

THE EXECUTIVE OFFICE

ANNUAL REPORT AND ACCOUNTS For the year ended 31 March 2023

Presented to the House of Commons pursuant to Section 67A(2) of the Northern Ireland Act
1998

Laid before the Northern Ireland Assembly under section 10(4) of the Government
Resources and Accounts Act (Northern Ireland) 2001
by the Department of Finance
on 15 November 2023

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2022-23 ANNUAL REPORT

THE PERFORMANCE REPORT

OVERVIEW

The purpose of the overview is to provide a description of The Executive Office (TEO), its purpose, its functions, the key risks to the achievement of its objectives and how the Department has performed during the year and to the date of signing of the Annual Report and Accounts.

STATEMENT FROM THE DEPARTMENT'S ACCOUNTING OFFICER

Following Denis McMahon's move to become Permanent Secretary at the Department for Infrastructure, I was appointed interim Accounting Officer on 4 September 2023, and in that capacity I am pleased to present The Executive Office Annual Report and Accounts for 2022-2023. The report records the highly professional service TEO has provided for the wide range of people whom we serve. This has been achieved within unprecedented budget constraints.

Wellbeing is at the heart of what TEO does and this year we refreshed the TEO business plan to reflect that overarching objective. Specifically, our aim is to improve social, environmental and economic wellbeing, creating a place where people thrive.

Our unique role at the centre of government means that we deliver on issues that matter to everyone. We have, for example: successfully co-ordinated the Northern Ireland response to the war in Ukraine with assistance to over 2,000 arrivals; launched the public consultation on a review of the Race Relations (NI) Order 1997; developed the first draft of legislation to establish the Public Inquiry for the Truth Recovery Programme; consulted on Ending Violence Against Women and Girls; developed a Resilience Framework; and promoted what NI can offer to colleagues from across the world in support of our International Relations Strategy.

This scale of delivery would not be possible without the collective talents, capabilities, and commitment of our people, our Arms' Length Bodies, our partners in the voluntary and community sector, and our suppliers and contractors. Together we continue to find better ways of collaborating, responding flexibly to the changing working environment in order to meet emerging challenges as they arise.

I am therefore very proud of the excellent work of my colleagues. Our people are highly engaged and enthusiastic about their work and this is reflected in the results they have achieved. I join with my fellow members of the Departmental Board in taking this opportunity to thank each of them for their contribution.

Gareth Johnston
Interim Accounting Officer

STATEMENT FROM THE INDEPENDENT BOARD MEMBER

1. Non-Executive Member TEO Board

Two new Non- Executive Members (NEMs) were appointed to The Executive Office (TEO) Board, Jo Aston was appointed in September 2022 and Claire Keatinge in November 2022. They replaced Denis Power who stood down as the sole Non-Executive Member in September 2022.

As NEMs of The Executive Office (TEO), our role is to support and challenge Board members in driving forward TEO's Business Plan, support effective governance and necessary change processes.

We confirm that the Governance Statement sets out the governance, risk management and internal control arrangements for TEO, in accordance with Department of Finance (DoF) guidance. The Governance Statement applies to the financial year 1 April 2022 to 31 March 2023 and to the date of the signing of the Annual Report and Accounts.

The Governance Statement demonstrates how good governance has been aligned with the Department's vision and objectives, as outlined in the Department's Business Plan. The NEMs attendance at Board meetings for this financial year was as follows: Denis Power attended all TEO Board Meetings from April 2022 to September 2022; Jo Aston attended all TEO Board Meetings from September 2022 to March 2023 and Claire Keatinge attended all Board Meetings from November 2022 to March 2023. The operation of a Forward Planner ensured robust Agendas for each Board meeting, with updates on key areas as follows:

- a) Political Landscape incorporating updates by HOCS/ Permanent Secretary on engagements;
- b) Brexit / EU Relations;
- c) Covid-19 Contingency and Recovery Planning;
- d) European and International Relations;
- e) Programme for Government and the TEO Business Plan;
- f) ALB Delivery and Assurance;
- g) Legislative Programme;
- h) Budget / Finance;
- i) HR;
- j) Audit & Risk incl. ARAC updates; and,
- k) Communication.

Board Members participated in Board meetings either by Zoom platform or in person facilitated by presentation of key strategies and reports on departmental issues, engaging in active discussion of agenda items. Minutes of Board meetings were accurately recorded and presented for approval at subsequent Board meetings.

Communication channels in TEO are excellent, with regular updates for all staff by the Permanent Secretary (Accounting Officer) and Senior Management Team through a range of different mediums. Active use of social media platforms such as WebEx and Twitter continue to be well deployed to promote the Department's achievements and a number of virtual meeting systems such as Zoom, Webex and Teams have been introduced in conjunction with

hybrid working and as the new ways of working from home developed in the height of Covid continue to be beneficial working practices for both staff and delivery.

This year has presented a number of significant challenges to TEO, with the absence of Ministers and the Executive resulting in continued uncertainty on budget allocations; the War in Ukraine and associated urgent need to develop and deploy a Refugee Integration Strategy; continued EU EXIT protocol discussions and, latterly, the development of the Windsor Framework. Nevertheless, much strategic work was advanced with progress being made in relation to delivering the Homes for Ukraine Scheme, offering an official apology to victims of Historical Institutional Abuse, preparing for the Covid-19 Inquiry, delivering the largest ever Good Relations programme, and developing a co-designed Strategic Framework for Ending Violence Against Women and Girls.

The People Development Sub-Committee, a sub-committee of the Board was established; to provide assurance to the Board by overseeing strategic resource planning of departmental staff from financial, HR, capability, staff engagement, accommodation and IT-enabled perspectives.

A Board Effectiveness review for 2021-22 was carried out and reported on by the Non-Executive Member. Procurement is ongoing for the appointment of an independent person, to carry out a review of the TEO Board Effectiveness to include the effectiveness of Independent NEMs.

2. Chair TEO Audit and Risk Committee (ARAC)

In my capacity as Chair of TEO's Audit Risk and Assurance Committee (ARAC), I present the annual report for the 2022-23 financial year as follows having consulted with the previous Chair, Denis Power.

TEO ARAC comprises three Independent Members. From April to September 2022, Denis Power as Chair ARAC, was supported by Glyn Capper, Department of Justice (to 30 June 2022) and Stewart Barnes, Department of Finance. From October 2022 to March 2023, Jo Aston as Chair ARAC, was supported by Stewart Barnes, Department of Finance and Claire Keatinge NEM (from 14 November 2022).

Denis McMahon, TEO Permanent Secretary and Accounting Officer, and the Finance Director and Corporate Governance Branch representatives attended all ARAC meetings in this reporting period. All meetings were quorate in this cycle.

A summary of key agenda items and issues considered and reported on by ARAC is outlined below. The ARAC Chair, also a NEM, provided updates to the TEO Board after each ARAC meeting.

As a priority, matters relative to the 2022-23 financial reporting year, resourcing issues and updates on TEO's Corporate Risk Register were reviewed and updated at each of the four ARAC meetings held during the year under report.

The absence of Ministers and the Executive throughout the reporting year, seriously impacted on the completion of objectives in the TEO Business Plan. The absence of final 2022-23 Departmental Budgets created significant issues of uncertainty which persisted throughout

this financial year. However, the Board and ARAC were greatly reassured by the close monitoring, control and reporting of spend by the Finance Directorate, liaison with DoF and the early release of funds back to DoF, managing end of year spend to align with final Budget allocations.

Key risk issues were regularly discussed at Board and ARAC meetings, as follows: -

- (a) Funding constraints affecting the ability to deliver the business plan married with the challenge of predicting funding streams which are demand led.
- (b) The consolidation of accounts for this year and the accounting treatment for Financial Transactions Capital.
- (c) The expansion of the directorates set up to deliver additional work areas assigned to the TEO including Historical Institutional Abuse (HIA), the Victims' Payments Scheme, Mother and Baby Homes and Ending Violence and Women and Girls (EVAWG).
- (d) In the wake of Covid-19, the development of a Covid Recovery Plan together with the building of future resilience and an NI Risk Register.
- (e) The Corporate Risk Register and TEO's approach to risk appetite together with quarterly assurance statements for both TEO and the ALBs.
- (f) Monitoring TEO's business plan delivery and its further development for 2023-24 to align with any future Programme for Government's outcomes alongside scenario planning given projected significant budget constraints.
- (g) The importance of European and international relations to support economic growth and the development of a strategy to build NI's reputation, educate on global trends and target investment opportunities.
- (h) The continued focus on 'Together: Building a United Community' strategy (T:BUC) and the review and updating of the current Strategy for an incoming Executive to consider.
- (i) Engagement with TEO staff, (particularly as working from home sustains as a working practice post Covid) aided with the establishment of a People Development Sub-Committee of the Board.

Throughout this year, TEO continued to take account and manage issues arising as a consequence of the war in Ukraine and the housing of refugees; the economic pressures created by a significant increase in energy and fuel costs, alongside sequent challenges on the transport of goods and services throughout the UK and EU. The impact on the cost of living and incomes is critically impacting the business sector and NI communities.

The absence of the Executive throughout this financial reporting year, together with an unconfirmed budget position, presented many challenges which TEO managed through effective and robust Corporate Governance. The absence of such decision making has impacted this year's accounts, as necessary legislative changes could not be made enabling NI Departments to make Financial Transaction Capital loans directly. The Audit and Risk Assurance Committee (ARAC) has however been advised that the Office of Legislative Counsel are to be engaged on a Financial Provisions Bill, which is to include the provisions required to address the FTC issue, to be taken forward as early as possible following the restoration of the Executive.

Throughout this period of considerable organisational growth and challenge, ARAC acknowledges the robust level of senior management attention and oversight to financial management across the Department – as evidenced by effective scrutiny of spending levels and the achievement of many key performance indicators/targets within the Department's

2022-23 Business Plan and assurance from Internal Audit (IA) reports across a wide range of departmental teams and service areas. It is important to note that the ability to deliver on some objectives was impacted by the absence of the Assembly and Ministers, where major policy decisions or legislative changes were required.

ARAC is satisfied that the Department's ongoing rigour in support and challenge of the Department ALBs both through direct contact with TEO's Accounting Officer and ALB CEO's, supported by the actions of both Internal Audit and the NIAO in oversight of the business activities of the ALBs, is effective. ARAC noted the quality and regularity of Assurance Statements, which enabled thorough examination of areas of concern. ARAC also noted the value of quarterly Recommendations Register reports, tracking the implementation of recommendations from both NIAO and Internal Audit Reports and the comprehensive implementation by management of recommendations.

ARAC also received updates from Internal Audit on their conclusions on individual assignments, providing the opportunity to question IA recommendations and management's response to issues raised. In a difficult year, compounded by ongoing resourcing difficulties, ARAC is satisfied that its risk environment has adequate oversight by Internal Audit and notes the **satisfactory** level of assurance provided by Internal Audit in key areas of the Department's activity. Recommendations from IA reports provide key learning for TEO Managers in the delivery of their programmes and services. The conclusion by the Head of Internal Audit that TEO achieved an overall **satisfactory** level of assurance for departmental internal control systems for 2022-23 is welcome. ARAC acknowledges the rigour with which the Counter Fraud and Raising Concerns Branch are dealing with fraud issues and noted a further decline in the occurrence of fraud over the financial year. The ARAC honed in on the higher risk and incidents of fraud in relation to Victims Payments and satisfied itself in terms of the level of governance and internal audit review.

