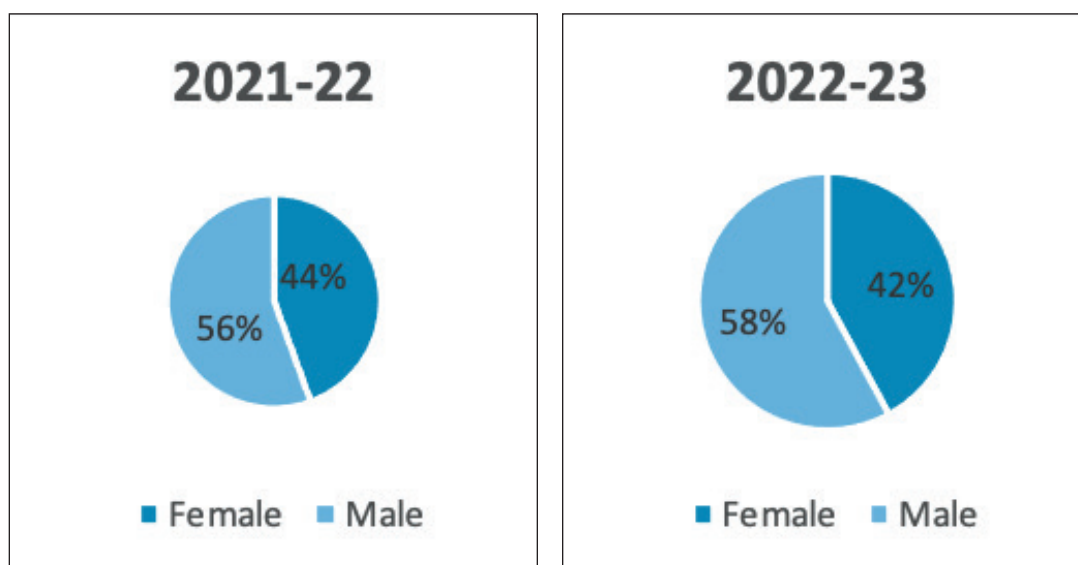
Senior Civil Service by Grade

| | 2022-23 | 2021-22 |
|---------------------|-----------|-----------|
| Permanent Secretary | 1 | 1 |
| Director General | 1 | - |
| Director | 5 | 5 |
| Deputy Director | 12 | 12 |
| Total | 19 | 18 |

Staff Composition (Gender Analysis)



Senior Civil Service Staff Composition (Gender Analysis)



Sickness Absence (Unaudited)

Throughout 2022-23, 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 2023 shows that the Northern Ireland Office had an average working days lost figure of 3.4 (March 2022: 1.5).

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 Performance Report.

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

No official in the department spent time on trade union activities (unaudited). The Ministry of Justice as the HR and payroll provider provides trade union representation for staff.

Consultancy Expenditure

The department incurred £444.3k of consultancy expenditure in 2022-23 mostly on procurement of a new electoral management system (2021-22: £304.4k).

Off-Payroll Arrangements (Unaudited)

Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater.

| Number (No.) of existing engagements as of 31 March 2023 | Core Department | ALBs | Departmental Group |
|--|-----------------|------|--------------------|
| | | | |
| Of which no that existed: | | | |
| less than 1 year | - | - | - |
| for between 1 to 2 years | 1 | - | 1 |
| for between 2 to 3 years | - | - | - |
| for between 3 to 4 years | - | - | - |
| for 4 or more years | - | - | - |

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater.

| | Core Department | ALBs | Departmental Group |
|--|--------------------|------|-----------------------|
| No. of temporary off-payroll workers engaged during the year ended 31 March 2023 | 1 | - | 1 |
| Of which: | | | |
| Not subject to off-payroll legislation | - | - | - |
| Subject to off-payroll legislation and determined as in-scope of IR35 | 1 | - | 1 |
| Subject to off-payroll legislation and determined as out-of-scope of IR35 | - | - | - |
| No. of engagements reassessed for compliance or assurance purposes during the year | - | - | - |
| Of which: No. of engagements that saw a change to IR35 status following review | - | - | - |

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

There were no civil service or other compensation schemes exit packages during the current or prior year.

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

STATEMENT OF OUTTURN AGAINST PARLIAMENTARY SUPPLY (AUDITED)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Northern Ireland Office to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons. The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that Parliament gives statutory authority for entities to utilise.

The Estimate details supply and is voted on by Parliament at the start of the financial year. Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion. The format of the SOPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn. The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an

accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (note 2); a reconciliation of outturn to net cash requirement (note 3).

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on pages 27 to 37, in the financial review section of the performance report. Further information on the Public Spending Framework and the 6 reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on [gov.uk](https://www.gov.uk).

Summary of Resource and Capital Outturn 2022-23

Summary table, 2022-23, all Figures presented in £'000's

| Type of Spend | Outturn | | Estimate | | Outturn vs Estimate, saving/ (excess) | Prior Year Outturn |
|---------------------------------------|---------------|-----------|----------------|-----------|---------------------------------------|--------------------|
| | Voted | Non-Voted | Voted | Non-Voted | | |
| Departmental Expenditure Limit | | | | | | |
| Resource | 39,649 | - | 52,752 | - | 13,103 | 35,107 |
| Capital | 413 | - | 2,105 | - | 1,692 | 1,594 |
| Total | 40,062 | - | 54,857 | - | 14,795 | 36,701 |
| Annually Managed Expenditure | | | | | | |
| Resource | 378 | - | 108,634 | - | 108,256 | 33,601 |
| Capital | - | - | - | - | - | - |
| Total | 378 | - | 108,634 | - | 108,256 | 33,601 |
| Total Budget | | | | | | |
| Resource | 40,027 | - | 161,386 | - | 121,359 | 68,708 |
| Capital | 413 | - | 2,105 | - | 1,692 | 1,594 |
| Total Budget Expenditure | 40,400 | - | 163,491 | - | 123,051 | 70,302 |
| Non-Budget Expenditure | | | | | | |
| 1.1 | 19,755,000 | - | 21,347,311 | - | 1,592,311 | 19,972,000 |

| Type of Spend | Outturn | | Estimate | | Outturn vs Estimate, saving/ (excess) | | Prior Year Outturn |
|------------------------------------|-------------------|-----------|-------------------|-------------------|---------------------------------------|------------------|--------------------|
| | Voted | Non-Voted | Total | Voted | Non-Voted | Total | |
| Total Budget and Non Budget | 19,795,440 | - | 19,795,440 | 21,510,802 | - | 1,715,362 | 20,042,302 |

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on gov.uk, for detail on the control limits voted by Parliament.

Net cash requirement 2022-23, all figures presented in £'000s

| | SoPS Note | Outturn | Estimate | Outturn vs Estimate: saving/ (excess) | Prior Year Outturn total, 2021-22 |
|----------------------|-----------|------------|------------|---------------------------------------|-----------------------------------|
| Net Cash Requirement | 3 | 19,790,404 | 21,499,496 | 1,709,092 | 20,007,275 |

Administration Costs 2022-23 all figures presented in £000's

| | SoPS Note | Outturn | Estimate | Outturn vs Estimate: saving/ (excess) | Prior Year Outturn total, 2021-22 |
|----------------------|-----------|---------|----------|---------------------------------------|-----------------------------------|
| Administration costs | 1.1 | 23,162 | 26,464 | 3,302 | 21,327 |

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote. Explanations for variations between estimate and outturn are set out on pages 33-35.

Notes to the Statement of OUTTURN AGAINST Parliamentary Supply 2022-23 (£000's)

SOPS1. Outturn detail, by Estimate Line

SOPS1.1 Analysis of resource outturn by Estimate Line

| Type of Spend (Resource) | Resource Outturn | | | | | | Estimate | | | Outturn vs Estimate, saving/ (excess) | Prior Year Outturn Total, 2021-22 | |
|--|------------------|----------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------------------------|--|--|---------------|
| | Administration | | | Programme | | | Total | Virements | Total Including Virements | | | |
| | Gross | Income | Net | Gross | Income | Net | | | | | | Total |
| Spending in Departmental Expenditure Limits (DEL) | | | | | | | | | | | | |
| Voted | | | | | | | | | | | | |
| Expenditure: | | | | | | | | | | | | |
| A - Northern Ireland Office | 28,078 | (4,916) | 23,162 | 13,236 | (322) | 12,914 | 36,076 | 49,947 | - | 49,947 | 13,871 | 31,771 |
| B - NIHRC | - | - | - | 2,518 | - | 2,518 | 2,518 | 1,605 | - | 1,605 | (913) | 2,327 |
| C - PCNI | - | - | - | 722 | - | 722 | 722 | 771 | - | 771 | 49 | 675 |
| D - IRC | | | | 333 | - | 333 | 333 | 429 | | 429 | 96 | 334 |
| Total voted | 28,078 | (4,916) | 23,162 | 16,809 | (322) | 16,487 | 39,649 | 52,752 | - | 52,752 | 13,103 | 35,107 |
| DEL | | | | | | | | | | | | |
| Non-voted | | | | | | | | | | | | |
| Expenditure: | | | | | | | | | | | | |
| E - Funding of elections | - | - | - | - | - | - | - | - | - | - | - | - |

| Type of Spend (Resource) | Resource Outturn | | | | | Estimate | | | Outturn vs Estimate, saving/ (excess) | Prior Year Outturn Total, 2021-22 | | |
|--|------------------|----------------|---------------|-------------------|--------------|-------------------|-------------------|---------------------------------|--|--|------------------|-------------------|
| | Administration | | Programme | | | Total | Virements | Total Including Virements | | | | |
| | Gross Income | Net | Gross | Income | Net | | | | | | Total | |
| Total Spending | 28,078 | (4,916) | 23,162 | 16,809 | (322) | 16,487 | 39,649 | 52,752 | - | 52,752 | 13,103 | 35,107 |
| DEL | | | | | | | | | | | | |
| Annually Managed Expenditure (AME) | | | | | | | | | | | | |
| <i>Voted</i> | | | | | | | | | | | | |
| F - Northern Ireland Office | (7) | - | (7) | 385 | - | 385 | 378 | 108,634 | - | 108,634 | 108,256 | 33,601 |
| Total voted AME | (7) | - | (7) | 385 | - | 385 | 378 | 108,634 | - | 108,634 | 108,256 | 33,601 |
| Non-budget | | | | | | | | | | | | |
| G - Grant Payable to the Northern Ireland | - | - | - | 19,755,000 | - | 19,755,000 | 19,755,000 | 21,347,311 | - | 21,347,311 | 1,592,311 | 19,972,000 |
| Consolidated Fund Prior Period Adjustments | - | - | - | - | - | - | - | - | - | - | - | - |
| Total non-budget | - | - | - | 19,755,000 | - | 19,755,000 | 19,755,000 | 21,347,311 | - | 21,347,311 | 1,592,311 | 19,972,000 |
| Total Resource | 28,071 | (4,916) | 23,155 | 19,772,194 | (322) | 19,771,872 | 19,795,027 | 21,508,697 | - | 21,508,697 | 1,713,670 | 20,040,708 |

SOPS1.2 Analysis of net capital outturn by Estimate Line

| | Outturn | | | Estimate | | | Outturn vs Estimate saving/ (excess) | Prior Year Outturn Total, 2021-22 |
|--|------------|----------|------------|--------------|-----------|--|--------------------------------------|-----------------------------------|
| | Gross | Income | Net | Net | Virements | Net total compared to Estimate, adjusted for virements | | |
| Spending in Departmental Expenditure Limits (DEL) | | | | | | | | |
| <i>Voted Expenditure:</i> | | | | | | | | |
| A – Northern Ireland Office | 413 | - | 413 | 2,105 | - | 2,105 | 1,692 | 1,583 |
| B – Northern Ireland Human Rights Commission | - | - | - | - | - | - | - | 11 |
| C – Parades Commission | - | - | - | - | - | - | - | - |
| D – Independent Reporting Commission | - | - | - | - | - | - | - | - |
| Total Voted DEL | 413 | - | 413 | 2,105 | - | 2,105 | 1,692 | 1,594 |
| <i>Non-voted Expenditure:</i> | | | | | | | | |
| E – Funding of elections | - | - | - | - | - | - | - | - |
| Total non-voted DEL | - | - | - | - | - | - | - | - |
| Total spending in DEL | 413 | - | 413 | 2,105 | - | 2,105 | 1,692 | 1,594 |

The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on gov.uk. The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament.