As the Chair of ARAC I wish to record my thanks to all those who attended ARAC meetings and to thank them all for their honesty and candour in responding to issues raised by members. The support of the Secretariat is critical in recording accurately the business of ARAC, and I thank staff in the Corporate Governance Unit and Clare Reilly for this support. I would also wish to extend personal thanks to Glyn Capper, Stewart Barnes and Claire Keatinge for their support, active participation and informed challenge at ARAC meetings.

In conclusion, as Chair TEO ARAC I confirm that in relation to the 2022-23 reporting year, my opinion that the Department's systems of internal control are satisfactory; that the Departmental Audit Committee operated in accordance with DoF guidance and that there are no major issues that ARAC considers should be brought to the attention of TEO's Accounting Officer. I make this final assessment having liaised with my predecessor Mr Denis Power and thank him for his support in taking over this role.

Jo Aston
Non-Executive Board Member and Chair ARAC

STATEMENT OF THE PURPOSE AND ACTIVITIES OF THE DEPARTMENT

The vision of TEO is: *wellbeing for all through improved relations, outcomes and governance.*

TEO has a clear role as a central hub for policy making and delivery: making sense of our society's most complex and challenging issues and securing agile implementation on the ground. In June 2021 the NICS created a new Permanent Secretary role within TEO to lead that change. Our current functions include some long-standing areas of well-established responsibility that mirror some of the biggest challenges and opportunities facing society, including promoting equality, the oversight of the Executive's Together: Building a United Community programme, Good Relations programmes, the Racial Equality Strategy, work on Ending Violence Against Women and Girls and on supporting victims and survivors of the Troubles/Conflict.

We also lead on a range of specific, emergent policy issues that require cross departmental co-ordination or which have not sat easily within the responsibility of individual departments. Examples include supporting survivors of Historical Institutional Abuse and Mother and Baby Institutions. At the core of these issues is the protection and support of some of the most vulnerable people in our society. We also play a role in supporting the work of the Executive's Covid-19 Taskforce and in building contingency planning arrangements to protect the people who live here. Building on this work here, TEO leads on International Relations on behalf of the Executive with offices in the US, China and Brussels, showcasing all we have to offer, and forging links with best practice organisations internationally.

Departmental Boundary

The accounts of the Department comprise a consolidation of the income, expenditure, assets and liabilities of those entities within the departmental resource accounting boundary as follows (see Note 20 of the Accounts):

- Core Department;
- Office of the Commissioner for Public Appointments for NI;
- Office of the Attorney General for NI;
- North South Ministerial Council Joint Secretariat (North); and,
- Historical Institutional Abuse Redress Board;

The Department has lead policy responsibility for the following Arm's Length Bodies (ALBs) that are classified as, or analogous to, an executive Non Departmental Public Body (NDPB):

- NI Community Relations Council;
- Commission for Victims and Survivors for NI;
- Equality Commission for NI;
- Maze/Long Kesh Development Corporation;
- Northern Ireland Judicial Appointments Commission;
- Strategic Investment Board Limited;
- The Commissioner for Survivors of Institutional Childhood Abuse; and,
- Victims and Survivors Service Limited.

From 2022-23 through the review of Financial Process initiative, these bodies have now been brought within the accounting boundary to improve transparency and accountability to the Assembly. These entities prepare separate annual report and accounts that are audited by the Comptroller and Auditor General (C&AG).

Programme for Government (PfG)

The Department leads on the development and delivery of the Executive's Programme for Government (PfG). The PfG sets out the Executive's priorities and aims to provide a clear strategic direction to many of the policies, programmes, services and actions of government departments.

In January 2021, a newly developed draft PfG Outcomes Framework was subject to an extensive public consultation and engagement process. It is intended that the results of this consultation will inform the development of a newly formed Executive's PfG.

In response to the Covid-19 pandemic, the Executive published its Covid Recovery Plan in August 2021 to set out the priorities for the subsequent 24-month period with the aim of accelerating economic, health and societal recovery in the short term to enable us to emerge stronger and to plan for longer term ambitions. The plan was developed with the intention that the workstreams are likely to form the basis of a number of key strategic areas that will go on to be included in a future PfG.

KEY ISSUES AND RISKS

Key challenges faced by TEO in 2022-23 included post EU Exit, post pandemic recovery and the absence of an Executive.

The Department has continued to focus on its key policy areas:

- **Post EU Exit Co-ordination:** TEO continues to lead and coordinate across the NICS on the post EU Exit arrangements; the continued implementation of the Withdrawal Agreement, including the Protocol; and latterly the Windsor Framework, and the Trade and Cooperation Agreement, and the development of our future relationship with the EU. This includes providing strategic advice to the Executive and Senior Civil Servants on impacts, risks and mitigations associated with the various Agreements, and ensuring the UK Government is aware and informed of the implications and opportunities for NI arising from the UK's exit from the EU. This has required liaison with NICS colleagues, the EU, UK Government, the Irish Government, as well as with key stakeholders in the private and public sectors.
- Implementing the Executive's Good Relations strategy **Together: Building a United Community (T:BUC)**: This strategy outlines a vision of "*a united community, based on equality of opportunity, the desirability of good relations and reconciliation - one which is strengthened by its diversity, where cultural expression is celebrated and embraced and where everyone can live, learn, work and socialise together, free from prejudice, hate and intolerance.*"
- TEO chairs the **Good Relations Programme Board (GRPB)** that oversees T:BUC on behalf of the Executive, including leadership on Headline Actions by a number of

Departments. Good progress has been made across several Actions and TEO has launched a Review of the T:BUC Strategy. At the same time, TEO is directly responsible for implementing and evaluating several T:BUC/Good Relations programmes that are having a major impact. These include the Urban Villages (UV) Initiative (which aims to foster positive community identities, build community capacity and improve the physical environment in five areas with a history of community tension and deprivation); the Central Good Relations Fund (funding provided to voluntary and community groups to build good relations across and between all the communities in NI); and the District Council Good Relations Programme (a partnership with Councils to improve community relations).

- It includes the **T:BUC Camps Programme** (which provides opportunities for young people aged from 11-19 to come together to build positive relationships across divided parts of our community, as well as the popular Ambassadors programme and the recent T:BUC Trees initiative. It also includes the Planned Interventions Programme (which is delivered by the Education Authority and aims to reduce the likelihood of children and young people becoming involved in the justice system at an early age). The Racial Equality Strategy (see below) is also represented on Good Relations Programme Board to ensure all aspects of good relations are covered. TEO Good Relations Division also sponsors the Community Relations Council and is an accountable Department for PEACE IV Programme and the PEACE PLUS Programme with a proposed budget allocation of circa €170m.
- **Delivering Social Change:** These programmes are now complete. TEO deals with the completion of the management of the Social Investment Programme (SIF) on a legacy basis. SIF in conjunction with other Delivering Social Change (DSC) Programmes (which were co-funded with Atlantic Philanthropies and lead departments), aimed to ensure that disadvantaged areas and vulnerable groups were targeted in order to address persistent patterns of poverty and disadvantage.
- Implementing the **Communities in Transition Project** as part of the Executive Action Plan on paramilitary activity, criminality and organised crime. TEO is taking forward a commitment within the Executive Action Plan, which provides that '*The Executive should establish a fund to support ambitious initiatives aimed at building capacity in communities in transition, including through developing partnerships across civil society and across community divisions*'. TEO is currently delivering 31 projects through the Communities in Transition Project to improve community resilience to paramilitarism, criminality and coercive control.
- Implementing the **Racial Equality Strategy 2015-2025** and related actions, including the proposed development of a Refugee Integration Strategy. The Racial Equality Strategy established a framework for action by Government Departments (and others) to tackle racial inequalities and to open opportunity for all; to eradicate racism and hate crime; and along with the Together: Building a United Community policy, to promote good race relations and social cohesion. Specific outcomes of the Racial Equality Strategy are equality of service provision; elimination of prejudice, racism and hate crime; increased participation, representation and belonging; and cultural diversity is celebrated. The Refugee Integration Strategy, which is a commitment in the Racial Equality Strategy, has completed a public consultation exercise and officials are

currently considering the responses. To support this key priority, a new Refugee and Asylum Support and Integration Division was established to progress its delivery.

- The Racial Equality Strategy outlines a commitment to the **Minority Ethnic Development Fund (MEDF)** to develop capacity within the minority ethnic sector and to a Crisis Fund for those who face destitution. A review of the MEDF has been undertaken and recommendations are being implemented. The Racial Equality Strategy commits Government to ethnic monitoring and to reviewing racial equality legislation. Work on scoping the requirements of ethnic monitoring is well advanced and proposals for how Government Departments will be supported in rolling out ethnic monitoring are being drawn up by a newly formed Cross-Departmental Working Group. The Review of the Current Race Relations Order has now been completed and a consultation exercise closed on 18 June 2023. The outworking of the consultation will be considered by Ministers and the Executive, with a view that proposals could be considered early in the new mandate.
- **Refugee and Asylum Seekers Integration:** During 2022-23, the Department worked to meet the ever-growing needs of refugees and asylum seekers in NI and deliver on actions to help the many cultures now living in NI to settle and prosper in our society. The Department works across operational and policy spheres to co-ordinate effective support and facilitate integration of refugees and asylum seekers who arrive here, including co-ordinating the response to the Ukrainian refugee crisis.
- Ensuring the continued delivery of effective **victim-centred services:** Addressing the needs of victims and survivors continues to be a priority area for both the Department and the Executive. The Department will continue to support the provision of services to meet the needs of individual victims and survivors and support the groups and organisations which work in this sector.
- The **Historical Institutional Abuse Inquiry (HIAI) Report** and findings were published in January 2017. The Historical Institutional Abuse (Northern Ireland) Act 2019 was enacted on 5 November 2019. The Historical Institutional Abuse Redress Board and the Board came into operation on 31 March 2020. Fiona Ryan was appointed as the Commissioner for Survivors of Institutional Childhood Abuse and took up her position on 14 December 2020. One of the remaining Hart Report recommendations: a public apology by the State and those institutions responsible for systemic failings leading to systemic abuse took place on 11 March 2022 in the Assembly Chamber. In the absence of the First Minister and deputy First Minister, the State apology was delivered by five Executive Ministers. Redress claims are being assessed by an independent panel and funded by the Department.
- The **Victims' Payments Regulations 2020:** The Victims' Payments Regulations 2020 were laid before Parliament on 31 January 2020 by NIO. As provided for in the Regulations, an independent Victims' Payments Board (VPB) has been established to oversee the Victims' Payments Scheme for Permanent Disablement and consider all applications. TEO designated the Department of Justice (DoJ) to exercise the administrative functions of the Board on the Board's behalf. The scheme opened for applications on 31 August 2021.