SOPS2. Reconciliation of outturn to net operating expenditure

SOPS2.1 Reconciliation of net resource outturn to net operating expenditure

| | | 2022-23 | 2021-22 |
|---|-------------|-------------------|-------------------|
| | | £'000 | £'000 |
| | | Outturn | Outturn |
| | Note | | |
| Total resource outturn in Statement of Outturn Parliamentary Supply | | | |
| Budget | 1.1 | 40,027 | 68,708 |
| Non-budget | 1.1 | 19,755,000 | 19,972,000 |
| | | 19,795,027 | 20,040,708 |
| Capital provision NIHRC | | - | - |
| Prior Period Adjustment | 1.1 | - | - |
| Net operating expenditure in Consolidated Statement of Comprehensive Net Expenditure | | 19,795,027 | 20,040,708 |

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.

SOPS3. Reconciliation of net resource outturn to net cash requirement

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

| | Estimate | Outturn | 2022-23 Net total outturn Compared with Estimate: saving/ (excess) £000 |
|---|-------------|-------------|--|
| | Note | £000 | £000 |
| Resource Outturn | SOPS 1.1 | 21,508,697 | 1,713,670 |
| Capital Outturn | SOPS 1.2 | 2,105 | 1,692 |
| <i>Adjustments for ALBs:</i> | | | |
| Remove voted resource and capital | | (2,805) | 768 |
| Add Cash grant-in-aid | | 2,805 | (490) |
| Accruals to cash adjustments: | | | |
| <i>Adjustment to remove non-cash items:</i> | | | |
| Depreciation/Amortisation | | (4,733) | (1,253) |
| New Provisions and adjustments to previous provisions | | (108,634) | (108,256) |
| | | (378) | |
| | | (3,480) | |

| | | Estimate | Outturn | 2022-23 Net total outturn Compared with Estimate: saving/ (excess) |
|--|------|-------------------|-------------------|--|
| | Note | £000 | £000 | £000 |
| Other non-cash items | 4 | - | (170) | 170 |
| <i>Adjustments to reflect movements in working balances:</i> | | | | |
| Increase/(decrease) in receivables | 13 | - | (1,613) | 1,613 |
| (Increase)/decrease in payables | 14 | 125 | (563,402) | 563,527 |
| Lease payments | | | 1,050 | (1,050) |
| Use of provisions | 15 | 101,936 | 563,353 | (461,417) |
| | | 21,499,496 | 19,790,522 | 1,708,974 |
| Removal of non-voted budget items: | | | | |
| Consolidated Fund Standing Services | | - | (118) | 118 |
| Net cash requirement | | 21,499,496 | 19,790,404 | 1,709,092 |

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 2023 (2021-22: £nil), or that have been recognised since that date. All expenditure has been incurred in line with underlying Parliamentary authority.

Fees and charges

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

| | Income | Full Cost | 2022-23 £000 Surplus/ (deficit) | Income | Full Cost | 2021-22 £000 Surplus/ (deficit) |
|--------------------------|--------------|----------------|--|--------------|----------------|--|
| Crown Solicitor's Office | 4,822 | (5,169) | (347) | 4,420 | (5,095) | (675) |
| Total | 4,822 | (5,169) | (347) | 4,420 | (5,095) | (675) |

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. 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 2022-23 (2021-22: nil).

Notation of Gifts

There were no gifts made over the limits prescribed in Managing Public Money or Managing Public Money Northern Ireland in 2022-23 (2021-22: 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 2022-23 (2021-22: nil).



Dominic Wilson
Accounting Officer
7 September 2023

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 ('the Department') and of its Departmental Group for the year ended 31 March 2023 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 2022. The financial statements comprise: the Department's and the Departmental Group's

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Department and the Departmental Group's affairs as at 31 March 2023 and of their net operating expenditure for the year 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 Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2023 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 (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Entities in the United Kingdom (2022)*. 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 am independent of the Department and its Group 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 Department and its Group'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 Department or its Group'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 Department and its Group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is 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 financial statements nor my auditor's certificate and report. 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.

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 the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Department and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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 by the Department and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; 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:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to

- the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
 - providing the C&AG with unrestricted access to persons within the Department and its Group from whom the auditor determines it necessary to obtain audit evidence;
 - ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
 - ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury Directions made under the Government Resources and Accounts Act 2000;
 - ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
 - accessing the Department and its Groups 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 Department and its Group 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I;

- considered the nature of the sector, control environment and operational performance including the design of the Department and its Group's accounting policies;
- inquired of management, the Department's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Department and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Department and its Group's controls relating to the Department's compliance with the Government Resources and Accounts Act 2000, the Northern Ireland (Loans) Act 1975, Managing Public Money and the Supply and Appropriation (Main Estimates) Act 2022;

- inquired of management, the Department's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Department and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Department and its Group's framework of authority and other legal and regulatory frameworks in which the Department and its Group operate. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Department and its Group. The key laws and regulations I considered in this context included the Government Resources

and Accounts Act 2000, the Northern Ireland (Loans) Act 1975, Managing Public Money, the Supply and Appropriation (Main Estimates) Act 2022, employment law, pensions legislation and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of potential bias; and evaluated 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 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. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against 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 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 **Date: 12 September 2023**
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Consolidated Statement of Comprehensive Net Expenditure For the Year Ended 31 March 2023

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure

| | | 2022-23 £000 | 2022-23 £000 | 2021-22 £000 <i>(restated)</i> Note 23 | 2021-22 £000 <i>(restated)</i> Note 23 |
|---|-------------|--------------------|-----------------------|---|---|
| | Note | Core Department | Departmental Group | Core Department | Departmental Group |
| Revaluation of property, plant and equipment | 6 | (5,970) | (6,012) | (5,186) | (5,215) |
| Comprehensive net expenditure for the year ended 31 March 2023 | | 19,788,854 | 19,789,015 | 20,035,691 | 20,035,493 |

The above income and expenditure is derived from continuing operations.

The notes on pages 175-239 form part of these accounts.

Consolidated Statement of Financial Position as at 31 March 2023

This statement presents the financial position of the departmental group. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity

| | Note | £000 Core Department | 31 March 2023 £000 Departmental Group | £000 Core Department | 31 March 2022 £000 Departmental Group |
|---------------------------------|------|----------------------------|---|----------------------------|---|
| Non-current assets | | | | | |
| Property, plant and equipment | 6 | 87,236 | 87,716 | 83,049 | 83,586 |
| Right of use assets | 7 | 1,697 | 2,242 | | |
| Intangible assets | 8 | 152 | 153 | 3 | 6 |
| Financial assets | 11 | 1,355,611 | 1,355,611 | 1,428,517 | 1,428,517 |
| Total non-current assets | | 1,444,696 | 1,445,722 | 1,511,569 | 1,512,109 |
| Current assets | | | | | |
| Trade and other receivables | 13 | 2,788 | 2,859 | 4,401 | 4,485 |
| Financial assets | 11 | 272,906 | 272,906 | 134,819 | 134,819 |
| Cash and cash equivalents | 12 | 194,834 | 195,408 | 93,311 | 93,845 |

| | Note | £000 Core Department | 31 March 2023 £000 Departmental Group | £000 Core Department | 31 March 2022 £000 Departmental Group |
|--|------|----------------------------|---|----------------------------|---|
| Total current assets | | 470,528 | 471,173 | 232,531 | 233,149 |
| Total assets | | 1,915,224 | 1,916,895 | 1,744,100 | 1,745,258 |
| Current Liabilities | | | | | |
| Trade and other payables | 14 | 774,853 | 775,299 | 233,090 | 233,419 |
| Lease liabilities | 9/14 | 1,637 | 1,734 | - | - |
| Provisions | 15 | 1,614 | 1,614 | 99,353 | 99,353 |
| Total current liabilities | | 778,104 | 778,647 | 332,443 | 332,772 |
| Non-current assets plus/ less net current assets/ liabilities | | 1,137,120 | 1,138,248 | 1,411,657 | 1,412,486 |
| Non-current liabilities | | | | | |
| Other payables | 14 | 1,616,861 | 1,616,861 | 1,428,517 | 1,428,517 |
| Lease liabilities | 9/14 | 511 | 962 | - | - |
| Provisions | 15 | 4,221 | 4,296 | 469,457 | 469,532 |
| Total non-current liabilities | | 1,621,593 | 1,622,119 | 1,897,974 | 1,898,049 |
| Total liabilities | | (484,473) | (483,871) | (486,317) | (485,563) |

| | Note | £000 Core Department | 31 March 2023 £000 Departmental Group | £000 Core Department | 31 March 2022 £000 Departmental Group |
|----------------------------------|------|----------------------------|---|----------------------------|---|
| Taxpayers' deficit/equity | | | | | |
| General fund | | (530,547) | (530,014) | (527,318) | (526,595) |
| Revaluation reserve | | 46,074 | 46,143 | 41,001 | 41,032 |
| Total deficit | | (484,473) | (483,871) | (486,317) | (485,563) |



Signed:

**Dominic Wilson
Interim Accounting Officer
7 September 2023**

The notes on pages 175-239 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2023

The Statement of Cash Flows shows the changes in cash and cash equivalents of the departmental group during the reporting period. The statement shows how the department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the departments' future public service delivery.