- **Ending Violence Against Women and Girls:** Following an Assembly Motion in March 2021, the Executive has made ending violence against women and girls a priority. This will be addressed through development of a Strategic Framework to End Violence Against Women and Girls. The Strategy is to be evidence-based and co-designed, with new work to tackle the root causes of Violence Against Women and Girls. It is also an explicit goal of the programme of work required under the Strategy to find ways for departments, and for departments and external stakeholders, to work together effectively and align resources and effort in the best way possible to tackle this deep-rooted and multi-faceted problem. A 'call for views' was launched by Ministers on 10 January 2022 and closed on 21 March 2022. A subsequent programme of research and a co-design process in 2022-23 lead to public consultation in summer 2023.
- **Truth Recovery Programme:** TEO has a dedicated division leading on the implementation of five core recommendations set out within the Truth Recovery Design Panel Report on Mother and Baby Institutions, Magdalene Laundries and Workhouses published in October 2021. Some key milestones in 2022-23 have included; the Preservation of Documents (Historical Institutions) Act (Northern Ireland) 2022 enacted on 12 May 2022; a cross-Departmental Programme Board was established on 5 July 2022 with other government departments to manage and implement key elements of the recommendations, including, access to records and citizenship; on 30 September 2022, Victims and Survivors Service (VSS) launched a full suite of dedicated health and well-being support and services for victims and survivors; interviews to appoint an Independent Panel, as the first stage of an Integrated Truth Investigation, concluded January 2023. In addition, work has commenced with the Office of Legislative Counsel and Departmental Solicitors Office with a view to developing legislative provisions to ensure delivery of the Public Inquiry and Redress elements of the recommendations.
- **International Relations:** TEO is responsible for driving implementation of the Executive's International Relations Strategy. This requires significant collaboration with NICS colleagues, the EU, UK Government, Irish Government, embassies and key stakeholders in the private and public sectors globally. The NI Bureau in Beijing helps to develop links with the Chinese Government and to realise key targets in the economic, education and tourism sectors. The Executive offices in Washington DC and in Brussels ensure that our profile remains high and our interests continue to be promoted in these influential locations. The Europe Strategy Division leads on the development and implementation of the Executive's strategic vision for Northern Ireland's future relationship with Europe.
- Ensuring delivery of key actions in the Executive's **Investment Strategy**, **Asset Management Strategy** and **Buy Social Strategy** in partnership with the Strategic Investment Board.
- **Infrastructure Investment– Ebrington:** The Department continues to progress the regeneration of the Ebrington Site. Key infrastructure works have been completed including a new entrance road, resurfaced square and the installation of the peace tree and surrounding public realm. All site buildings now have a preferred bidder, agreement for lease and/or a lease in place. There are three catalyst projects on the site. The new Grade A Office Accommodation building will be completed this summer, the new Ebrington Hotel opened in Summer 2023 and a business case is being progressed through the approvals process to commence construction of a Derry City and Strabane

District Council (DCSDC) Maritime Museum at Ebrington, which is scheduled to open in 2025. Officials continue to work closely with DCSDC to facilitate the transfer of the site at an appropriate time.

- **Urban Villages Initiative:** Urban Villages Initiative's aim of creating thriving places has progressed significantly in 2022-23. Urban Villages have facilitated property acquisitions with a value of £2.3m. Three projects have been completed in the year, including a transformational £5.6m events space and park in the Colin area. Construction has progressed on 5 projects with £6.1m spent in 2022-23. In total, £108m is being invested in a diverse range of capital build proposals brought forward by communities to develop thriving spaces within the five Urban Village areas.
- **C3 (Command, Control and Co-ordination):** TEO continues to encourage effective emergency preparedness; to support emergency response through delivery of government's central crisis management arrangements; to work with key partners to strengthen NI resilience; and to support strategic decision making at the Civil Contingencies Group (CCG), and the Executive.
- The capabilities and capacities around the C3 arrangements continued to be refined throughout 2022 particularly regarding learning and development, and the development of a NI Civil Contingencies Risk Register; and in response to emerging issues such as cost of living concerns, supply chain disruptions, industrial action impacts, and meeting the information retrieval requirements of the UK Covid-19 Inquiry.

Forward Look

Following the resignation of the First Minister and the subsequent lack of an Executive, with Ministers ceasing to hold office, the Secretary of State for Northern Ireland announced a one year budget for all NI departments for 2023-24 via a Written Ministerial Statement on 27 April 2023. TEO was allocated funding for 2023-24 of: £181.8m Non-Ringfenced DEL, £2.7m Ringfenced DEL and £12.0m Capital DEL. For Non-ringfenced DEL, this equates to a reduction of £9.5m, or around 11.1% of TEO's projected baseline budget requirement of £85.2m.

This is an extremely challenging budget outcome and will undoubtedly involve difficult decisions. TEO is investigating options for cost reductions and is conducting a public consultation to inform decisions. Some decisions required to live within the budget will fall to the Permanent Secretary under the Northern Ireland (Executive Formation etc) Act 2022. However, those that outside the scope of the Act (because our assessment of the public interest means they should be left for Ministers under the Secretary of State's statutory guidance) will be referred to the Secretary of State for consideration.

Going Concern

The Statement of Financial Position for the Core Executive Office as at 31 March 2023 shows total assets liabilities of £64.5m. It is considered appropriate to adopt a going concern basis for the preparation of the financial statements as the Department is DoF Supply financed and draws its funding from the Consolidated Fund. Therefore, there is no liquidity risk in respect of the liabilities due in future years.

PERFORMANCE SUMMARY

Supporting the work of Government

One of TEO's key objectives is to ensure the effective operation of the institutions of Government in the delivery of the Executive's Programme for Government.

Northern Ireland was without a functioning government for the duration of the 2022-23. The First Minister and Deputy First Minister ceased to hold office in February 2022 and although Ministers in other departments remained in office until 28 October 2022, the Executive Committee was unable to meet. The Assembly has been unable to conduct business following the election in May 2022 due to the failure to elect a new Speaker.

During this year TEO has worked to provide support and advice to Northern Ireland departments on the delivery of departmental functions in the absence of Ministers. Following the coming into force of the Northern Ireland (Executive Formation etc) Act 2022 and the publication of the Secretary of State's guidance on decision-making TEO has provided advice to departments on the exercise of departmental functions under these arrangements and has prepared monthly summary reports of decisions taken using the guidance. These reports are available on the [Department's website](#).

Intergovernmental and International Relations

Post EU Exit Co-ordination

A key focus of the Department's work has been on NI's future relations with the EU and the rest of the world following the UK's exit from the EU. TEO has sought to ensure, as far as possible that all assessments of the UK's decision to leave the EU have taken account of the Executive's position, as well as the implications for NI legislation, policy and resources. This has included representing Northern Ireland interests throughout the continued implementation of the Withdrawal Agreement and the Trade and Cooperation Agreement and coordinating associated operational readiness work across the NICS. Throughout 2022-23 this has included engagement with colleagues in UKG and the EU to ensure that the discussions on the Protocol, concluding in the agreement of the Windsor Framework, were undertaken in full cognizance of implications for NI.

TEO has also supported colleagues in departments to co-ordinate and develop a shared organisational response to the initiatives the UK Government have undertaken in the legislative and regulatory space created by EU Exit, including the Borders 2025 programme and the introduction of the Retained EU Law (Revocation and Reform) Bill.

Throughout the year, the NICS EU Exit response has been overseen by the Future Relations Programme Board. The priorities of the Board were reviewed and revised in January 2021 to take account of the impacts, implications and opportunities of the Trade and Cooperation Agreement, decisions associated with the NI Protocol and the end of the Transition Period. The Board was chaired by the Director General for International Relations and latterly by the Director for EU Future Relations. The Board includes the Permanent Secretaries of the Department for Agriculture, Environment and Rural Affairs, the Department for the Economy, the Department of Finance, the Department of Infrastructure and the Department of Justice,

the Head of Legal Services of the Departmental Solicitor's Office and Head of EUFR Division. The Board met 14 times during this financial year.

There were 5 Strands operational under the Board:

- Protocol and Trade Policy;
- EU Future Policy & Finance Funding;
- Governance, Ministerial and EU Engagement, Frameworks and Legislation;
- Future Security Partnership (FSP); and
- Preparedness including contingency planning for triggering of Article 16.

The Senior Users' Group continued to provide strategic support to the Programme Board meeting on 9 occasions until September 2021. In order to ensure that there was a consistent recognition of the implications and opportunities arising from the UK's decision to leave the EU and as aspects of EU Exit will transition into business as usual considerations, the Senior Users' group was replaced by a new cross-NICS Interdepartmental Steering Group (IDSG). The IDSG has met on 13 occasions and coordinates the overarching objectives and activities, while maintaining a flexible operating environment as UK and International relations progress to a steady state.

A key element of ensuring corporate readiness is the current development of the EU Legislation Information Tracking System (EULITS) to track and monitor EU legislation to which NI must remain aligned. Once finalised, the EULITS system will support departments in maintaining regulatory alignment with the EU on legislation listed in the Protocol, in accordance with the Withdrawal Agreement.

Throughout the year, TEO continued to support Executive Engagement in the Withdrawal Agreement Governance Structures. The Withdrawal Agreement Joint Committee oversees the implementation, application and interpretation of the Agreement, including the Protocol. It is chaired jointly by the EU and UK. The Joint Committee met on one occasion this year, on 24 March 2023. In the absence of Ministers, senior TEO Officials attended on behalf of the NI Executive.

The Ireland Northern Ireland Specialised Committee (INISC) is an official level meeting co-chaired by the UK and the EU. The INISC makes recommendations to the Joint Committee on the implementation and application of the Protocol. TEO officials attended two meetings of the INISC this year.

The Joint Consultative Working Group is an official level forum to facilitate the exchange of information and mutual consultation between the UK and EU in respect of the implementation of the Protocol, operating under the supervision of the INISC. The group has met ten times this year and TEO officials attended each meeting as part of the UK delegation.

Following the conclusion of the Inter-Governmental Relations Review the UK-EU Inter-Ministerial Group (IMG) was established to act as the primary ministerial forum for the discussion of matters relating to the UK's withdrawal from, and future relationship with the EU. The IMG met once during 2021-22, on 17 February 2022. This meeting was attended by a TEO Minister. It met again on 17 May 2023. The Minister of State for Northern Ireland attended in an observational capacity, along with NICS officials

The Global Britain (Operations) Committee (GB(O)) was established in November 2021 to implement the Withdrawal Agreement and the Trade and Cooperation Agreement, and deliver the policy and operational transition to new international trade relationships. One meeting of GB(O) which addressed matters within devolved competence, and to which Devolved Government Ministers were invited, took place during this financial year, on 27 April 2022. The agenda meant it was appropriate for other Executive Ministers to attend this meeting in TEO Ministers' place. GB(O) was stood down following the reorganisation of Cabinet Committees in September 2022.

North South Ministerial Council (Joint Secretariat)

Established under the terms of the Belfast/Good Friday Agreement, the North South Ministerial Council (NSMC) brings together Ministers from the Northern Ireland Executive and the Irish Government to develop consultation, co-operation and action on matters of mutual interest. The North South Ministerial Council is supported by a Joint Secretariat, based in Armagh and staffed by civil servants from TEO and the Irish Civil Service.

The functions of the Joint Secretariat include arranging Council meetings in different formats; securing prior political agreement to agendas for meetings of the Council; preparing or commissioning papers for meetings of the Council, including in relation to its work programme; drafting Joint Communiqués and Records of Decisions of the Council; communicating decisions of the Council and monitoring their implementation; drafting an annual report on the proceedings of the Council; acting as a channel of communication with the six North South Implementation Bodies; and carrying out such other tasks as the Council may direct.

Staff costs are funded by TEO and the Irish Department of Foreign Affairs. All other costs associated with the Joint Secretariat and the NSMC are shared between the two administrations.

In 2022-23 the North South Ministerial Council was unable to meet owing to the absence of Ministers. However, throughout the year officials in the NSMC Joint Secretariat continued to engage with Irish Government counterparts, Executive Departments and the North-South Bodies in relation to existing work programmes and areas of co-operation.

The North West Strategic Growth Partnership (NWSGP) was established in 2016 through the North South Ministerial Council and brings together senior officials from Government Departments in Ireland and Northern Ireland to engage with Donegal County Council and Derry City and Strabane District Council, to deliver on strategic priorities for the North West Region. The NSMC Joint Secretariat facilitated thematic discussions between the Councils, departments and other stakeholders with a view to identifying potential priority initiatives and projects to be advanced through the future work of the Partnership with one event on economic development in September 2022 followed by an education and skills focused discussion in February 2023. This programme will continue into the 2023-24 year.

Wider International Relations

Ministers met with officials in early 2020 to discuss the new International Relations Strategy and the changes in our future international operating environment which takes account of the global changes such as Brexit. Planning was interrupted by the Covid-19 pandemic.

However, international activity in a number of areas and our key relationships with international partners were maintained. Departmental, Cross Departmental and Local Government International Relations Working Groups have been re-established with a view to providing oversight and shared awareness of international activities and priorities. An evaluation and corresponding Project Assurance Review have been initiated to inform the refreshed International Relations Strategy for consideration on the return of Ministers.

During 2022-2023 international visits to NI saw a significant rise in incoming visits to NI in comparison to the previous year. The International Relations Unit provided briefings, facilitated visits and meetings for foreign delegations with a range of partners across government departments, councils and agencies on economic, educational, community, social and cultural issues to support delivery of shared objectives.

There were 24 in person visits which included Ambassadors from Germany, Estonia, China, Belgium and Italy, as well as visits by senior delegations from Japan. International Relations have also supported outward visits of Senior officials from across NICS to North America, Asia Pacific and the EU. Senior officials have established regular meetings with the Consuls General, based in NI, for the US, Poland and the People's Republic of China, to promote economic and government to government programmes. These meetings are supported by bi-annual meetings between officials and Honorary-Consuls based in NI.

The International Relations team continue to participate in briefings of new British Ambassadors going overseas and liaised with the Foreign, Commonwealth and Development Office (FCDO) to ensure the Executive's Programme for Government priorities were reflected in the development of policy and programmes in targeted regions.

A Europe Strategy division was established in June 2022 under the now Inter-governmental International Relations Directorate. The Division quickly established the cross-departmental Europe Strategy Steering Group to deliver on Pillar 3 objectives under the auspices of the Interdepartmental Steering Group (IDSG). The core aim of Pillar 3 is to set out the strategic direction for NI's relationship with Europe going forward (Post EU-Exit).

In September 2022, the division also established the TEO Europe Strategy and International Relations Sub-group, to capture the views and priorities of business areas across TEO on matters relating to the EU and internationally. Research was undertaken on a Comparative Analysis of Peer Government's Europe and International Strategies to understand the key drivers of international engagement and common strategic priorities. Meetings also took place during the year with counterparts from other devolved governments and the Irish government on matters of common interest in relation to the EU and wider European partners.

From February to March 2023, the division held a series of deep dive discussions with departments in partnership with the Office of the NI Executive in Brussels. The discussion aimed to develop TEO's understanding of priorities in departments for a future relationship with Europe; identify relevant European Stakeholders; and existing links to European and International Networks. The findings will form the foundation of a cross-departmental European Strategic Framework that will deliver agreed departmental priorities and activities that mitigate the risks, respond to the challenges and realise the opportunities from our new relationship with Europe. Work on the framework will continue in the 2023-24 year.

Northern Ireland Bureau, Washington DC

The Bureau continues to cultivate and engage with existing and new contacts at senior levels of the US Administration, including in the White House, the Speaker's Office and with Members of Congress. Following the Mid-Term elections in November 2022, which saw a change in the role of Speaker of the House of Representatives and a number of new Members of Congress, considerable time has been invested in establishing connections into the new Speaker's Office and establishing connections with the offices of new Members.

The cultivation of these relationships resulted in access to the entire program of events during St Patrick's week for the Head of the Civil Service, including with the President of the United States, the Speaker of the House of Congress, senior members of Congress, the US Special Envoy to Northern Ireland on Economic Affairs, the Taoiseach as well as the British and Irish Ambassadors. The program also included a number of speaking engagements and meetings with senior representatives of the US Administration and Members of Congress as well as key business people who were keen to learn about the many opportunities for investment and research with Northern Ireland.

Although there remains a degree of cautiousness in relation to Covid-19, the Bureau capitalised on the improving situation to meet with stakeholders in a range of important locations around the United States and Canada including New York, Toronto, Ohio, Georgia, North Carolina and Florida. These engagements highlighted the importance of having representatives from the Bureau engaging directly with stakeholders and the NI diaspora right across North America.

The Bureau continued to promote Northern Ireland as a dynamic, vibrant and forward-thinking region committed to promoting economic prosperity, cultural development and international growth and engagement on both a virtual platform and at in-person events. This included participation and sponsorship of a range of events and programmes including:

- Participation in the British Embassy's Platinum Jubilee Events;
- Hosting the 'Evolution of Policing & Justice' conference;
- Hosting the Bureau's St Patrick's Day Big Breakfast event;
- African American Irish Diaspora Network Gala;
- Hosting a farewell event for the Washington Ireland Program;
- New York, New Belfast 2022;
- Hosting the International Funds for Ireland AMBIT delegation;
- Partnership with Solas Nua for the Norman Houston award for best short film with the winner, An Irish Goodbye, going on to win an Academy Award;
- Ireland Funds Winter Celebration;
- Irish Arts Centre performances by Northern Irish artists;
- Golden Bridges (Boston – NI); and,
- Nollaig na mBan.

The Bureau has maintained regular engagement with key contacts in the State Department, Congress, the British and Irish Embassies, think tanks and universities, to strengthen relationships and ensure good understanding. Work to promote our social media presence continued with a growth in NI Bureau followers by approximately 500 over the year.

Executive Bureau in Beijing

NIB China's work continued to be significantly impacted by Covid-19 during the 2022-23 year as China followed a zero Covid strategy until January 2023, with both international and internal travel restrictions adversely affecting activity throughout the year. The restrictions on entry into China, coupled with extensive and frequent lockdowns prevented many in-person visits and events from taking place. As a result, many engagements continued to be held online, including conferences, seminars and meetings.

For example, in partnership with the Confucius Institute, based in Ulster University, and the Chinese People's Association for Friendship with Foreign Countries (a Chinese government body), NIB China was able to continue its programme of online cultural exchanges for students and schoolchildren in China and Northern Ireland.

Despite these difficulties, the Bureau continued its work to promote engagement, including identifying partnership opportunities, developing new relationships and solidifying existing ones.

For the limited period where in person events were possible, the Bureau held an exclusive event promoting the tourism and creative industries sector to key influencers in China, working with Tourism Ireland and Invest NI to generate nearly 12 million social media interactions, with a combined media worth of £3.3m.

The Bureau also held a series of events promoting trade and investment in one of NI's partnership regions in March, with senior engagement from regional government as well as businesses and trade and industry experts.

Extensive engagement, meetings, events and discussions with key stakeholders both in NI and in China was also undertaken, including government entities, councils, universities, colleges, business representatives, and embassies.

A significant amount of work was also undertaken in relation to exploring opportunities for expanding NI's interests in the Asia Pacific region.

European Division including the Office of the Northern Ireland Executive in Brussels

During 2022-23 the Office of the Northern Ireland Executive in Brussels continued to lead and coordinate key EU engagement to support Northern Ireland Executive priorities, including on the Windsor Framework. The removal of many Covid restrictions meant that the office was able to facilitate extensive high level in-person engagement with Brussels-based contacts for the HOCS, two Permanent Secretaries and the Deputy Secretary for International Relations, as well as senior civil servants from DAERA, DfE and DoJ. A total of 7 visits took place and have ensured continued engagement with the European Commission, MEPs and Member State Representatives, along with both the UK Mission to the EU and the Irish Permanent Representation. The office organised a cross departmental Flanders study visit and two study visits for TEO, and supported two DoJ policy seminars.

The Office held an extensive range of events in this reporting year. In addition to our well-established programme, which includes a culture night ('the Ulster Fry') for St Patrick's Day, supporting a Northern Ireland Theatre production in Brussels, Schuman lights up and

Transpose, the Office worked on collaborative events. These included working with the Irish Embassy on two literary events; with the UK Mission to the EU on two film screening; with the Irish and UK Embassy on a film screening; and with NI Artist Terry Bradley on an exhibition of his work. The Brussels office continued to promote Northern Ireland via 6 outreach sessions with students and elected representatives.

During the year key achievements of the Division included:

- Providing detailed information to TEO and NICS on relevant EU Policy matters, including 38 Brussels Bulletins for senior officials across the NICS, which focussed on issues related to the Protocol; on Ireland/Northern Ireland and the Windsor Framework; on the Trade and Cooperation Agreement; on EU sanctions against Russia, along with more general EU policy issues;
- 17 letters were sent to Permanent Secretaries to outline the priorities of incoming Council of the European Union Presidencies and 9 letters on the 2023 Commission Work Programme. 4 Brussels Reports to departments and Assembly Committees to update on the work of the office were also drafted;
- Hosting an in-person Ulster Fry for St Patrick's Day. This featured a total of 120 guests sittings, including attendance by EU Member State Ambassadors and bi-lateral Ambassadors, MEPs, senior officials from the European Commission, as well as regional and policy contacts. The DAERA and DfE Permanent Secretaries also attended the event;
- Leading on the cross-departmental plan for communication, engagement and relationships with Europe;
- Collaboration with Invest NI to promote the People, Planet, Prosperity strategy;
- Participating in monthly meetings of the Joint Consultative Working Party to ensure that Executive Departments' concerns are represented;
- Bi-weekly update meetings with the UK Mission to the EU and the Scottish and Welsh Offices in order to ensure that NI Executive interests are represented in the work of the Mission;
- Raising the positive profile of NI in Europe by working with a community and voluntary sector organisation (Springboard) to participate with partners from other EU regions in a seminar as part of European Week of Regions and Cities on skills for young people;
- Promoting NI excellence in arts, culture, tourism, food & drink in nine editions of an e-newsletter directly mailed to over 600 EU, international and NI diaspora contacts and promoted on social media;
- Hosting 11 cultural events, 5 networking events and 3 policy events and hosting 1,451 visitors to the offices; and,
- In association with Invest NI, promoting the flexible working space in the Brussels Office that can support its Hub concept in Brussels and support businesses and organisations in their engagement with the EU organisations and partners in the Benelux region.

Climate Change and Green Growth

The Climate Change and Green Growth Division was established in February 2023 to oversee implementation of actions for which The Executive Office has responsibility, stemming from the Climate Change Act (Northern Ireland) 2022.

The Act places a duty on all departments to develop policies and programmes which will help reduce the levels of greenhouse gas emissions here in order to achieve Net Zero by 2050, with interim targets to be set for 2030 and 2040. It is a requirement of the Act that these policies and programmes are accounted for within a series of Climate Action Plans and associated Carbon Budgets.

TEO has supported DAERA officials in the development of the first draft Climate Action Plan, which is due to go to public consultation in May 2023 by contributing information on its key initiatives. Whilst it is not anticipated that TEO's own policies and programmes will contribute significantly to reduced emissions when compared with other sectors of the economy (agriculture, transport, waste, energy, etc.), TEO will have a co-ordination role to play to ensure that the Climate Action Plan complements the Programme for Government.

In addition to this, TEO also has a specific duty which was placed upon it in the Climate Change Act (Northern Ireland) 2022 to lay draft regulations in the Assembly to support the establishment of a Northern Ireland Climate Commissioner and associated Office. The requirement is that these regulations should be introduced no later than 2 years after the Act received Royal Assent – the deadline therefore is June 2024. Officials are reviewing models of comparable Commissioners with a view to taking forward a public consultation in 2023-24, which in turn will inform the later development of regulations.