| | | 2022-23 £000 | 2022-23 £000 | 2021-22 £000 | 2021-22 £000 |
|--|------|---------------------|-----------------------|---------------------|-----------------------|
| | Note | Core Department | Departmental Group | Core Department | Departmental Group |
| Cash flows from operating activities | | | | | |
| Net operating expenditure | | (19,794,824) | (19,795,027) | (20,040,877) | (20,040,708) |
| Adjustment for non-cash transactions | 4 | 4,146 | 4,361 | 36,643 | 36,738 |
| (Decrease)/Increase in trade and other receivables | 13 | 1,613 | 1,626 | (295) | (320) |
| (Increase)/Decrease in trade payables | 14 | 805,520 | 806,184 | (104,819) | (104,853) |
| <i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i> | 14 | (241,719) | (242,267) | 104,059 | 104,059 |
| Use of provisions | 15 | (563,353) | (563,353) | (396) | (396) |
| Net cash inflow/(outflow) from operating activities | | (19,788,617) | (19,788,476) | (20,005,685) | (20,005,480) |

| | | 2022-23 £000 | 2022-23 £000 | 2021-22 £000 | 2021-22 £000 |
|--|------|--------------------|-----------------------|--------------------|-----------------------|
| | Note | Core Department | Departmental Group | Core Department | Departmental Group |
| Cash flows from investing activities | | | | | |
| Purchase of property, plant and equipment | 6 | (770) | (770) | (1,590) | (1,601) |
| Purchase of intangible assets | 8 | (2) | (2) | - | - |
| Loans to other bodies | 11 | (200,000) | (200,000) | (80,000) | (80,000) |
| Repayment from other bodies – capital | 11 | 134,819 | 134,819 | 146,754 | 146,754 |
| Repayment from other bodies – interest | | 45,615 | 45,615 | 49,413 | 49,413 |
| Net cash inflow/(outflow) from investing activities | | (20,338) | (20,338) | 114,577 | 114,566 |
| Cash flows from financing activities | | | | | |
| From the Consolidated Fund (Supply) – current year | | 19,891,924 | 19,891,924 | 19,913,101 | 19,913,101 |
| From the Consolidated Fund (non-supply) | | - | - | - | - |

| | | 2022-23 £000 | 2022-23 £000 | 2021-22 £000 | 2021-22 £000 |
|--|------|--------------------|-----------------------|--------------------|-----------------------|
| | Note | Core Department | Departmental Group | Core Department | Departmental Group |
| Loans received from the National Loans Fund | 11 | 200,000 | 200,000 | 80,000 | 80,000 |
| Repayments of loans from the National Loans Fund – Capital | 11 | (134,819) | (134,819) | (146,754) | (146,754) |
| Repayments of loans from the National Loans Fund – Interest | | (45,615) | (45,615) | (49,413) | (49,413) |
| Payment of lease liabilities | | (1,050) | (1,163) | - | - |
| Finance charge | 9 | 38 | 50 | - | - |
| Net cash inflow/(outflow) from financing activities | | 19,910,478 | 19,910,377 | 19,796,934 | 19,796,934 |
| Net (decrease)/increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund | | 101,523 | 101,563 | (94,174) | (93,980) |
| Payments of amounts due to the Consolidated Fund | | - | - | - | - |

| | | 2022-23 £000 | 2022-23 £000 | 2021-22 £000 | 2021-22 £000 |
|---|------|--------------------|-----------------------|--------------------|-----------------------|
| | Note | Core Department | Departmental Group | Core Department | Departmental Group |
| Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund | | 101,523 | 101,563 | (94,174) | (93,980) |
| Cash and cash equivalents at the beginning of the period | 12 | 93,311 | 93,845 | 187,485 | 187,825 |
| Cash and cash equivalents at the end of the period | 12 | 194,834 | 195,408 | 93,311 | 93,845 |

The notes on pages 175-239 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

For year ended 31 March 2023 – Core Department

This statement shows the movement in the year on the different reserves held by the department analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

| | | General Fund | Revaluation Reserve | Taxpayers' Equity |
|--|------|---------------------|---------------------|---------------------|
| | Note | £000 | £000 | £000 |
| Balance at 31 March 2021 | | (497,287) | 39,150 | (458,137) |
| Net Parliamentary Funding – drawn down | | 19,913,101 | - | 19,913,101 |
| Net Parliamentary Funding – deemed | | 187,485 | - | 187,485 |
| Consolidated Fund Standing Services | 4 | 118 | - | 118 |
| Unspent Supply payable to the Consolidated Fund | 12 | (93,311) | - | (93,311) |
| Excess cash paid to the Consolidated Fund | | - | - | - |
| Changes in taxpayers' equity for 2021-22 | | 20,007,393 | - | 20,007,393 |
| Transfers between reserves | | 3,335 | (3,335) | - |
| Net gain on revaluation of property, plant and equipment | | - | 5,186 | 5,186 |
| Net gain on revaluation of intangible assets | | - | - | - |
| Non-cash charges – auditor's remuneration | | 118 | - | 118 |
| Net operating cost for the year | | (20,040,877) | - | (20,040,877) |
| Total recognised income and expense for 2021-22 | | (20,037,424) | 1,851 | (20,035,573) |
| Balance at 31 March 2022 | | (527,318) | 41,001 | (486,317) |
| Net Parliamentary Funding – drawn down | | 19,891,924 | - | 19,891,924 |

| | Note | General Fund £000 | Revaluation Reserve £000 | Taxpayers' Equity £000 |
|--|------|----------------------|-----------------------------|---------------------------|
| Net Parliamentary Funding – deemed | | 93,311 | - | 93,311 |
| Consolidated Fund Standing Services | 4 | 118 | - | 118 |
| Unspent Supply payable to the Consolidated Fund | 12 | (194,834) | - | (194,834) |
| Excess cash paid to the Consolidated Fund | | - | - | - |
| | | 19,790,519 | - | 19,790,519 |
| Changes in taxpayers equity for 2022-23 | | | | |
| Transfers between reserves | | 897 | (897) | - |
| Net gain on revaluation of property, plant and equipment | 6 | - | 5,970 | 5,970 |
| Net gain on revaluation of intangible assets | | - | - | - |
| Non-cash charges – auditor's remuneration | 4 | 179 | - | 179 |
| Net operating cost for the year | | (19,794,824) | - | (19,794,824) |
| Total recognised income and expense for 2022-23 | | (19,793,748) | 5,073 | (19,788,675) |
| Balance at 31 March 2023 | | (530,547) | 46,074 | (484,473) |

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 175-239 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

For year ended 31 March 2023 – Departmental Group

This statement shows the movement in the year on the different reserves held by the departmental group analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

| | | General Fund | Revaluation Reserve | Taxpayers' Equity |
|--|------|---------------------|---------------------|---------------------|
| | Note | £000 | £000 | £000 |
| Balance at 31 March 2021 | | (496,733) | 39,151 | (457,582) |
| Net Parliamentary Funding – drawn down | | 19,913,101 | - | 19,913,101 |
| Net Parliamentary Funding – deemed | | 187,485 | - | 187,485 |
| Consolidated Fund Standing Services | 4 | 118 | - | 118 |
| Unspent Supply payable to the Consolidated Fund | 12 | (93,311) | - | (93,311) |
| Excess cash paid to the Consolidated Fund | | - | - | - |
| Changes in taxpayers equity for 2021-22 | | 20,007,393 | - | 20,007,393 |
| Transfers between reserves | | 3,335 | (3,335) | - |
| Net gain on revaluation of property, plant and equipment * | | - | 5,216 | 5,216 |
| Net loss on revaluation of intangible assets | | - | - | - |
| Non-cash charges – auditor's remuneration | 4 | 118 | - | 118 |
| Net operating cost for the year | | (20,040,708) | - | (20,040,708) |
| Total recognised income and expense for 2021-22 | | (20,037,255) | 1,881 | (20,035,374) |
| Balance at 31 March 2022 | | (526,595) | 41,032 | (485,563) |
| Net Parliamentary Funding – drawn down | | 19,891,924 | - | 19,891,924 |

| | Note | General Fund £000 | Revaluation Reserve £000 | Taxpayers' Equity £000 |
|---|------|----------------------|-----------------------------|---------------------------|
| Net Parliamentary Funding – deemed | | 93,311 | - | 93,311 |
| Consolidated Fund Standing Services | 4 | 118 | - | 118 |
| Unspent Supply payable to the Consolidated Fund | 12 | (194,834) | - | (194,834) |
| Excess cash paid to the Consolidated Fund | | - | - | - |
| | | 19,790,519 | - | 19,790,519 |
| Changes in taxpayers equity for 2022-23 | | | | |
| Transfers between reserves | | 910 | (910) | - |
| Net gain on revaluation of property, plant and equipment ** | 6 | - | 6,021 | 6,021 |
| Net gain on revaluation of intangible assets | | - | - | - |
| Non-cash charges – auditor's remuneration | 4 | 179 | - | 179 |
| Net operating cost for the year | | (19,795,027) | - | (19,795,027) |
| Total recognised income and expense for 2022-23 | | (19,793,938) | 5,111 | (19,788,827) |
| Balance at 31 March 2023 | | (530,014) | 46,143 | (483,871) |

* on restatement of prior year figures there is a £1k difference on consolidation to note 6

** the net gain on revaluation of property, plant and equipment includes £9k relating to an historic consolidation adjustment

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 175-239 form part of these accounts.

NOTES TO THE DEPARTMENTAL ACCOUNTS

Statement of accounting policies 2022-23

1. Basis of Preparation

The financial statements have been prepared in accordance with the 2022-23 *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 financial statements have been prepared pursuant to Section 6(4) of the Government Resources and Accounts Act 2000.

The financial statements 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).

The financial statements for 2022-23 have been prepared on a going concern basis. The department has Parliamentary approval for its 2023-24 budget and a 3-year Spending Review letter was received in December 2021 securing funding each year up to and including the 2024-25 financial year. The department has a statutory basis for its function and related funding and there is no reason this would not continue.

Based on the above assessment the accounting officer has concluded that it is appropriate to prepare the financial statements on a going concern basis and does not consider there are any material uncertainties around the Core Department or the Departmental Group's going concern status for a period of at least twelve months from when the financial statements are authorised for issue.

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

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.

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.

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.

Hillsborough Castle is a facility used as a Royal residence and is considered as a specialised operational asset. The most recent professional full valuation of Hillsborough Castle has been carried out by Land and Property Services (LPS) – Department of Finance NI as at 31 March 2022, in line with standards published by the Royal Institute of Chartered Surveyors (RICS). The most recent valuation was carried out as at 31 March 2023 using indices supplied by Land and Property Services. The basis of valuation is current value in existing use. Current Value has regard to the service potential that an asset provides in support of the entity's service delivery. The measurement approach used to arrive at the Current Value of 'in use' assets for specialised operation assets is Depreciated Replacement Cost as defined in RICS Guidance Note: Depreciated Replacement Cost Method

of Valuation for Financial Reporting (effective January 2019).

Arts and antiques are not depreciated and are subject to quinquennial professional valuations. The last professional valuation was carried out on 31 March 2022 by Ross' Auctioneers and Valuers.

When heritage assets are revalued, the carrying amount is adjusted to the revalued amount and the accumulated depreciation is eliminated against the gross carrying amount of the asset.

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:

| Asset category | Useful Life |
|---------------------------------------|---|
| 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.

On disposal of a previously revalued asset, 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

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: three providing benefits on a final salary basis (classic, premium and 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 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), Civil Service and Other Pension Scheme (CSOPS) UK 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.

Revenue is recognised when performance obligations, as set out in client's contracts are met.

Revenue includes recoverable expenses but excludes value added tax.

Revenue is recognised at an amount that depicts the transaction price of the transfer of professional services to a customer. The majority of the revenue is derived from contracts where consideration is based on time and materials. For these contracts performance obligations are satisfied over time and revenue is recognised as services are provided as the pre-agreed rate, provided

there is an enforceable right to payment for performance completed to date.

Invoices are issued in accordance with the terms of the engagement, usually monthly.

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. NIHRC receive a cash grant-in-aid as NIO do not make payments on their behalf.

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

Government bodies typically lease properties used for administrative purposes for reasons of efficiency and flexibility. For other types of asset, the departmental group determines whether to lease or purchase based on value for money considerations, such as whether the underlying asset is required for its entire life or for a more limited period.

IFRS 16 (Leases) came into effect across government bodies reporting under the FReM from 1 April 2022, replacing IAS 17 Leases. IFRS 16 introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases.

All lease contracts are assessed at inception to determine whether they constitute, or contain, a lease. If so, then a right-of-use asset and a corresponding lease liability are recognised, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as assets with a value less than the applicable capitalisation threshold – see capitalisation threshold policy); for these leases, the lease payments are recognised as an operating expense on a straight-line basis over the term of the lease.

Although agreements between UK government bodies are not legally enforceable, any intra-UK government lease agreements are treated as if they constituted a legally enforceable contract, and therefore a lease liability and a corresponding right-of-use asset are recognised.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the incremental borrowing rate, as promulgated by HM Treasury, is used.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is re-measured (with a corresponding adjustment being made to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value;
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

Right-of-use assets are initially measured at the value of the corresponding lease liability, plus lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost (as a proxy for fair value) less accumulated depreciation and impairment losses, unless they are considered long term (defined as leases with a term of 25 years or more), in which case they are carried at fair value/current value in existing use, in accordance with the revaluation model in IAS 16.

Prior to implementation of IFRS 16, whenever an obligation was incurred for costs to dismantle and remove a leased asset, restore the site on which it is location or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision was recognised and measured under IAS 37. As a practical expedient, on transition to IFRS 16 all existing provisions were retained on the Statement of Financial Position.

For all new leases, any such obligations will be reflected within the cost of the associated right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects the expectation that a purchase option will be exercised, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

IFRS 16 has been adopted using the 'cumulative catch-up' approach, without restatement of comparative balances. Consequently, the financial statements for 2021-22 were prepared in accordance with the previous standard, IAS 17 Leases.

Impact on financial statements as at 1 April 2022

On transition to IFRS 16, the department recognised an additional £3,770k of right-of-use assets and £3,770k of lease liabilities.

| | £000 |
|---|-------------|
| Operating lease commitment at 31 March 2022 | 4,359 |
| Effect of 'discounted using discount rate' | (579) |
| Adjustment for irrecoverable VAT reported within IAS 17 | (10) |
| Lease liabilities recognised at 1 April 2022 | 3,770 |

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. For any provisions extending beyond one year a nominal discount rate of 3.27% as quoted in *PES (2022) 08 Discount Rates for General Provisions, Post Employment Benefits, Financial Instruments and Leases (under IFRS 16): Announcement of Rates* has been used.

1.15 Contingent liabilities

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

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

1.16 Value Added Tax

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

1.17 Notional charges

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

1.18 Staff Costs

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

1.19 Financial Instruments

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

Financial assets and financial liabilities which arise from the purchase and sale of non-financial items such as goods or services, which are entered into in accordance with the Northern Ireland Office's normal purchase, sale or usage requirement, are recognised when, and to the extent to which, performance occurs. All other financial assets and liabilities are recognised when the Northern Ireland Office becomes party to the contractual provisions to receive or make cash payments. Financial liabilities are derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Financial Assets

Loans and receivables

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

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

The department's main financial instrument is 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.

The most significant provision in 2021-22 related to PEACE PLUS which is a cross-border peace and reconciliation programme in Northern Ireland and the border region of Ireland whereby the UKG must provide funding in Euros as it is an EU programme.

The provision was measured as the Euro commitment, discounted over the period it is payable using *PES (2022) 08 Discount Rates for General Provisions, Post Employment Benefits, Financial Instruments and Leases (under IFRS 16): Announcement of Rates*. The discounted Euro (€) figure has then been translated to Sterling (£) using the Bank of England spot rate as at 31 March 2023. The agreement was signed during the 2022-23 financial year and was submitted on the 24 March 2023 to go through the scrutiny process. The agreement finally came into force on the 14 June 2023. As such, this has been adjusted in the financial statements as an adjusting event after the reporting period (see note 22). It has therefore been reclassified from a provision to an accrual given the change in certainty of timing and amount.

Dilapidations provisions are recognised reflecting the best estimate made by a third party supplier of the obligatory costs due to the lessor upon exiting the premises currently occupied under leasehold agreement by the department.

The NIO has recognised a remediation provision, the details of which are not given to avoid prejudicing the department in disclosing sensitive information.

This remediation provision reflects the best estimate made by management of the future costs. Given that there is a continuous range of possible outcomes on a number of variables, and each point in the range is as likely as any other, the mid-point in the range has been used to estimate the cost reflected in the provision, as required by IAS 37.

Litigation provisions are recognised reflecting the best estimate made by management and Counsel's legal advice of the future costs required to settle the obligation, as required by IAS 37.

(ii) – Foreign Exchange (FX)

In line with HMT Foreign Exchange guidance, the department uses spot transactions for FX matters. The department adheres to the requirement to use the Bank of England (BoE) for any transactions that are greater than £2m equivalent, which is the most cost-effective and gives access to competitive margins and prices for government bodies. As set out in the Guidance for the Management of Foreign Exchange Exposure (Guidance

for the Management of Foreign Exchange Exposure – GOV.UK (www.gov.uk)), the department will review this approach in 2023-24 to evaluate if it remains the most appropriate strategy for managing FX risk.

(iii) – 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 estimated 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 2023

The department has reviewed the standards, interpretations and amendments to published standards that became effective during 2022-23 and which are relevant to its operations. The only impact on the financial statements was the implementation of IFRS16 as set out in 1.13 Leases.

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 17 – Insurance contracts replaces IFRS 4 and has an effective date of 1 April 2025. 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 a 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.

| | £000 NICF | £000 CM | £000 EnG | £000 PSIG | £000 ECG | £000 LG | £000 SPG | £000 CSO | 2022-23 £000 Total |
|--|-------------------|---------------|--------------|--------------|--------------|------------|--------------|-------------|--------------------------|
| Gross expenditure | 19,755,000 | 32,828 | 1,952 | 100 | 3,327 | 255 | 1,256 | 5,169 | 19,799,887 |
| Receipts | - | (290) | - | - | - | (124) | (2) | (4,822) | (5,238) |
| Total net operating expenditure | 19,755,000 | 32,538 | 1,952 | 100 | 3,327 | 131 | 1,254 | 347 | 19,794,649 |

| | £000 NICF | £000 CM | £000 EnG | £000 PSIG | £000 ECG | £000 LG | £000 SPG | £000 CSO | 2021-22 £000 (restated) Note 23 Total |
|--|-------------------|---------------|--------------|--------------|--------------|------------|-------------|-------------|---|
| Gross expenditure | 19,972,000 | 23,755 | 1,815 | 1,940 | 6,495 | 220 | 733 | 5,096 | 20,012,054 |
| Receipts | - | (137) | - | (1) | (336) | (66) | (2) | (4,405) | (4,947) |
| Total net operating expenditure | 19,972,000 | 23,618 | 1,815 | 1,939 | 6,159 | 154 | 731 | 691 | 20,007,107 |

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

| | 2022-23 £000 Total | 2021-22 £000 (restated) Note 23 Total |
|--|-----------------------------------|--|
| Total net expenditure by operating segment | 19,794,649 | 20,007,107 |
| Reconciling items: | | |
| AME and non-voted expenditure not included in analysis | 378 | 33,601 |
| Total net expenditure per statement of comprehensive net expenditure | 19,795,027 | 20,040,708 |

3. Staff costs

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

| Core staff costs | Total* | Permanently employed and inward seconded staff | Others | Ministers | 2022-23 £000 Special Advisors** | 2021-22 £000 Total |
|---|---------------|--|--------------|------------|---------------------------------|--------------------|
| Wages and salaries | 17,310 | 15,553 | 1,502 | 255 | - | 15,389 |
| Social security costs | 1,671 | 1,610 | 49 | 12 | - | 1,501 |
| Other pension costs | 3,665 | 3,665 | - | - | - | 3,635 |
| Sub Total | 22,646 | 20,828 | 1,551 | 267 | - | 20,525 |
| Less recoveries in respect of outward secondments | (438) | (438) | - | - | - | (421) |
| Total net costs | 22,208 | 20,390 | 1,551 | 267 | - | 20,104 |
| Departmental Group Staff costs | Total* | Permanently employed and inward seconded staff | Others | Ministers | 2022-23 £000 Special Advisors** | 2021-22 £000 Total |
| Wages and salaries | 19,149 | 17,129 | 1,765 | 255 | - | 17,138 |
| Social security costs | 1,870 | 1,789 | 69 | 12 | - | 1,681 |
| Other pension costs | 4,077 | 4,038 | 39 | - | - | 4,021 |
| Sub Total | 25,096 | 22,956 | 1,873 | 267 | - | 22,840 |
| Less recoveries in respect of outward secondments | (438) | (438) | - | - | - | (421) |
| Total net costs | 24,658 | 22,518 | 1,873 | 267 | - | 22,419 |

*2022-23 staff costs include staff costs of £2.2m (2021-22: £128k) for Returning Officers Expenses relating to the 2022 assembly elections as outlined in note 21 and SOPS note 3. c.£4.7m is included within other expenditure in note 4.

**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.

4. Other Expenditure

| | Note | 2022-23 £000 | | 2021-22 £000 | |
|--|------|--------------------|-----------------------|--------------------|-----------------------|
| | | Core Department | Departmental Group | Core Department | Departmental Group |
| Other Expenditure* | | | | | |
| Communications, office supplies and services | | 1,299 | 1,365 | 1,858 | 1,931 |
| Events and conferences | | 24 | 24 | 37 | 37 |
| Legal costs | | 2,164 | 2,342 | 1,539 | 1,619 |
| Maintenance and utilities | | 1,831 | 1,967 | 2,770 | 2,874 |
| Professional fees | | 2,069 | 2,172 | 3,114 | 3,216 |
| Audit Fees – ALBs | | - | 54 | - | 43 |
| Other contracted out services | | 253 | 255 | 252 | 253 |
| Subscriptions to professional bodies | | 331 | 331 | 199 | 199 |
| Training costs | | 154 | 168 | 86 | 104 |
| Travel, subsistence and hospitality | | 1,007 | 1,069 | 636 | 665 |
| All other expenditure** | | 6,401 | 6,614 | 2,945 | 3,345 |

| | Note | 2022-23 £000 | | 2021-22 £000 | |
|---|------|--------------------|-----------------------|--------------------|-----------------------|
| | | Core Department | Departmental Group | Core Department | Departmental Group |
| Non-cash items | | | | | |
| Depreciation | 6/7 | 3,480 | 3,684 | 2,193 | 2,284 |
| Amortisation | 8 | - | 2 | - | 4 |
| Loss on disposal | | - | - | 594 | 594 |
| Revaluation | 6/8 | (9) | (9) | 18 | 18 |
| Provisions provided in year | 15 | 378 | 378 | 33,693 | 33,693 |
| Auditor's remuneration and expenses | | 179 | 179 | 118 | 118 |
| Rentals under Leases: | | | | | |
| Hire of plant and machinery | | - | 4 | 1 | 8 |
| Expense on short-term and low-value leases | | 366 | 376 | 197 | 235 |
| Consolidated Fund Standing Services: | | | | | |
| Election Funding | | (186) | (186) | (118) | (118) |
| Consolidated Fund Standing Services | | 118 | 118 | 118 | 118 |
| | | 19,859 | 20,907 | 50,250 | 51,240 |
| | | | | | |

| | Note | 2022-23 £000 | | 2021-22 £000 | |
|--|------|--------------------|-----------------------|--------------------|-----------------------|
| | | Core Department | Departmental Group | Core Department | Departmental Group |
| Northern Ireland Consolidated Fund: | | | | | |
| Grant | | 19,755,000 | 19,755,000 | 19,972,000 | 19,972,000 |
| National Loans Fund interest | | 45,615 | 45,615 | 49,413 | 49,413 |
| EU grants*** | | 53,612 | 53,612 | 30,541 | 30,541 |
| | | 19,854,227 | 19,854,227 | 20,051,954 | 20,051,954 |
| Total Expenditure | | 19,874,086 | 19,875,134 | 20,102,204 | 20,103,194 |

*2022-23 Expenditure includes c£4.7m (2021-22: c£57k) relating to Returning Officers expenses as outlined in Note 21. Staff costs of £2.2m for Returning Officers Expenses relating to the 2022 assembly elections are included in total staff costs in note 3

** 2022-23 Other expenditure includes significant expenditure for 2022 Assembly Elections for printing and stationary c£861k and postage c£3.1m.