Executive Information Service

The Executive Information Service (EIS) provides communications advice to Ministers and senior officials across the NICS departments. As a specialism within the NICS, press officers are out posted from TEO to the eight other departments, Government Advertising Unit and NI Direct. These teams are managed by the EIS Head of Communications.

Civil Contingencies

The Strategic Risk Management and Civil Contingencies Directorate (CCD) provides the policy and strategy, control and coordination for Civil Contingencies in NI through engagement with UK Government departments (particularly the Cabinet Office); with the other Devolved Administrations; with counterparts in the Republic of Ireland; and with all 9 NICS Departments, Emergency ('blue light') responders, local government, other public bodies, and the community.

This is achieved through working in partnership across the national, regional and local public sector resilience and civil contingencies functions to develop effective preparedness for, response to, and recovery from, the issues and impacts on societal, economic and health well-being that may occur as a consequence of a civil emergency or crisis.

As part of this CCD facilitates the Prepare, Respond, Recover aspects of the NI Civil Contingencies Framework – Building Resilience Together which informs the policy direction for managing civil emergencies and crises in NI. The key Programme for Government outcome to which CCD operates is that 'Northern Ireland is a resilient place where people want to live, study, work, visit and invest'. In this regard CCD seeks to make NI a better place, have a strong economy, and keep communities safe by anticipating, assessing, planning and preparing for, responding to, and recovering from emergencies or crises.

During 2022 CCD supported colleagues in the Department of Agriculture, Environment and Rural Affairs in identifying supply chain concerns, risks and impacts to enable planning, mitigations and awareness. Similarly, CCD assisted colleagues in the Department for the Economy in considering cost of living impacts, and evaluating the effects of industrial action. Furthermore, CCD has dedicated significant resources to the call for evidence from the UK Covid-19 Inquiry for Modules 1 and 2C; and contributed to the production of corporate core participant statements for each module.

The first Northern Ireland Civil Contingencies Risk Register was endorsed by the Civil Contingencies Group (NI). This is an important strategic document that provides the Executive with information to enable the management, prioritisation and mitigation of the highest civil contingencies risks to societal, economic and health well-being.

The Civil Contingencies Group (NI) endorsed the NI Civil Contingencies Learning and Development Strategy which will facilitate the continued professionalisation of Northern Ireland's civil contingencies management by enabling training opportunities for all levels of leadership and management.

COVID-19 Strategy and Recovery Division

Work within the Division related to three main areas:

1. The UK Covid 19 Public Inquiry

The Inquiry has been set up to examine the UK's response to and impact of the Covid-19 pandemic and learn lessons for the future. The opening statement was made by Baroness Hallett on 21 July 2022, which saw the launch of Module 1 and outlined details of modules 2 and 3. This is a statutory public inquiry. Established under the Inquiries Act 2005, the inquiry is formally independent from government and operates under a strong presumption of transparency.

Covid Strategy and Recovery Division (CSRD) are acting as a central point for the Department responding in a collaborated manner to requests for statements and disclosure of material received from the Inquiry.

The Division also co-ordinates cross departmental inquiry preparation in response to the UK Wide public inquiry. This work included running information sessions on Inquiry work across the NICS during June and September 2022.

In May 2022, the team developed and established a NICS-wide assurance and governance framework approved by the Head of the Civil Service. Within this a Cross Departmental Working Group – Subgroup Public Inquiry preparedness was established, chaired by the Division, to co-ordinate cross departmental inquiry preparation and provide assurance to HOCS on NICS preparedness. This group prepares quarterly highlight reports for HOCS setting out progress, risks, opportunities and issues.

CSRD is responsible for preparing for and responding to UK Inquiry Rule 9 Requests and Section 21 Notices. The team are currently preparing TEO disclosure responses to Modules 1 and 2C, for which the Department are Core Participants.

2. Executive's Covid Taskforce (ECT)

The Executive's Covid-19 Taskforce (ECT), chaired by HOCS consists of the Permanent Secretaries for Health, Justice, Communities and Economy and is attended by the Head of Covid Strategy & Covid Contingencies and the Head of Executive Communications. In 2022-23 the taskforce considered the remaining Covid guidance in place. Recognising that responding to the Covid pandemic has moved on since the 2021-22 report, ECT and the workstreams have been stood down.

Responding to the Covid pandemic has moved to a different phase since this time last year. However, like any Autumn Winter period, seasonal pressures can be expected, and, like last year, with some potential Covid-19 related additions.

A Covid-19 Scenario and Contingency Planning Framework (The Framework) was developed, coordinated by CSRD, to ensure that the NICS was in a state of Covid-19 readiness for Autumn Winter Planning in 2022-23 and beyond. The Framework was approved by the Permanent Secretary Stocktake Group on 14 October 2022.

In May 2022, a Task and Finish Group was established at the request of the Permanent Secretaries Stocktake Group to take forward the development of Covid-19 scenario and contingency planning for Autumn/Winter 22-23.

The Task and Finish Group membership represents all departments across the Northern Ireland Civil Service (NICS), Local Government and the Police Service for Northern Ireland (PSNI).

Collaborative working has been key to developing and delivering the Plan. Contingency planning for Covid in Autumn / Winter 22-23 built on learning from previous waves of the pandemic, considering what worked and what did not.

3. Recovery Taskforce

The 'Building Forward: Consolidated Covid-19 Recovery Plan' was agreed by the Executive on 29 July 2021 and subsequently published on 2 August 2021. The Executive Office worked with all departments to develop an integrated Covid-19 Recovery Plan which contains 83 high level interventions to be progressed over 24 months to inform priorities to deliver societal, economic and health recovery under four strategic Recovery Accelerators: sustainable economic development; green growth and sustainability; tackling inequalities; and health of the population.

A key focus for this year has been monitoring and reporting on the progress of interventions in the Recovery Plan, using Outcomes Based Accountability (OBA) where possible. At the end of December 2022, 59 interventions in the Recovery Plan reported progress or activity and 18 interventions reported as complete.

Office of the Legislative Counsel

The Office of the Legislative Counsel (OLC) has the core function of drafting Assembly Bills to deliver the Executive's Legislative Programme, which is closely aligned to the Programme for Government.

Since the last Assembly election, OLC has been working with colleagues within the Civil Service to develop provisions for draft Bills as future contenders for inclusion in the Legislative Programme to be agreed by the incoming Ministers whenever the Executive is formed for the 2022-2027 Mandate. Bills can cover a huge variety of subject areas across the whole breadth of policy portfolios in Northern Ireland, and OLC has been seeking through collaboration with colleagues within the Civil Service to ensure that provisions of high quality are prepared for departments. Illustrations of previous Executive Bills prepared by OLC are available on the legislation pages on the Assembly's website: <http://www.niassembly.gov.uk/assembly-business/legislation/>.

As well as this, OLC provides drafting and advisory input into Westminster Bills that extend to Northern Ireland, to ensure that they operate properly in the domestic legal context. The workload in this regard has been substantial during the reporting year, partly because of the amount of legislation requiring to be done at Westminster for Northern Ireland while there is no Executive and the Assembly is not functioning normally.

OLC has a wider legislative stewardship role beyond working on Bills, for the purpose of supporting the rule of law and in striving for effective law making. OLC has during the reporting year devoted significant effort to, and has been involved in devising guidance materials on, drafting and legislative matters (including on EU issues) for the benefit of colleagues within the Civil Service. OLC (along with Statutory Publications colleagues) has also assisted departments, particularly by way of specialist advice on legislative and technical issues, on various Statutory Rules prepared by them.

Finally, the Statutory Publications Office (SPO) is part of OLC's Directorate. SPO, in conjunction with the National Archives in London, is responsible for keeping the Statute Book up to date by ensuring that the statute law of Northern Ireland is freely accessible. The work is an important aspect of the wider legislative process, as the ability of our people to access legislation as it affects them is a key element of the rule of law. The updating during the reporting year has involved the application of changes to many pieces of primary and secondary legislation for Northern Ireland, covering most subject areas (including in relation to EU issues), on the Legislation.gov website: www.legislation.gov.uk.

Urban Villages and Infrastructure Division

Ebrington

The Department is responsible for all aspects of the Ebrington Site. The regeneration of the site has, and will continue to, leverage private sector investment, and provide new jobs, thereby delivering economic and social benefits to the region.

To regenerate the site, TEO continues to focus on three main strategic elements:

- Resource projects - maintain and secure the Site pending its transfer to Derry City and Strabane District Council (DCSDC);
- Capital projects - progressing the legal arrangements to allow the delivery of several projects on the site, as well as managing the delivery of development agreements for uses on the site for all buildings including the Grade A office building, the hotel and the Maritime Museum; and:
- In line with Ministers' wishes, Officials continue to work towards transfer of the site to DCSDC.

Maze/Long Kesh

At the Maze/Long Kesh site, the Maze/Long Kesh Development Corporation (MLKDC) has continued to support the Royal Ulster Agricultural Society (RUAS) in the development of its exhibition and events facility to allow additional further investment on the RUAS site. Balmoral Show returned with success in September 2021 and continues to grow, year on year. It remains one of the best attended annual events in Northern Ireland. RUAS also continue to build on a portfolio of other indoor and outdoor events throughout the calendar year. MLKDC has also undertaken preparatory work to support the future development of Conservation Management Plans for the Listed and Retained Buildings, which include both the former prison and the WW2 hangars. Significant Health and Safety related restoration work is underway on the WW2 hangars, which house the Ulster Aviation Society (UAS) collection of heritage aircraft. A range of work is planned to improve the security of the site.

MLKDC continues to support and enable the Air Ambulance Northern Ireland (AANI), which became operational from the MLKDC site in July 2017. AANI is the local charity providing Helicopter Emergency Medical Service (HEMS) for Northern Ireland, together with partners at the Department of Health/Northern Ireland Ambulance Service (NIAS), which provide the HEMS Paramedics, Doctors, medical supplies and a rapid response vehicle. By the end of March 2023 the AANI had been tasked over 3,400 times, providing critical pre-hospital care at trauma incidents across Northern Ireland, saving lives and reducing disability. Discussions have taken place concerning their potential permanent siting at the site.

MLKDC has undertaken other significant stakeholder engagement in preparation for the site's regeneration and continues collaboration with these stakeholders.

TEO continues to support the effective governance of MLKDC through grant in aid funding.

There is currently no agreement on the way forward with the site. The MLKDC Business Plan objectives for 2022-23 were set to enable MLKDC to fulfil its current remit, as defined by TEO. These objectives are as follows:

- *To identify and explore possible options that could help to maximise the economic, historical and reconciliation potential of the site and inform the development of a regeneration strategy, in line with the MLKDC Board's vision and concept.*
- *To fulfil MLKDC's statutory and landowner responsibilities in relation to Health and Safety, estate management and the protection of the listed and retained buildings, and scheduled monuments, taking account of requirements relating to public access.*

- *To honour MLKDC's agreements with its tenants and occupiers, supporting and facilitating them, as appropriate, in their activities and future planning.*
- *To ensure MLKDC fulfils its corporate responsibilities with good governance, propriety and regularity.*

Strategic Investment Board

In 2022-23, SIB assisted its partners in the planning of major investments, the delivery of programmes and projects, the management of assets and the promotion of reform.