***Includes a timing difference between pre year end receipt and post year end payment of c.£300k

During the year the department did not purchase any non-audit services from its auditor, the National Audit Office (2021-22: 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 are on a broadly by-analogy to the Civil Service and Others Pension Scheme (CSOPS) basis. This provides for benefits on a final salary basis accruing at 1/80th 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 2022-23, all operating income was within the budget (2021-22: all operating income was within the budget).

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.

| | 2022-23 £000 | 2022-23 Departmental Group | 2021-22 £000 | 2021-22 Core Department |
|-----------------------------------|-----------------|----------------------------------|-----------------|-------------------------------|
| Administration income: | | | | |
| Professional Fees | 4,822 | 4,822 | 4,420 | 4,420 |
| Other administrative income | 94 | 94 | 139 | 139 |
| | 4,916 | 4,916 | 4,559 | 4,559 |
| Programme income: | | | | |
| Other | 322 | 322 | 392 | 392 |
| National Loans Fund interest | 45,615 | 45,615 | 49,413 | 49,413 |
| Income from EU for NI programmes* | 53,912 | 53,912 | 30,541 | 30,541 |
| | 99,849 | 99,849 | 80,346 | 80,346 |
| Total | 104,765 | 104,765 | 84,905 | 84,905 |

*Includes a timing difference between pre year end receipt and post year end payment of c.£300k

6. Property, plant and equipment – Departmental Group

| | Heritage Assets £000 | Antiques £000 | Leasehold improvements £000 | Plant & Machinery £000 | Information Technology £000 | Assets Under Construction £000 | Total £000 |
|---------------------------|-------------------------|------------------|--------------------------------|---------------------------|--------------------------------|-----------------------------------|---------------|
| Cost or valuation | | | | | | | |
| At 1 April 2022 | 79,007 | 1,767 | 2,313 | 694 | 3,200 | - | 86,981 |
| Transfers | - | - | - | - | - | - | - |
| Additions | - | - | 67 | 3 | 324 | - | 394 |
| Write off in year | - | - | - | - | (168) | - | (168) |
| Net Revaluations to SoCNE | - | - | - | - | 14 | - | 14 |
| Disposals | - | - | - | - | (6) | - | (6) |
| Revaluations | 6,058 | - | 150 | 10 | 57 | - | 6,275 |
| At 31 March 2023 | 85,065 | 1,767 | 2,530 | 707 | 3,421 | - | 93,490 |
| Depreciation | | | | | | | |
| At 1 April 2022 | - | - | 1,159 | 414 | 1,822 | - | 3,395 |
| Transfers | - | - | - | - | - | - | - |
| Charged in year | 1,624 | - | 112 | 20 | 417 | - | 2,173 |
| Write off in year | - | - | - | - | (56) | - | (56) |
| Net Revaluation to SoCNE | - | - | - | - | 5 | - | 5 |
| Disposals | - | - | - | - | (6) | - | (6) |
| Revaluation | 135 | - | 96 | 5 | 27 | - | 263 |
| At 31 March 2023 | 1,759 | - | 1,367 | 439 | 2,209 | - | 5,774 |
| Carrying Amount | | | | | | | |
| At 31 March 2023 | 83,306 | 1,767 | 1,163 | 268 | 1,212 | - | 87,716 |

| | Heritage Assets £000 | Antiques £000 | Leasehold improvements £000 | Plant & Machinery £000 | Information Technology £000 | Assets Under Construction £000 | Total £000 |
|---|-------------------------|------------------|--------------------------------|---------------------------|--------------------------------|-----------------------------------|---------------|
| Carrying Amount | | | | | | | |
| At 31 March 2022 | 79,007 | 1,767 | 1,154 | 280 | 1,378 | - | 83,586 |
| Of the total: | | | | | | | |
| Department | 83,306 | 1,767 | 739 | 219 | 1,205 | - | 87,236 |
| Other designated bodies | - | - | 424 | 49 | 7 | - | 480 |
| Carrying amount at 31 March 2023 | 83,306 | 1,767 | 1,163 | 268 | 1,212 | - | 87,716 |

Note 6

| | Heritage Assets £000 | Antiques £000 | Leasehold improvements £000 | Plant & Machinery £000 | Information Technology £000 | Assets Under Construction £000 | Total £000 |
|---------------------------|-------------------------|------------------|--------------------------------|---------------------------|--------------------------------|-----------------------------------|---------------|
| Cost or valuation | | | | | | | |
| 1 April 2021 | 84,558 | 1,718 | 2,215 | 1,028 | 2,446 | 355 | 92,320 |
| Transfers | - | - | 13 | 150 | 192 | (355) | - |
| Additions | - | - | 453 | (10) | 1,151 | - | 1,594 |
| Net Revaluations to SoCNE | - | - | - | - | (21) | - | (21) |
| Disposals | - | (14) | (461) | (480) | (608) | - | (1,563) |
| Revaluation | (5,551) | 63 | 93 | 6 | 40 | - | (5,349) |
| At 31 March 2022 | 79,007 | 1,767 | 2,313 | 694 | 3,200 | - | 86,981 |
| Depreciation | | | | | | | |
| At 1 April 2021 | 9,142 | - | 1,032 | 656 | 1,817 | - | 12,647 |
| Transfers | - | - | - | - | - | - | - |

Note 6

| | Heritage Assets | | Antiques | | Leasehold improvements | | Plant & Machinery | | Information Technology | | Assets Under Construction | | Total |
|---|-----------------|--------------|--------------|--------------|------------------------|--------------|-------------------|---------------|------------------------|----------|---------------------------|---------------|-------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| Charged in year | 1,505 | - | - | 239 | 75 | 465 | - | - | - | - | - | 2,284 | |
| Net Revaluation to SoCNE | - | - | - | - | - | (3) | - | - | (3) | - | - | (3) | |
| Disposals | - | - | - | (162) | (320) | (487) | - | - | (969) | - | - | (969) | |
| Revaluation | (10,647) | - | - | 50 | 3 | 30 | - | - | (10,564) | - | - | (10,564) | |
| At 31 March 2022 | - | - | - | 1,159 | 414 | 1,822 | - | - | 3,395 | - | - | 3,395 | |
| Carrying Amount | | | | | | | | | | | | | |
| At 31 March 2022 | 79,007 | 1,767 | 1,154 | 280 | 1,378 | - | - | 83,586 | - | - | - | 83,586 | |
| Carrying Amount | | | | | | | | | | | | | |
| At 31 March 2021 | 75,416 | 1,718 | 1,183 | 372 | 629 | 355 | - | 79,673 | - | - | - | 79,673 | |
| Of the total: | | | | | | | | | | | | | |
| Department | 79,007 | 1,767 | 700 | 218 | 1,362 | (5) | 83,049 | - | - | - | - | 83,049 | |
| Other designated bodies | - | - | 454 | 62 | 16 | 5 | 537 | - | - | - | - | 537 | |
| Carrying amount at 31 March 2022 | 79,007 | 1,767 | 1,154 | 280 | 1,378 | - | 83,586 | - | - | - | - | 83,586 | |

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. Hillsborough Castle is a facility used as a Royal residence and is considered as a specialised operational asset. 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 19th and 20th 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 (HRP) to ensure that the Castle was opened up to the public and run on as efficient a basis as possible. For the period of the 25 year licence granted to HRP (from 20th March 2017), capital expenditure on the Castle is incurred by and treated as an asset of HRP not NIO, however, the underlying asset rests with NIO.

The most recent professional full valuation of Hillsborough Castle has been carried out by Land and Property Services (LPS) – Department of Finance NI as at 31 March 2022, 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 carried out as at 31 March 2023 using indices supplied by Land and Property Services.

7. Right of Use Leased Assets

The Department adopted IFRS16 on 1 April 2022 without restating prior year figures. As a result, the financial statements are shown on an IFRS16 basis for 31 March

2023 and an IAS 17 basis for 31 March 2022. Note 1.13 provides more information on the adoption of IFRS16 “Leases”.

| 2022-23 | Leasehold Improvements £000 | Plant & Machinery £000 | Information Technology £000 | Total £000 |
|---|--|---------------------------------------|--|-----------------------|
| Right of use assets | | | | |
| Cost or valuation | | | | |
| At 1 April 2022 | - | - | - | - |
| Impact of first-time adoption of IFRS16 | 3,749 | 13 | 8 | 3,770 |
| Additions* | - | 39 | - | 39 |
| At 31 March 2023 | 3,749 | 52 | 8 | 3,809 |
| Depreciation | | | | |
| At 1 April 2022 | - | - | - | - |
| Charged in year | 1,556 | 5 | 6 | 1,567 |
| At 31 March 2023 | 1,556 | 5 | 6 | 1,567 |
| Carrying amount at 31 March 2023 | 2,193 | 47 | 2 | 2,242 |
| Of the total: | | | | |
| Core Department | 1,650 | 47 | - | 1,697 |
| Departmental Group | 2,193 | 47 | 2 | 2,242 |

*relates to three motor vehicle leases entered into during the financial year ended 31 March 2023

8. Intangible assets – Departmental Group

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

| | Software Licences | Software Licences |
|--|------------------------------|------------------------------|
| | 2022-23 | 2021-22 |
| | £000 | £000 |
| Cost or valuation | | |
| Opening balance | 182 | 208 |
| Transfers | - | - |
| Additions | 149 | - |
| Disposals | (17) | (26) |
| Revaluation | - | - |
| Closing balance | 314 | 182 |
| | | |
| Amortisation | | |
| Opening balance | 176 | 198 |
| Transfers | - | - |
| Charged in year | 2 | 4 |
| Disposals | (17) | (26) |
| Revaluation | - | - |
| Closing balance | 161 | 176 |
| | | |
| Carrying Amount at 31 March 2023 and 2022 | 153 | 6 |
| | | |
| Carrying Amount at 31 March 2022 and 2021 | 6 | 10 |
| | | |
| Of the total: | | |
| Department | 152 | 3 |

| | Software Licences | Software Licences |
|-------------------------|--------------------------|--------------------------|
| | 2022-23 | 2021-22 |
| | £000 | £000 |
| Other designated bodies | 1 | 3 |
| | 153 | 6 |

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

9. Leases

Following the adoption of IFRS16 in the 2022-23 financial accounts, the department's leases are now recognised on the Statement of Financial Position, with the exception of those leases which are exempt by having less than 12 months to run from 31 March 2022 or are considered low value (less than £1,000).

On initial application, the lease liability is measured at the present value of the remaining lease payments using the incremental borrowing rate at the date of initial application. The incremental borrowing rate is either:

- The interest rate implicit in the lease; or
- HM Treasury discount rate where interest rates implicit in the lease cannot be readily determined.

IFRS16 was adopted on 1 April 2022 without restating prior year figures. As a result, the financial statements are shown on an IFRS16 basis for 31 March 2023 and

an IAS 17 basis for 31 March 2022. Note 1.13 provides a reconciliation of the two measures.

| 2022-23 | Leasehold Improvements £000 | Plant & machinery £000 | Information technology £000 | Total £ |
|---|--|---------------------------------------|--|--------------------|
| Lease Liabilities | | | | |
| At 1 April 2022 | - | - | - | - |
| Impact of first-time adoption of IFRS16 | (3,749) | (13) | (8) | (3,770) |
| Additions* | - | (39) | - | (39) |
| Interest on lease liabilities | (47) | (1) | (2) | (50) |
| Cash Payment | 1,136 | 20 | 7 | 1,163 |
| At 31 March 2023 | (2,660) | (33) | (3) | (2,696) |
| Of the total: | | | | |
| Core Department | (2,114) | (33) | (1) | (2,148) |
| Departmental Group | (2,660) | (33) | (3) | (2,696) |
| Total future lease payments under leases are given in the table below for each of the following periods: | | | | |
| No later than one year | (1,716) | (15) | (3) | (1,734) |
| Later than one year and not later than five years | (792) | (18) | - | (810) |
| Later than five years | (152) | 0 | - | (152) |

| 2022-23 | Leasehold Improvements £000 | Plant & machinery £000 | Information technology £000 | Total £ |
|---------------------------------|--------------------------------|---------------------------|--------------------------------|------------|
| Balance at 31 March 2023 | (2,660) | (33) | (3) | (2,696) |

*relates to three motor vehicle leases entered into during the financial year ended 31 March 2023

10. 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.

11. Investments and loans in other public sector bodies

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

| | 2022-23 | 2021-22 |
|----------------------------|------------------|------------------|
| | £000 | £000 |
| Balance at 1 April | 1,563,336 | 1,630,090 |
| Additions | 200,000 | 80,000 |
| Repayments | (134,819) | (146,754) |
| Balance at 31 March | 1,628,517 | 1,563,336 |

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 as overall nil net impact on the Statement of Financial Position.

The balances above can be further analysed as:

| | 2022-23 | 2021-22 |
|----------------------------|------------------|------------------|
| | £000 | £000 |
| Current assets | 272,906 | 134,819 |
| Non-current assets | 1,355,611 | 1,428,517 |
| Balance at 31 March | 1,628,517 | 1,563,336 |

12. Cash and cash equivalents

| | 2022-23 £000 | 2022-23 Department | 2022-23 £000 | 2022-23 Departmental Group | 2021-22 £000 | 2021-22 Core Department | 2021-22 £000 | 2021-22 Departmental Group |
|---|-----------------|-----------------------|-----------------|----------------------------------|-----------------|-------------------------------|-----------------|----------------------------------|
| Balance at 1 April | 93,311 | | 93,845 | | 187,485 | | 187,825 | |
| Net change in cash balance | 101,523 | | 101,563 | | (94,174) | | (93,980) | |
| Balance at 31 March | 194,834 | | 195,408 | | 93,311 | | 93,845 | |
| The following balances at 31 March are held at: | | | | | | | | |
| Government Banking Service | 193,302 | | 193,302 | | 91,004 | | 91,004 | |
| Commercial banks and cash in hand | 1,532 | | 2,106 | | 2,307 | | 2,841 | |
| Balance at 31 March | 194,834 | | 195,408 | | 93,311 | | 93,845 | |

13. Trade receivables, financial and other assets

| | 2022-23 £000 | 2022-23 £000 | 2021-22 £000 | 2021-22 £000 |
|---|--------------------|-----------------------|--------------------|-----------------------|
| | Core Department | Departmental Group | Core Department | Departmental Group |
| Amounts falling due within one year: | | | | |
| VAT receivables | 30 | 30 | 448 | 452 |
| Trade receivables | 1,913 | 1,913 | 2,639 | 2,639 |
| Other receivables | 62 | 64 | 127 | 127 |
| Prepayments and accrued income* | 783 | 852 | 1,187 | 1,267 |
| Total | 2,788 | 2,859 | 4,401 | 4,485 |

*£0.4 million of this balance represents work in progress not yet billed (2021-22, £0.5m).

14. Trade payables and other current liabilities

| | 2022-23 £000 | 2022-23 £000 | 2021-22 £000 | 2021-22 £000 |
|---|--------------------|-----------------------|--------------------|-----------------------|
| | Core Department | Departmental Group | Core Department | Departmental Group |
| Amounts falling due within one year: | | | | |
| Taxation and social security | 597 | 631 | 547 | 586 |
| Trade and other payables | 121 | 192 | 46 | 47 |
| Accruals and deferred income | 306,148 | 306,489 | 3,594 | 3,883 |
| Accruals and deferred income relating to ROE for 2022 assembly election | - | - | 176 | 176 |
| Property, plant and equipment accruals | 247 | 247 | 597 | 597 |
| Current element of lease liabilities | 1,637 | 1,734 | - | - |
| Current element of repayment of National Loans Fund | 272,906 | 272,906 | 134,819 | 134,819 |
| Amounts issued from the Consolidated Fund but not spent at year end | 194,834 | 194,834 | 93,311 | 93,311 |
| | 776,490 | 777,033 | 233,090 | 233,419 |

| | 2022-23 £000 | 2022-23 £000 | 2021-22 £000 | 2021-22 £000 |
|--|--------------------|-----------------------|--------------------|-----------------------|
| | Core Department | Departmental Group | Core Department | Departmental Group |
| Amounts falling due after more than one year: | | | | |
| Leases | 511 | 962 | - | - |
| Accruals and deferred income | 261,250 | 261,250 | - | - |
| Repayment of National Loans Fund | 1,355,611 | 1,355,611 | 1,428,517 | 1,428,517 |
| Total | 2,398,862 | 2,394,856 | 1,661,607 | 1,661,936 |

15. Provisions for liabilities and charges

| | | 2022-23 | | | | | | | | | |
|--|------------------|--------------|-------------------|------------|-------------------|-----------|------------------------|------------|--------------|--------------|--|
| | | £000 | | | | | | | | | |
| | Remediation Work | | Litigation Claims | | Grant Commitments | | Leasehold Dilapidation | | Total | | |
| | Core | Dept. | Core | Dept. | Core | Dept. | Core | Dept. | Core | Dept. | |
| Balance at 1 April 2022 | 2,821 | 2,821 | 41 | 41 | 565,500 | 565,500 | 448 | 523 | 568,810 | 568,885 | |
| Provided in the year | 1,722 | 1,722 | 810 | 810 | - | - | - | - | 2,532 | 2,532 | |
| Provisions not required written back | - | - | - | - | - | - | (7) | (7) | (7) | (7) | |
| Provision adjustment – FOREX and discounting | - | - | - | - | (2,147) | (2,147) | - | - | (2,147) | (2,147) | |
| Provisions utilised in the year | - | - | - | - | (563,353) | (563,353) | - | - | (563,353) | (563,353) | |
| Balance at 31 March 2023 | 4,543 | 4,543 | 851 | 851 | - | - | 441 | 516 | 5,835 | 5,910 | |

Analysis of expected timing of discounted flows:

| | 2022-23 | 2022-23 | 2021-22 | 2021-22 |
|---|-----------------|--------------------|-----------------|--------------------|
| | £000 | £000 | £000 | £000 |
| | Core Department | Departmental Group | Core Department | Departmental Group |
| Not later than one year | 1,614 | 1,614 | 99,353 | 99,353 |
| Later than one year and not later than five years | 3,902 | 3,902 | 385,400 | 385,400 |
| Later than five years | 319 | 394 | 84,057 | 84,132 |
| Balance at 31 March | 5,835 | 5,910 | 568,810 | 568,885 |

| | Remediation Work | Litigation Claims | Grant Commitments | Leasehold Dilapidations | Total 2022-23 £000 |
|---|------------------|-------------------|-------------------|-------------------------|--------------------|
| Not Later than one year | 763 | 851 | - | - | 1,614 |
| Later than one year and not later than five years | 3,780 | - | - | 122 | 3,902 |
| Later than five years | - | - | - | 394 | 394 |
| Balance at 31 March 2023 | 4,543 | 851 | - | 516 | 5,910 |

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

16.1 Provision for Litigation Claims: £851k (2021-22: £41k)

The opening provision relates 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. This was settled during the 2021-22 year for £51k. The residual provision of £6k relates to potential stamp duty fees payable.

The remaining opening provision of £35k in the 2022-23 financial year relates to a provision created in 2021-22 financial year for a challenge to the Renewable Heat Incentive (RHI) provisions within the Regional Rates and Energy (RRE) Act 2019.

A new provision has been created for £30k relating to two separate judicial review challenges of procedural fairness of decision. The challenges are subject to closed material proceedings. The provision for legal costs reflects the mid point in the range of estimated costs, as required by IAS 37.

In addition, the NIO recognised a provision in the 2022-23 financial year in relation to defamation claim damages, the details of which are not given to avoid prejudicing the outcome of ongoing proceedings. The amount of £780k that has been recognised reflects the Department's best

estimate following Counsel's legal advice. Given that there is a range of possible outcomes management will continue to monitor these, as required by IAS 37.

16.2 Provision for Leasehold dilapidation: £516k (2021-22: £523k)

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 recognised to reflect the estimated future outlay as a result of the leasehold conditions. Of the four premises included in last year's provision, the provision for two of these premises was updated during the 2021-22 year due to additional capital works being completed. In addition, one new dilapidation report was commissioned during the 2021-22 financial year for a new premises which was occupied by the NIO from February 2022 and a new provision was created for this in the 2021-22 financial year. The dilapidations report was received during the year 2022-23 and a reduction in required provision has been reflected in 2022-23 financial year.

16.3 Provision for remediation work: £4,543k (2021-22: £2,821k)

The NIO recognised a remediation provision in the 2021-22 financial year, the details of which are not given to avoid prejudicing the department in disclosing sensitive information.

During the financial year 2022-23 further work was undertaken and the estimate of remediation work required was revised to reflect a greater understanding of future costs and outcomes. The remediation provision of £4,543k (2021-22: £2,821k) reflects the best estimate made by management of the future costs. Management will continue to monitor progress of outcomes and variables identified as required by IAS 37.

17. 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. In December 2022, the Northern Ireland High Court held that there had still not been an Article 2 compliant inquiry into the death of Patrick

Finucane. In February 2023, the Secretary of State for Northern Ireland appealed the Northern Ireland High Court judgment. The Northern Ireland Court of Appeal reviewed the matter and will hear the appeal case in the 2023-24 year.

(b) Internment and potential claims for compensation

As at 31 March 2023, 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, it is not possible to effectively quantify the level of potential liability at this point within a reasonable range.

(c) Employment and personnel cases

There are a small 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) Gallagher Judicial Review

In October 2021, the Northern Ireland High Court held that it was potentially plausible that the 1998 Omagh bombing – the largest loss of life in a single incident in NI – could have been prevented by state authorities and directed that an Article 2 compliant investigation should be carried out. In February 2023, the Secretary of State for Northern Ireland announced that an independent

statutory inquiry into the Omagh bombing will be established. In June 2023, the Secretary of State for Northern Ireland announced the appointment of Lord Alan Turnbull as the Inquiry Chairman. The Chair is keen to progress on the Terms of Reference which is expected to be drafted and published during the financial year 2023-24. Until the Terms of Reference are agreed it is not possible to effectively quantify the potential liability within a reasonable range.

(e) Defamation Cases

In January 2023, proceedings were brought by multiple law firms, the details of which are not given to avoid prejudicing the outcome of ongoing proceedings. At this point, it is not possible to effectively quantify the level of potential legal costs within a reasonable range as this is dependent on the outcome of mitigation strategies employed.

(f) 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.

18. 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 (NI), and HM Treasury with regard to National Loans Fund.

During the year, the NIO entered into the following transaction with a Non-Executive Director who sat on the NIO Board during the year. The Board member was contracted to undertake a review of the NIO's communications function at the request of the Secretary of State outside of their duties as Non-Executive Director. The cost of undertaking the review and issuing the report to Secretary of State amounted to £15,750 paid to the Non-Executive Director.

No other 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.