Highlights of SIB's work in 2022-23 included:

- Managing the public consultation on the Investment Strategy Northern Ireland (ISNI);
- Developing the Medium-Term Infrastructure Investment Plan and associated Financial Plan;
- Leading the development of the Green Growth Strategy, Circular Economy Strategy, Culture, Arts and Heritage Strategy and Fuel Poverty Strategy;
- Providing managers for projects including: Strule Education Campus; NI Fire & Rescue Service (NIFRS) Training College at Desertcreat; Casement Park; Ultrafast Broadband (Projects Stratum and Gigabit), the Southern and Northern Regional Colleges and the Mobuoy Road Remediation Project;
- Completing a Digital Strategy for HSC and initiating a project to deliver an HSC Data Institute; and
- Supporting the implementation of compulsory scoring for Social Value in government procurements and providing, through the Buy Social initiative, 5,303 weeks of employment to 369 people who were long-term unemployed or had no substantial work experience.

SIB's priority work for the year 2023-24 will be:

- To establish and maintain a vision and road map for investment;
- To help government produce high quality investment plans that support the delivery of effective and efficient public services and the implementation of government policy;
- To help government deliver the expected benefits of major investment projects;
- To help reform and improve the systems for delivering major projects;
- To help government exploit opportunities for digitisation and make best use of data; and
- To develop SIB and its people.

Refugee and Asylum Support and Integration (RASI) Division

Homes for Ukraine and Other Asylum Programmes

- TEO has a key role in co-ordinating work to support those who are here seeking sanctuary from war and persecution.
- During 2022-23, the Refugee, Asylum Support and Integration Division was established within TEO to meet the ever-growing needs of refugees and asylum seekers in NI and deliver on actions to help the many cultures now living here settle and prosper in our society.
- The division works across operational and policy spheres to co-ordinate effective support and facilitate integration of refugees and asylum seekers who arrive here. The team works with numerous delivery partners to implement established schemes and visa routes locally to ensure ongoing support and key services to those who arrive. This includes payment of benefits, identification of housing, education, health, safeguarding interventions and wider support arrangements.
- The division currently consists of the following workstreams and priorities, all of which relate to the draft Refugee Integration Strategy:
 - Asylum seeker support;
 - Ukrainian visa schemes implementation;
 - Community Sponsorship;
 - British National (Overseas) (BNO) support;
 - Future resettlement/visa schemes;
 - Influencing policy, local impact, and mitigations;
 - Delivery of the Refugee Integration Strategy; and
 - Transfer of operational work for Vulnerable Persons Resettlement Scheme (VPRS) and Afghan schemes from DfC to TEO.

Refugee Integration Strategy

- The Division lead on the development and cross departmental delivery of the Refugee Integration Strategy which is in draft form and has been subject to public consultation. A revised strategy and consultation analysis is being finalised for Ministerial and Executive consideration and work is commencing on development of the TEO implementation plan.

Response to the War in Ukraine

- TEO is the lead Department delivering a programme of work to support Ukrainian refugees who have arrived in Northern Ireland. The Refugee and Asylum Support and Integration Division works in partnership with the UK Government, other Executive Departments, Councils and the voluntary and community sector to co-ordinate the response at a local level.

- Over 2,170 Ukrainian refugees have been welcomed and supported since the launch of the Homes for Ukraine Scheme in March 2022. This is a combination of people arriving in Northern Ireland under the Homes for Ukraine Scheme (1,894) and the Family Scheme (284).
- During 2022-23, significant achievements have been completed with regards to initial welcome and support provided to Ukrainian arrivals. A highlight of this work is:
 - ❖ Establishment of Ukraine Assistance Centres since 11 April 2022 with over 3,500 visits to date (equating c.2,450 individual Ukrainians) showing how valuable these centres are;
 - ❖ Establishment of an online payment system to provide an immediate financial support payment of £200 for guests to help cover essential living expenses until payment from work or benefits are received. £480k has been paid in immediate support to Ukrainian arrivals (£200 per person) at end March 2023;
 - ❖ Establishment of a Home Visits process which is working effectively as part of our safeguarding process; and
 - ❖ To date £1.4m has been paid to hosts of Ukrainian guests.

Priority work includes putting in place a support infrastructure for Ukrainian refugees and hosts and expanding this to incorporate support for all refugees and asylum seekers to facilitate longer term integration plans aligned to the draft Refugee Integration Strategy.

- TEO continues to act as the NI focal point for policy working closely with the UK Government, other Devolved Administrations and through collaboration with stakeholders to effectively represent NI interests and identify gaps in legislation and policy in relation to the New Plan for Immigration. The work spans both resettlement and asylum. Work is ongoing with the Home Office and wider stakeholders to deliver Homes for Ukraine Scheme in liaison with UKG to represent NI interests & co-ordinate NI Departmental approach to resettlement and Visa Schemes and to support dispersal including enhancing, locally-tailored arrangements for provision of services to asylum seekers.

Social Investment Fund (SIF)

TEO also deals with the completion of the management of the Social Investment Programme (SIF) on a legacy basis. This programme aims to tackle poverty, unemployment and deprivation in disadvantaged areas. There are 9 SIF zones; 4 in Belfast generally aligned to the constituencies; one in the Derry/Londonderry and 4 generally aligned to the HSC boundaries.

A total of £86.7 million has been committed to 65 projects; 46 capital delivering improvements to 106 premises and 19 revenue. All 46 capital projects (106 elements) and 19 revenue projects across the 9 zones have now been completed, delivering positive outcomes to local people in disadvantaged communities. These include unemployed people in disadvantaged areas benefiting from valuable work experience, gaining qualifications as a result of paid placements and training and securing employment; children and families gaining support to

maximise their future potential through early intervention services and children in disadvantaged areas increasing their educational attainment through dedicated educational support at key stages.

This ends the delivery phase of the SIF programme. The SIF team will continue to monitor construction defects period and retention payments as well as completing a full programme Post Project Evaluations (PPEs) to allow for the full closure of the programme.

Over 58,000 people have benefitted from outcomes arising from the range of revenue projects delivered to date: these include over 6,000 people through employment/training projects; over 29,800 through early intervention projects and over 22,000 through projects focused on education, with 99% of participants reporting that the projects helped them. Additionally, to date, 377,000 people have availed of the services on offer in operational capital builds. This has benefited 303 organisations and over 8,500 volunteers with 94% of users reporting the programmes have benefited them. These figures will continue to increase during the capital project monitoring phase.

Racial Equality

The Racial Equality Strategy 2015-2025 established a framework for action by Government Departments (and others):

- to tackle racial inequalities and to open up opportunity for all;
- to eradicate racism and hate crime; and
- along with the Together: Building a United Community policy, to promote good race relations and social cohesion.

The Racial Equality Subgroup is an independent panel that gives minority ethnic communities a voice in implementing the Racial Equality Strategy and the work of Government generally. Its membership comprises of people working with or representing minority ethnic people and migrants, including representatives of refugees and asylum seekers, the Northern Ireland Human Rights Commission and the Equality Commission for Northern Ireland.

The Racial Equality Strategy contained a commitment to establish a network of Racial Equality Champions across all departments in the NI Executive. This initiative is intended to ensure that messages about the importance of racial equality and good race relations are consistent and visible to all staff across Government Departments.

Over £1 million was distributed through the Minority Ethnic Development Fund (MEDF) to assist minority ethnic and local community organisations to promote good relations between people of different ethnic backgrounds. In accordance with a recommendation arising from a review of MEDF, this became a 3-year fund and the competition for the 2022-25 funding period launched in December 2021 and completed in March 2022. The financial year of 2022-23 was the first year of the new funding model.

The British Red Cross was appointed to administer the Crisis Fund for 2022-23 and allocated just over £200k. The Crisis Fund provides small sums of money at key moments for minority ethnic people and migrant workers, such as after losing work, reduced hours or family breakdown to provide a significant bridge to support people during those times. Four vulnerable groups have been identified who would benefit from the Crisis Fund:

- Vulnerable Migrants – EU and non-EU nationals;

- Destitute Refugees and Asylum Seekers;
- Those who have been subjected to trafficking; and
- Other identifiable vulnerable groups e.g. Roma.

The Racial Equality Legislation Team within TEO has conducted a review of the Race Relations Order 1997 (The Order) in line with the commitment made in the Racial Equality Strategy 2015-25. The overall objective of this work stream is to undertake a review of the Order to assess the extent that it aligns with the approach in Great Britain and the Republic of Ireland.

Delivering Social Change

The Executive's Delivering Social Change Programme aimed to deliver the following two outcomes:

- a sustained reduction in poverty and associated issues, across all ages; and
- an improvement in children's and young people's health, wellbeing and life opportunities thereby breaking the long-term cycle of multi-generational problems.

Six initial Signature Programmes (£27m) which sought to tackle key issues being faced by parents, children and families were completed during 2015. A further three Signature Programmes were developed, focusing on dementia (£12.3m), shared education (£25m) and early intervention (£25m) TEO and Atlantic Philanthropies each committed to contribute 40% of the overall cost of each of these four programmes, and the other 20% for each has been provided by the relevant lead Department or through cross-departmental funding in the case of the Early Intervention Transformation Programme (EITP).

These programmes are now complete. Over 600 NICS colleagues participated in a Delivering Social Change 'Lessons Learned' event on 07 April 2022 to hear how the ambitious £62.5m initiative, funded in partnership with Atlantic Philanthropies, delivered the three Signature Projects: Dementia Services, Early Intervention and Shared Education. Keynote Speakers Jayne Brady (HOCS) and Denis McMahon (TEO Permanent Secretary) joined the online event to highlight the importance of the Delivering Social Change Programmes and how they brought departments, their partners, and stakeholders together in a new way to deliver collaborative transformation. This event shared the lessons learned from the Programme.

Tackling Paramilitary Activity, Criminality and Organised Crime

TEO is taking forward a commitment within the Executive Action Plan (Action B4) which provides that: *"The Executive should establish a fund to support ambitious initiatives aimed at building capacity in communities in transition, including through developing partnerships across civil society and across community divisions."* The Department engaged a strategic partner to work with communities to develop bespoke transition plans to support communities in transition in the eight geographical areas identified as those most vulnerable to paramilitary activity and coercive control. The strategic partner led an engagement process with a broad range of community-based organisations and stakeholders to gather evidence to help inform the development of the plans, and to develop a series of projects that could be delivered within and by communities where possible.

A series of proposals for such projects were approved by the Tackling Paramilitarism, Criminality and Organised Crime Programme Board (TPCOCPB) in April 2019. Following approval by the TPCOCPB, TEO worked with the strategic partner to develop appropriate specifications to enable procurement of delivery partners to take forward projects in each area. During Phase 1 (December 2019-June 2021), 34 projects were delivered across the 8 Communities in Transition (CiT) areas and covered a variety of themes for intervention, such as community development, health and wellbeing, and community safety.

Community response to these opportunities was positive and progress saw the delivery and establishment of local community consortia that have delivered projects across community divisions. This progress was maintained throughout Covid-19 as officials worked closely with delivery partners to continue implementation of projects.

Phase 2 delivery of projects commenced in July 2021 and CIT currently have 28 projects in place covering issues including community safety, health and wellbeing, culture and identity, youth development, employability support and community capacity building. Regional Restorative Practice and Ex-Prisoner support has continued on from Phase 1 across all eight areas. All of these projects will continue to deliver until March 2024. The projects encouraged and provided the opportunity to not only build the resilience of communities but to be a vehicle for collaborative working between delivery partners, the community and the PSNI, NIHE, EA, schools and other local stakeholders. Planning is now in progress for Phase 3 of the Communities in Transition project, subject to available funding.