19. Third-party assets

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

20. Entities within the Departmental boundary

The entities within the boundary during 2022-23 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>

21. Returning Officers' Expenses (RoE)

The Secretary of State for Northern Ireland has responsibility for electoral policy in Northern Ireland. As a result, the responsibility for setting the expenses of the Returning Officer for Northern Ireland rests with the Secretary of State for Northern Ireland. The electoral administration system in Northern Ireland is administered centrally by the Chief Electoral Officer for Northern Ireland who is an office holder independent of government. She is assisted by the staff of the Electoral Office for Northern Ireland (the "EONI"), the administrative structure created to support her in the discharge of her duties.

The Chief Electoral Officer is both the electoral registration officer for all 18 constituencies in Northern Ireland and returning officer for all elections and referenda in Northern Ireland. The cost of running Parliamentary Elections is funded by the UK Consolidated Fund, as was European elections. Funding for the Northern Ireland Assembly Elections is provided to the Northern Ireland Office by the Northern Ireland Executive through agreed funding mechanisms. The costs of local elections are funded by local authorities.

The Secretary of State for Northern Ireland is accountable to Parliament for all expenditure by the Chief Electoral Officer.

The Northern Ireland Assembly elections were held on the 5th May 2022. The costs paid during the year relate to elections held in previous years or in the 2022-23 year as outlined below:

| | 2022-23 | 2021-22 |
|--|------------------|----------------|
| Statement of Comprehensive Net Expenditure | | |
| | £ | £ |
| | | |
| 2019 Euro Election | | |
| Expenditure – conduct of the poll | - | (1,197) |
| <i>Net Expenditure</i> | - | (1,197) |
| | | |
| | | |
| 2019 Parliamentary Election | | |
| Expenditure – conduct of the poll | - | (238) |
| <i>Net Expenditure</i> | - | (238) |
| | | |
| 2022 Assembly Election | | |
| Expenditure – conduct of the poll | 6,891,002 | 186,418 |
| <i>Net Expenditure</i> | 6,891,002 | 186,418 |
| | | |
| | | |
| Net expenditure for the year ended 31 March | 6,891,002 | 184,983 |

Election Expenses

| | 2022 Assembly Election | Total 2022-23 | Total 2021-22 |
|--------------------------|---------------------------------------|--------------------------|--------------------------|
| | £ | £ | £ |
| Belfast East | 407,728 | 407,728 | 10,290 |
| Belfast North | 388,341 | 388,341 | 9,792 |
| Belfast South | 392,665 | 392,665 | 8,983 |
| Belfast West | 343,012 | 343,012 | 9,506 |
| East Antrim | 328,668 | 328,668 | 9,577 |
| East Londonderry | 425,548 | 425,548 | 10,171 |
| Fermanagh & South Tyrone | 420,025 | 420,025 | 10,945 |
| Foyle | 368,005 | 368,005 | 10,434 |
| Lagan Valley | 386,512 | 386,512 | 10,159 |
| Mid Ulster | 367,108 | 367,108 | 10,260 |
| Newry & Armagh | 403,228 | 403,228 | 11,319 |
| North Antrim | 411,120 | 411,120 | 11,422 |
| North Down | 350,295 | 350,295 | 9,979 |
| South Antrim | 374,655 | 374,655 | 9,244 |
| South Down | 403,053 | 403,053 | 11,537 |
| Strangford | 335,288 | 335,288 | 9,256 |
| Upper Bann | 415,556 | 415,556 | 11,145 |
| West Tyrone | 380,467 | 380,467 | 9,794 |
| SOFP Northern Ireland* | (12,610) | (12,610) | (1,325) |
| Unspecified | 2,338 | 2,338 | 2,495 |
| Total | 6,891,002 | 6,891,002 | 184,983 |

* Immaterial negative expenditure relates to accruals reversals where estimates of expenditure were made in prior year and were immaterially higher than actual bill.

22. Events after the reporting period date

In accordance with IAS 10, events after the reporting period are considered up to date at which the accounts are authorised for issue. There was one material event after the reporting period to report relating to the PEACE PLUS programme coming into effect.

In addition, the Permanent Secretary and Accounting Officer for the Northern Ireland Office during the whole of the reporting period was Madeleine Alessandri. Dominic Wilson was subsequently appointed interim Permanent Secretary and Accounting Officer for the Northern Ireland Office with effect from 1 July 2023.

22.1 PEACE PLUS: £563,353k (2021-22: £565,500k as provision)

On the 7th 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. The UK (including match funding from the Northern Ireland Executive) confirmed a final contribution to the Programme on 4th September 2021. This confirmed contribution from the UK government would be €681m from NIO and €170m from the Northern Ireland Executive.

During the 2022-23 financial year the Financing Agreement (an International Treaty) between the UK-EU was signed. The Parliamentary scrutiny process and legislative vehicle (SI) were also instigated during the 2022-23 financial year. Following completion of this process, the Financing Agreement required that the UK notify the European Commission and Ireland of the completion of its domestic procedures and the UK's consent to be bound by the terms of the Agreement. The UK sent that notification on the 13 June 2023 as a Note Verbale via the Foreign, Commonwealth and Development Office (FCDO). The Agreement therefore came into effect on the 14 June 2023.

The Financing Agreement came into effect before the authorisation for issue of the 2022-23 accounts. This change has therefore been recorded as an adjusting event after the reporting period leading to a reclassification of this liability from provisions to other payables in the financial statements.

As payment will be made over a 4 year period the commitment of €681m has been discounted to present value using rates outlined in *PES (2022) 08 Discount Rates for General Provisions, Post Employment Benefits, Financial Instruments and Leases (under IFRS 16): Announcement of Rates*. The discounted Euro (€) figure has then been translated to Sterling (£) using the Bank of England spot rate as at 31 March 2023 resulting in a closing payable of £563,353k.

Funding for the programme will be fully met via HMT Estimates processes as Annually Managed Expenditure funding. The recognition of this liability does not raise any uncertainty in relation to the department's going concern status.

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.

23. Restatement of Statement of Comprehensive Net Expenditure and Statement of Operating Costs by Operating Segment

The 2021/2022 Departmental Group Statement of Comprehensive Net Expenditure has been restated because of a revaluation of property, plant and equipment of £5,186k was not recorded in Other comprehensive net expenditure in error. In addition the Core Department Statement of Comprehensive Net Expenditure has been restated by £5,186k for the same reason.

The revaluation gain was appropriately recorded in the statement of changes in taxpayers' equity and therefore there is no impact on any other primary statement for the year ended 31

March 2022. The effect of the restatement on the Consolidated and Core Statement of Comprehensive Net Expenditure is as follows:

| Core Department | As stated 2021-22 £000 | Adjustment 2021-22 £000 | Restated 2021-22 £000 |
|---|---------------------------------------|--|--------------------------------------|
| | | | |
| Net operating expenditure for the year ended 31 March 2022 | 20,040,877 | - | 20,040,877 |
| Other comprehensive expenditure | | | |
| Net gain on revaluation property, plant and equipment | - | (5,186) | (5,186) |
| | | | |
| Comprehensive net expenditure for the year ended 31 March 2022 | 20,040,877 | (5,186) | 20,035,691 |
| | | | |
| Departmental Group | As stated 2021-22 £000 | Adjustment 2021-22 £000 | Restated 2021-22 £000 |
| | | | |
| Net operating expenditure for the year ended 31 March 2022 | 20,040,708 | - | 20,040,708 |
| Other comprehensive expenditure | | | |
| Net gain on revaluation property, plant and equipment | (29) | (5,186) | (5,215) |
| | | | |

| Departmental Group | As stated 2021-22 £000 | Adjustment 2021-22 £000 | Restated 2021-22 £000 |
|---|------------------------------|-------------------------------|-----------------------------|
| Comprehensive net expenditure for the year ended 31 March 2022 | 20,040,679 | (5,186) | 20,035,493 |

The 2021/2022 Statement of Operating Costs by Operating Segment has also been restated as Comprehensive Net Expenditure was incorrectly used rather than Net Operating Expenditure, resulting in an error of £29k.

| As stated: | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | 2021-22 |
|--|-------------------|---------------|--------------|--------------|--------------|------------|------------|------------|-------------------|
| | NICF | CM | EnG | PSIG | ECG | LG | SPG | CSO | Total |
| Gross expenditure | 19,972,000 | 23,726 | 1,815 | 1,940 | 6,495 | 220 | 733 | 5,096 | 20,012,025 |
| Receipts | - | (137) | - | (1) | - | (124) | (2) | (4,822) | (4,947) |
| Total net operating expenditure | 19,972,000 | 23,589 | 1,815 | 1,939 | 6,159 | 154 | 731 | 691 | 20,007,078 |
| Restated: | | | | | | | | | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | 2021-22 |
| | NICF | CM | EnG | PSIG | ECG | LG | SPG | CSO | Total |
| Gross expenditure | 19,972,000 | 23,755 | 1,815 | 1,940 | 6,495 | 220 | 733 | 5,096 | 20,012,054 |
| Receipts | - | (137) | - | (1) | (336) | (66) | (2) | (4,405) | (4,947) |
| Total net operating expenditure | 19,972,000 | 23,618 | 1,815 | 1,939 | 6,159 | 154 | 731 | 691 | 20,007,107 |

Updated reconciliation between Operating Segments and Consolidated Statement of Comprehensive Net Expenditure

| | As stated | Restated |
|--|-------------------|-------------------|
| | 2021-22 | 2021-22 |
| | £000 | £000 |
| | Total | Total |
| Total net expenditure by operating segment | 20,007,078 | 20,007,107 |
| Reconciling items: | | |
| AME and non-voted expenditure not included in analysis | 33,601 | 33,601 |
| Total net expenditure per statement of comprehensive net expenditure | 20,040,679 | 20,040,708 |

ANNEX I: REGULATORY REPORTING 2022-23 (Unaudited)

Spending by Northern Ireland Office & Northern Ireland Executive 2016-17 to 2023-24

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2022-23 | 2023-24 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------------|-------------------|
| | Outturn | Outturn | Outturn | Outturn | outturn | Outturn | Plans | Outturn ⁽⁷⁾ | Plans |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Northern Ireland Office Expenditure | | | | | | | | | |
| Resource expenditure within Administration Costs | 12,907 | 14,243 | 17,925 | 23,769 | 22,147 | 21,002 | 26,464 | 24,118 | 22,003 |
| Other resource expenditure | 11,524 | 10,720 | 6,444 | 16,850 | 6,568 | 14,105 | 26,288 | 16,571 | 19,446 |
| Northern Ireland Office Resource ⁽²⁾ | 24,431 | 24,963 | 24,369 | 40,619 | 28,715 | 35,107 | 52,752 | 40,689 | 41,449 |
| Northern Ireland Office Capital | 445 | 1,496 | 451 | 825 | 852 | 1,594 | 2,105 | 413 | 3,305 |
| Northern Ireland Office Resource + Capital DEL ⁽²⁾ | 24,876 | 26,459 | 24,820 | 41,444 | 29,567 | 36,701 | 54,857 | 41,102 | 44,754 |
| <i>less depreciation & impairments</i> | -1,956 | -1,872 | -1,920 | -2,100 | -2,106 | -2,193 | -4,733 | -3,480 | -3,786 |
| Northern Ireland Office DEL ⁽³⁾ | 22,920 | 24,587 | 22,900 | 39,344 | 27,461 | 34,508 | 50,124 | 37,622 | 40,968 |
| Northern Ireland Executive Expenditure (The Northern Ireland Block) ⁽⁶⁾ | | | | | | | | | |
| Resource | 10,475,282 | 10,624,949 | 11,006,279 | 11,944,961 | 15,525,442 | 14,438,455 | 14,609,813 | 14,339,163 | 14,854,196 |
| Capital | 1,005,419 | 1,147,995 | 1,297,127 | 1,346,216 | 1,716,054 | 1,820,544 | 2,113,954 | 1,894,659 | 2,115,546 |
| Total Resource + Capital ⁽⁸⁾ | 11,480,701 | 11,772,944 | 12,303,406 | 13,291,177 | 17,241,496 | 16,258,999 | 16,723,767 | 16,233,822 | 16,969,742 |
| <i>less depreciation & impairments</i> | -590,316 | -546,594 | -525,327 | -584,321 | -640,941 | -319,149 | -825,675 | -602,969 | -1,174,282 |
| Northern Ireland Executive DEL ^{(3) (6)} | 10,890,385 | 11,226,350 | 11,778,079 | 12,706,856 | 16,600,555 | 15,939,850 | 15,898,092 | 15,630,853 | 15,795,460 |
| (1) Totals may not sum due to roundings. | | | | | | | | | |
| (2) Including depreciation & impairments | | | | | | | | | |
| (3) Resource + capital - depreciation & impairments (includes Student Loans) | | | | | | | | | |
| (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 | | | | | | | | | |
| (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 | | | | | | | | | |

Cash grant paid to the Northern Ireland Consolidated Fund 2021-22: Provision and Estimated outturn

| | Original Provision £ million | Final Provision £ million | Outturn £ million |
|---|---------------------------------|------------------------------|----------------------|
| Departmental Expenditure Limit (Resource DEL + Capital DEL) (2)(4) | 16,673.6 | 17,338.4 | 16,259.0 |
| Annually Managed Expenditure (inc Other AME) | 12,786.2 | 12,293.4 | 11,297.1 |
| Expenditure Financed by Regional Rates | 580.1 | 396.2 | 369.8 |
| Expenditure Financed by RRI Borrowing | 170.0 | 80.0 | 80.0 |
| Total Managed Expenditure (DEL, AME & Other AME) | 30,209.9 | 30,108.0 | 28,006.0 |
| Less Non Cash charges | -556.3 | -6,022.8 | -4,385.5 |
| Less Non Voted (DEL, AME & Other AME) | -14,265.8 | -15,695.6 | -15,541.1 |
| Voted Other Expenditure outside DEL | 10462.0 | 11,159.1 | 10,814.0 |
| Utilisation of Provisions | 1,383.0 | 1,569.5 | 1,611.6 |
| Movement in debtors/creditors (Z999) | 70.8 | 471.8 | 243.0 |
| Supply Expenditure | 22,303.6 | 21,590.0 | 20,747.9 |
| Interest Payable to National Loans Fund | 49.1 | 48.3 | 49.4 |
| District Council Rates | 677.2 | 689.2 | 689.2 |
| Repayment of Principal of RRI Loans (financed by Regional Rates income) | 127.3 | 124.1 | 127.3 |
| Other Services | 10.0 | 10.5 | 0.0 |
| Consolidated Fund Standing Services | 0.0 | 0.0 | 10.3 |
| Loans Issued | 0.0 | 0.0 | 0.0 |
| Sums Repaid | 0.0 | 0.0 | 39.6 |
| Temporary Investments | 0.0 | 0.0 | 1,801.0 |
| Advances from the Consolidated fund | 0.0 | 0.0 | 350.9 |
| Total Expenditure | 23,167.2 | 22,462.1 | 23,815.7 |

| | | | | |
|--|-----------------|-----------------|-----------------|--|
| Income | | | | |
| RRI Borrowing from National Loans Fund | 170.0 | 80.0 | 80.0 | |
| District Rates | 677.2 | 689.2 | 1,170.7 | |
| Regional Rates | 707.4 | 396.2 | | |
| Interest Receivable in respect of loans made from NI Consolidated Fund | 33.5 | 33.5 | 33.5 | |
| NICF Loan Repaid | | | 58.5 | |
| Internal Departmental Funds | | | 33.5 | |
| Temporary Investments | | | 1,801.0 | |
| Advances from NI Consolidated Fund | | | 350.9 | |
| Excess of Capital Receipts over capital issues | | | -0.4 | |
| Miscellaneous receipts | 113.2 | 288.1 | 315.9 | |
| <i>of which:</i> | | | | |
| NICF Balance | 0.5 | 0.5 | 1.0 | |
| Continental Shelf | 2.0 | 1.7 | 1.7 | |
| Misc - NIHE, Land Annuities etc | 6.7 | 7.0 | 6.7 | |
| Excess Accruing Resources | 3.0 | 3.0 | 30.1 | |
| CFERS | 100.0 | 275.8 | 276.4 | |
| EU CFERS | 1.0 | 0.1 | 0.0 | |
| Total Income | 1,701.3 | 1,487.0 | 3,843.7 | |
| Underspend of cash grant | | | | |
| Cash Grant payable to Northern Ireland Consolidated Fund by Northern Ireland Office | 21,465.9 | 20,975.1 | 19,972.0 | |

- (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

Cash grant paid to the Northern Ireland Consolidated Fund 2022-23: Provision and Estimated outturn

| | Original Provision £ million | Final Provision £ million | Estimated Outturn £ million |
|---|---------------------------------|------------------------------|--------------------------------|
| Departmental Expenditure Limit (Resource DEL + Capital DEL) (2) (4) | 16,660.0 | 16,723.8 | 16,723.8 |
| Annually Managed Expenditure (inc Other AME) | 13,669.8 | 13,555.6 | 13,555.6 |
| Expenditure Financed by Regional Rates | 577.2 | 605.9 | 605.9 |
| Expenditure Financed by RRI Borrowing | 140.0 | 200.0 | 200.0 |
| Total Managed Expenditure (DEL, AME & Other AME) | 30,329.8 | 31,085.3 | 31,085.3 |
| Less Non Cash charges | -5,177.0 | -8,261.7 | -8,261.7 |
| Less Non Voted (DEL, AME & Other AME) | -4,508.9 | -4,224.7 | -4,224.7 |
| NDPB Resource Consumption Excl Non cash | 0.0 | -9,849.4 | -9,849.4 |
| NDPB Cash Grant in Aid | 0.0 | 10,764.6 | 10,764.6 |
| Voted Other Expenditure outside DEL | 0.0 | 593.7 | 593.7 |
| Utilisation of Provisions | 1,467.9 | 1,715.7 | 1,715.7 |
| Movement in debtors/creditors (Z999) | 322.9 | 460.7 | 460.7 |
| Supply Expenditure | 22,434.6 | 22,284.2 | 22,284.2 |
| Interest Payable to National Loans Fund | 49.5 | 50.4 | 50.4 |
| District Council Rates | 706.9 | 715.4 | 715.4 |
| Repayment of Principal of RRI Loans (financed by Regional Rates income) | 117.7 | 115.6 | 115.6 |
| Other Services (Statutory Salaries & Miscellaneous Receipts) | 10.3 | 10.5 | 10.5 |
| Total Expenditure | 23,319.0 | 23,176.0 | 23,176.0 |

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Income | | | | |
| RRI Borrowing from National Loans Fund | 140.0 | 200.0 | 200.0 | 200.0 |
| District Rates | 706.9 | 715.4 | 715.4 | 715.4 |
| Regional Rates | 694.9 | 605.9 | 605.9 | 605.9 |
| Interest Receivable in respect of loans made from NI Consolidated Fund | 30.5 | 30.5 | 30.5 | 30.5 |
| Miscellaneous receipts | 113.4 | 277.0 | 277.0 | 277.0 |
| <i>of which:</i> | | | | |
| NICF Balance | 1.0 | 1.0 | 1.0 | 1.0 |
| Continental Shelf | 1.7 | 1.5 | 1.5 | 1.5 |
| Misc - NIHE, Land Annuities etc | 6.7 | 8.3 | 8.3 | 8.3 |
| Excess Accruing Resources | 4.0 | 1.7 | 1.7 | 1.7 |
| CFERS | 100.0 | 264.3 | 264.3 | 264.3 |
| EU CFERS | 0.0 | 0.1 | 0.1 | 0.1 |
| Total Income | 1,685.6 | 1,828.9 | 1,828.9 | 1,828.9 |
| Underspend of cash grant | | | | 1,592.1 |

Cash Grant payable to Northern Ireland Consolidated Fund by Northern **21,633.5** **21,347.1110** **19,755.0**

- (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 2022-23 outturn for Northern Ireland Executive Expenditure is not yet available

Calculation of Grant Payable to Northern Ireland Consolidated Fund 2023-24

| | £ million |
|---|-----------------|
| Departmental Expenditure Limit (Resource DEL + Capital DEL) | 16,969.7 |
| Annually Managed Expenditure (inc Other AME) | 14,163.9 |
| Self-Financed Annually Managed Expenditure | 440.0 |
| Expenditure Financed by Regional Rates | 649.6 |
| Expenditure Financed by RRI Borrowing | 200.0 |
| Total Managed Expenditure (DEL, AME & Other AME) | 32,423.2 |
| Less: non-cash expenditure (depreciation, impairments etc) | -8,136.3 |
| Less: Resource consumption of NDPBs (DEL, AME & Other AME) | -9,851.2 |
| Less: Non voted (DEL, AME & Other AME) | -5,470.0 |
| Other Voted Expenditure outside DEL | 2.1 |
| Utilisation of Provisions | 1,693.6 |
| Movement in debtors/creditors | 1,712.0 |
| NDPB Cash Grant in Aid | 11,000.0 |
| Total Supply Expenditure | 23,373.4 |
| Interest Payable to National Loans Fund | 51.3 |
| District Council Rates | 765.2 |
| Repayment of Principal of RRI Loans (financed by Regional Rates income) | 117.1 |
| Other Services (Statutory Salaries & Miscellaneous Receipts) | 10.6 |

| | | | |
|--|--|-----------------|--|
| Total Expenditure | | 24,317.6 | |
| Less Income | | | |
| RRI Borrowing from National Loans Fund | | 200.0 | |
| District Rates | | 765.2 | |
| Regional Rates | | 766.7 | |
| Interest Receivable in respect of loans made from NI Consolidated Fund | | 28.4 | |
| Miscellaneous receipts | | 200.6 | |
| <i>of which:</i> | | | |
| <i>NICF Balance</i> | | <i>0.6</i> | |
| <i>Continental Shelf</i> | | <i>1.5</i> | |
| <i>Misc - NIHE, Land Annuities etc</i> | | <i>8.5</i> | |
| <i>Excess Accruing Resources</i> | | <i>0.0</i> | |
| <i>CFERS</i> | | <i>190.0</i> | |
| <i>EU CFERS</i> | | <i>0.0</i> | |
| Total Income | | 1,960.9 | |
| Cash Grant payable to Northern Ireland Consolidated Fund by Northern Ireland Office | | 22,356.7 | |
| 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 2022-23 (Unaudited)

| | Total Operating Income £000 | Total Operating Expenditure £000 | Net Expenditure for the year (including financing) £000 | Permanently Employed Staff | | Other Staff | |
|--|-----------------------------|----------------------------------|---|----------------------------|------------------|---------------------|------------------|
| | | | | Number of Employees | Staff Costs £000 | Number of Employees | Staff Costs £000 |
| NIO Core incl. other NIO sponsored bodies | (104,765) | 19,899,589 | 19,794,824 | 295 | 20,389 | 7 | 1,819 |
| NIHRC | (8) | 2,480 | 2,472 | 23 | 1,404 | 10 | 265 |
| PCNI | - | 722 | 722 | 7 | 508 | 6 | 18 |
| IRC | - | 333 | 333 | 3 | 200 | 3 | 55 |

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