Victims and Survivors

A collaborative design programme led by The Executive Office together with the Victims and Survivors Service (VSS) and the Commission for Victims and Survivors (CVS) is currently focused on the development of a new strategy for Victims and Survivors. In November 2019 the current Victims and Survivors Strategy 2009-2019 was extended under the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 for a further two years (with an option to extend for a further year). This was to ensure continued strategic cover for the delivery of services to victims and survivors. On 2 December 2021 Ministers approved an additional 18 month extension to the current Strategy to allow the new Victims and Survivors strategy to be developed. The process of drafting the new strategy has commenced with a view to running a public consultation as soon as possible following Ministers return.

An improved victim-centred service delivery model, to better meet the needs of all victims and survivors providing better outcomes for victims while securing services for the future came into effect in April 2017. Initially it covered the 3-year period from 2017-2020 but has been extended for a further four years to 2024. This further extension period will ensure that support and services are maintained for victims and survivors to meet their health and wellbeing needs and allow certainty and stability within the sector to continue whilst a new strategy and associated new delivery model is developed.

The VSS Delivery Model was designed to sit alongside and complement the Victims PEACE IV funding and the development of an integrated Mental Trauma Service, now known as the Regional Trauma Network (RTN).

The establishment of a Regional Trauma Network (RTN), as announced by the then Minister for Health, Social Services and Public Safety (now the Department of Health) in September

2015, aims to develop capacity to address unmet mental health needs. The RTN will provide an integrated range of services both from within the community and in clinical settings. The Minister for Health made an announcement on 14 February 2022 instructing officials to resume work to establish the RTN. A collaborative design programme was commenced in March 2022 to plan for full implementation for the service, including referral pathways and overarching governance structures. The RTN Partnership Board (co-chaired by TEO and DoH and comprising the Trust and Community & Voluntary groups) has been meeting since October 2022, which has offered an opportunity to embed the agreed pathways and further develop the relationships between statutory services and the community and voluntary sector. Victims and Survivors Service was the single Lead Partner for the €17.6m (£13.4m) victims and survivors' element of the EU's PEACE IV Programme (Shared Spaces and Services). The project aimed to enhance the capacity for the delivery of comprehensive shared services for victims and survivors in NI and the border region, for the first time in an all-inclusive and co-ordinated way. This included a focus on improving the health and well-being of victims and survivors and their families through the development, implementation and co-ordination of new and innovative initiatives such as: a Health and Well-Being Caseworker Network; an Advocacy Support Programme; a Resilience Programme and work in the area of Research, Standards and Trauma Training. The Programme complemented the work being taken forward by others to deliver on commitments for victims and survivors, in particular the rollout and delivery of the RTN.

As a result of EU Exit and exchange rate changes, an additional €1.9m (£1.6m) became available to spend. The additional funding application was approved in January 2020 and extended the life of the VSS project to December 2022.

The Peace IV programme activity ended in November 2022. TEO is providing funding to ensure the continuation of services until Peace Plus is operational. Pre-application workshops for Peace Plus have been taking place since Spring 2023 with Victims and Survivors being one of the first calls scheduled to open. Pre-applications workshops have been taking place during spring 2023.

The Victims' Payment Scheme for Permanent Disablement

Under Section 10 of the Northern Ireland (Executive Formation etc.) Act 2019, the UK Government was required to bring forward legislation providing for a scheme of payments to those living with injuries sustained in Troubles/Conflict-related incidents by 31 January 2020 and for that legislation to come into force by the end of May 2020. The Scheme established by these Regulations is designated as the 'Troubles Permanent Disablement Payment Scheme' (also referred to as the Victims' Payments Scheme) and set up as the 'Victims' Payment Scheme for Permanent Disablement' within TEO. Consultation on the Scheme, and drafting of the regulations, were matters for the NIO and progressed by them.

The purpose of the Scheme, as set down by the NIO, is to provide those living with permanent disablement (either physical, psychological or both) caused by injury through no fault of their own in a Troubles-related incident, with payments primarily in acknowledgement of the acute harm which they have suffered.

It will also provide a measure of recognition of the implications of living with a disablement caused by a serious Troubles-related injury and the associated impact of such disablement on carers (who are often family members) and recognition that in many cases coping with

disablement caused by the serious injury had an adverse financial impact on individuals and their families.

As provided for in the Regulations, an independent Victims' Payments Board (VPB) has been established to oversee the Scheme and consider all applications. TEO designated the Department of Justice (DoJ) to exercise the administrative functions of the Board on the Board's behalf on 24 August 2020. An online system to receive applications to the Scheme has also been developed, alongside the appointment, by the DoJ, of an assessment service provider; and accommodation secured for staff who will be delivering the Scheme.

The Scheme opened for applications on 31 August 2021. Issues relating to operation of the Scheme fall under the responsibility of the VPB. TEO remains responsible for the overall sponsorship and governance of the Scheme and sponsorship of the VPB.

Help and advice on making an application to the scheme is available to victims and survivors. Funding has been provided to a number of Victims and Survivors organisations by TEO to help applicants, and to manage the anticipated demand for support and advice. This includes funding to provide additional welfare staff and additional administrative support in VSS funded organisations.

As at 31 March 2023, 4,221 applications had been submitted to the Scheme. The Board has made determinations on 424 cases with 273 of these recommended for a payment and 151 determined as not eligible. 226 payment awards have been made to eligible applicants. Just over £14.4m has been paid out in awards since the Scheme opened.

Historical Institutional Abuse - Implementation of the Hart Report

The Historical Institutional Abuse (Northern Ireland) Act 2019 came into force on 5 November 2019 and The Historical Institutional Abuse (Applications and Appeals) Rules (Northern Ireland) 2020 came into force on 31 March 2020. The Historical Institutional Abuse (Northern Ireland) Act 2019 (Commencement No. 1) Order (Northern Ireland) 2020 came into force on 27 March 2020, commencing the provisions in Part 1 and Schedule 1 of the Act, i.e. the Redress Board.

The Historical Institutional Abuse Redress Board (HIARB) became fully operational on 31 March 2020 and its primary function is to receive, process and make determinations of awards of compensation to applicants who were victims and survivors of historical institutional abuse in accordance with the governing legislation. The compensation award levels are from £10,000 to £80,000; for those children who were part of the Child Migrants Programme and who were sent from here to Australia under that UK-wide Programme, a further £20,000 is available. The HIARB laid its second Annual Report for 2021-22 in March 2023.

The HIA Support Service administered by the Victims and Survivors Service, dedicated to supporting the health and wellbeing of survivors of Historical Institutional Abuse was launched.

The Interdepartmental Working Group on Mother and Baby Homes and Magdalene Laundries and Historical Clerical Child Abuse (IDWG) was set up in 2016-17 to deliver recommendations on two areas of abuse that fell outside the HIA Inquiry. Work on the Mother and Baby Homes and Magdalene Laundries completed in 2021-22 but that on Historical Clerical Child Abuse

(HCCA) continues. IDWG during 2022-23 oversaw the development of an HCCA research methodology by a small team of professionals from the HSC Leadership Centre who had the necessary clinical, justice and administrative experience in this area. The methodology will form the basis for the procurement in early 2023-24 of academic researchers to establish the extent and systemic nature of such abuse and make recommendations to Ministers on their findings.

Judith Gillespie, the IDWG Independent Chair's appointment term came to an end in November 2022. A public appointment competition to find a replacement will launch in mid-2023-24.

An independent review of the redress process was completed by 'Supporting Justice' (a third-party Community Interest Company specialising in victims' issues) and the final report submitted to TEO in June 2022. TEO has worked alongside its strategic partners – the VSS, the Historical Institutional Abuse Redress Board (HIARB) and the Commissioner for Survivors of Institutional Childhood Abuse (COSICA) to implement those administrative recommendations that do not require Ministerial approval. The Supporting Justice Report and recommendations, including an associated Action Plan, will be submitted to Ministers upon their return to office for consideration.

The Truth Recovery Programme

On 15 November 2021 the deputy First Minister made a statement to the Assembly regarding the Truth Recovery Design Panel's report on [Mother and Baby Institutions, Magdalene Laundries and Workhouses in NI](#). In this statement the deputy First Minister accepted, on behalf of the Executive, the five key recommendations of the Report and agreed to implement them in full.

The Report provides a comprehensive way forward to achieve Truth, Acknowledgement and Accountability for those individuals and their families that have long been affected by their time and experience of and in these institutions.

In line with the implementation of Recommendation 2 of the Report, TEO's Truth Recovery Programme team (TRP) undertook to take the lead role on co-ordination of the Programme in addition to significant strands of work, such as the establishment of the Integrated Truth Investigation comprising an Independent Panel and a Public Statutory Inquiry. The most significant elements of the recommendations will require legislation to proceed (the Inquiry and the Redress Scheme).

During 2022-23 TRP established five key work streams to take forward the requisite programme of work, namely; Programme Management; Communication and Engagement; Independent Panel; Public Inquiry; and, Redress.

Monthly Consultation Forum meetings have been established with victims-survivors who are central to the full implementation of the Report's recommendations. The Forum functions as a collaborative partner providing both a support and challenge function to the Department ensuring decisions taken are fully informed by, and consistent with, the needs and requirements of victims-survivors. During this period twelve meetings have taken place.

Additionally, TRP established a Cross-departmental Programme Board in July 2022 to enlist the support and collaboration of other Departments to implement the recommendations in full, where necessary.

TEO also commissioned and worked closely with VSS to ensure the delivery of a dedicated and specialist health and wellbeing support and other ancillary services for victims and survivors of Mother and Baby Institutions, Magdalene Laundries and Workhouses in Northern Ireland, including those impacted by related institutions and historical adoption practices associated with related institutions.

The broad areas of current and future service needs identified by VSS are broadly in line with those identified by the Truth Recovery Design Panel. The support needs identified by VSS through its co-design exercise are:

- Health and Well-being Support;
- Social Support (including group and peer support);
- Information Recovery and Family Tracing;
- Financial and Welfare Support; and
- Advocacy Support.

In September 2022, VSS, in partnership with Wave Trauma Centre and Adopt NI launched a dedicated health and wellbeing support and services to support victims-survivors and their relatives. In March 2023, a DNA Testing Pilot Programme was launched. The Preservation of Documents (Historical Institutions) Act (Northern Ireland) 2022 was enacted 12 May 2022. The TRP in liaison with DOH, enlisted the support of Public Records Office NI (PRONI) to begin a programme of work to catalogue, digitise and index records obtained from relevant institutions.

During 2022-23 the TRP engaged with the Office of the Commissioner for Public Appointment (OCPANI) on the appointment of the Independent Panel through a Public Appointments competition. Interviews took place in January 2023 and it is anticipated that the Panel will be appointed in early April 2023.

In March 2023, an interim survey was conducted with victims-survivors on the effectiveness of the Department's engagement with the Consultation Forum. The results showed that 84% Forum Members regularly attended the Consultation Forum meeting and 79% strongly agreed/agreed that the meetings were helpful.

Throughout 2022-23, in partnership with victims-survivors TRP established a Communications Sub-group with victims-survivors (v-s) to refresh and develop a Truth Recovery Programme website. The website has been welcomed and received well by the wider Consultation Forum of v-s and it is hoped that it will serve to reach many more v-s who are unaware of the Programme and its work to date.

From January 2022 to date, 194 individuals have engaged with VSS, Adopt NI or WAVE (128 females and 66 males). The age profile of individuals ranges from 36 years to 75+ years, with 94 individuals in the 56 years to 65 years age range.

T:BUC and Good Relations Division

The Division is responsible for good relations strategy and delivery. The work can be divided into T:BUC Strategy; wider good relations; and PEACE funding.

T:BUC Headline Actions

TEO oversees the allocation and monitoring of £12m Executive Good Relations Funding for delivery of the T:BUC Strategy. This funding facilitates delivery of the T:BUC Headline Actions, Central Good Relations Fund and an element of the District Council Good Relations Programme. There are seven Headline Actions:

- (i) The Uniting Communities through Sport and Creativity Programme, delivered by DfC (Department for Communities) has seen over 290 young people from across South Belfast and Lurgan/Portadown come together in 2022-23. These young people have either been engaged on the Uniting Communities Young Leaders Training and Ambassadors programme for 16-24 year-olds or our participant programme for 11-16 year-olds. The Uniting Opportunities Grant Scheme did not open for applications in 2022-23 due to budget constraints.
- (ii) The Department for Economy's Peace4Youth programme, delivered by the Special EU Programmes Body (SEUPB), is an integrated programme that supports disadvantaged and marginalised young people aged 14 – 24, to develop their employability and improve their life chances. 11 lead projects have delivered programmes under Peace4Youth across NI and the Border Counties of Ireland, to over 7,000 participants. An independent evaluation of Phase 2 (October 2022) was highly positive. Of the participants surveyed, 87% achieved at least one qualification in areas such as personal development, good relations, citizenship and essential skills and 79% of young people indicated that they intended to progress to areas such as education, training, employment or voluntary/community work.
- (iii) Under the Shared Education Campus Programme (SECP) three shared projects involving Controlled and Maintained schools are progressing. Construction was completed on the Limavady Shared Campus in August 2023. The appointment of a contractor for the Ballycastle SEC was confirmed in April 2023, with construction due to commence in spring 2024. Progress continues to be made in developing the business case for the primary project at Brookeborough, while the project for the shared campus at Moy was formally closed in May 2023. Updates provided in relation to the Third Call projects evidenced that there had been significant changes in the circumstances that impacted the majority of the applications. Taking account of financial and budgetary constraints and the updates provided, the Department of Education (DE) made the very difficult decision that it was not possible for the Third Call applications to be progressed.
- (iv) The target in the T:BUC strategy of building 10 Shared Neighbourhood developments has now been achieved, providing 483 new homes. Furthermore, the delivery of shared housing through T:BUC has acted as a catalyst for the delivery of additional shared housing, and by March 2023 DfC will be delivering 69 shared housing developments totaling 1,973 homes. Each shared development is supported through

the establishment of an Advisory Group and the development and delivery of a five-year Good Relations Plan. The Plan is delivered to the new shared community, and between all communities within a five-mile radius of the shared scheme.

- (v) The Department of Justice (DoJ) and partners engage interface communities in Belfast, Portadown/Lurgan and Derry-Londonderry through the Interfaces Programme. A third of the 59 interface security structures – sometimes referred to as ‘peace-walls’ - have been removed and a third have been reduced. Work to develop viable interface reduction or removal schemes continues at remaining locations. The removal of two solid interface barriers on Flax Street in North Belfast enabled the installation of vehicular and pedestrian gates to provide access for local people 15 hours a day, 365 days per year. The transformational scheme complemented nearby retail and housing led regeneration projects. In Derry/Londonderry, most of the remaining interface security apparatus along Derry’s Walls has now been removed.
- (vi) The Urban Villages Initiative has continued to deliver a range of community led revenue, cross-cutting/strategic and capital projects during 2022-23. In partnership with local communities, Urban Villages has now delivered 1,411 events with more than one million attendees, 2,860 training courses and 2,941 workshops. Up to £108m is also being invested in a diverse range of capital build proposals brought forward by communities to develop thriving spaces within the five Urban Village areas.

The Urban Villages Initiative is an important good relations programme leading to positive good relations outcomes. For example, 80% of participants feel more favourable towards people from a different background, 88% of respondents are more likely to take part in shared groups/activities with people from a different background, and 89% of respondents feel more strongly that the culture and traditions of different backgrounds adds to the richness and diversity of society.

Over the past year over £2m has been invested in 35 community led projects, with a further £0.7m supporting 11 cross cutting projects. Two Peace IV funded programmes are also being delivered within all 5 Urban Village areas – OUR Generation and Future Innovators.

In response to the current economic pressures, Urban Villages developed a new programme in December 2022 called Keeping Warm - Staying Safe (KWSS). An additional £125k (£25k per area) was allocated to the five Urban Village areas to support Good Relations work that also helped mitigate the impact of the increased cost of living for communities.

With regard to the cross-cutting strand, a total of 9 projects will continue into 2023-24, involving partnerships with central and local government and other stakeholders to support schools, employability, tourism and heritage, capacity building and health and well-being projects.

72 capital projects comprising of community facilities, parks and public realm are progressing through the capital development lifecycle with 53 now complete. £37m, including £11m of partnership funding, has been invested in capital

projects in Urban Village areas so far. In 2022-23 funding commitments have been issued for 5 projects, including the transformational ABC Trust Health & Leisure Hub, AYE Community Youth Hub and the Lockhouse, totalling a further £14m of investment including £4.5m of partnership funding. During the year Urban Villages have facilitated three capital property acquisitions up to the value of £2.3m to progress major transformational capital projects including Donegall Pass Good Relations Hub and the redevelopment of Meenan Square.

A further 3 projects were completed during 2022-23 with an overall value of £7.3m – ProKick Community Gym, Colin Valley Football Club and Páirc Nua Chollann, the first Urban Villages transformational project to open to the public. Construction commenced on two transformational projects in the North Urban Villages area, Marrowbone Millennium Park and ABC Trust Health & Leisure Hub and on the Gasyard Heritage & Exhibition Centre in Derry-Londonderry.

Through this combination of community, cross-cutting and capital projects the Urban Villages initiative has made good progress in building good relations by fostering positive community identities, building community capacity and improving the physical environment.

- (vii) The T:BUC Camps Programme provides young people from all backgrounds with opportunities to increase understanding and form new friendships. 117 camps were successfully delivered (against a target of 100) in 2022-23. Over 30 young people were also selected to take part in the T:BUC Camps Good Relations Ambassadors Programme. These provide opportunities for experiential learning and development, and seeks to provide a legacy not only for the young people, but for the T:BUC Strategy and local communities. The Ambassadors continue to work collaboratively with Ambassadors from the Department for Communities (DfC) Uniting Communities Programme.

The key outcomes from the evaluation of the 2022-23 T:BUC Camps Programme are set out in the infographic below:



T:BUC CAMPS PROGRAMME OUTCOMES 2022/23

The T:BUC Camps Programme is one of the seven headline actions of the T:BUC Strategy. The programme is delivered in partnership with the Education Authority (EA) and the Department of Education (DE) with EA acting as Programme Administrator on behalf of the Executive Office (TEO). Good Relations learning is at the heart of every T:BUC Camp. It provides opportunities for young people aged 9 - 25 from all backgrounds to come together, try new experiences, have fun and build longer term relationships.

HOW MUCH DID WE DO?



3,819 young people participated in T:BUC Camps in 2022/23

117 camps successfully completed



HOW WELL DID WE DO IT?

96%

of the participants feel they gained a personal benefit from the experience (e.g. confidence, skills and participation)

97%

of participants feel they would like to be more involved in peace building activities in the future

IS ANYONE BETTER OFF?

91%

of participants feel more favourable towards people from different religious/community backgrounds.

88%

of participants feel more favourable towards people from different ethnic backgrounds.

90%

of participants feel that culture and traditions of different backgrounds add to our richness and diversity

WHAT ARE PEOPLE SAYING?

10/10, T:BUC was lots of fun, I liked playing games and meeting new people and I made new friends.

Loved being involved in the programme and getting to know different people.

I loved learning new skills and leaving my mark on my local community hub.



SCAN ME FOR MORE
INFORMATION

Wider Good Relations

In addition to the T:BUC Programme, TEO leads a range of wider Good Relations initiatives including the FICT Working Group chaired by Junior Ministers to consider matters relating to the Report of the Commission on Flags, Identity, Culture and Tradition (FICT) which was published on 1 December 2021, and delivery of over £10m worth of good relations projects through the Central Good Relations Fund (£3m of the Executive's £12m Good Relations Funding), District Council Good Relations Programme (£3m TEO plus £1m from Councils), Planned Interventions Programme and the budget for CRC (totalling circa £7m of TEO baseline funding). Further information on the Central, District Council and the Council Planned Interventions programmes is set out in the infographics below.

TEO officials continue to develop and promote outcomes focus in all good relations programmes funded through TEO. During 2022-23, data collected in 2021-22 was analysed. Agreed methodology for data collection enabled Good Relations programme participants to complete pre and post project surveys on-line and in hard copy format. Key findings included:

Pre & Post Project Analysis of 2,090 hard copy participant returns:

- 70% increased their knowledge of other community backgrounds;
- 54% and 53% (respectively) of participants experienced a positive attitudinal change towards people from different cultural and religious backgrounds;
- Around 57% of participants indicated an increased likeliness to go to areas which are predominantly associated with different community backgrounds;
- Overall Change pre and post project: 79% positive.

Online Pre & Post Project Analysis of 4,334 participant returns:

- 76% increased their knowledge of other community backgrounds;
- 56% and 60% (respectively) of participants experienced a positive attitudinal change towards people from different cultural and religious backgrounds;
- Around 63% of participants indicated an increased likeliness to go to areas which are predominantly associated with different community backgrounds;
- Overall change pre and post project: 78% positive.

The infographic below shows the most recently available outcomes data for the Central Good Relations Fund.



The Central Good Relations Fund (CGRF) supports constituted community and voluntary sector groups to deliver good relations projects which contribute towards the delivery of one of the Together: Building a United Community (T:BUC) Strategy key priorities.

CGRF project funding opens for applications once a year (more than £1,500), and small grants of up to £1,500 are available throughout the funding year.

HOW MUCH DID WE DO?

£3.6m CGRF funding allocated to **125 projects** including small grants across the region, reaching **37,000** people.

HOW WELL DID WE DO IT?

99% of participants at CGRF events felt the event played a positive role in bringing people from different backgrounds together and would recommend this kind of event to others.
98% of participants hard copy and **99% online** felt they were treated well when undertaking a CGRF project.

WHAT DIFFERENCE DID WE MAKE?*

Across all knowledge, behaviour and attitude questions, **79% hard copy** and **76% online** responses indicated a positive change.

77% hard copy and **71% online** responses reported a positive change from participating in a CGRF project which delivered against the T:BUC priority 'Our Children and Young People'

85% hard copy and **86% online** responses recorded a positive change from having participated in a CGRF project which delivered against the T:BUC priority 'Our Cultural Expression'

90% hard copy and **85% online** responses recorded a positive change from having participated in a CGRF project which delivered against the T:BUC priority 'Our Shared Community'

97% online responses recorded a positive change from having participated in a CGRF project which delivered against the T:BUC priority 'Our Safe Community'

90% of participants hard copy and **94% online** felt their skills had been increased as a result of participating in a CGRF project

91% of participants hard copy and **90% online** felt the CGRF they attended had increased their confidence

1751 Participants Gaining Skills, Accreditation or Qualifications.

PARTICIPANT QUOTES

"This project has helped answer questions that had bothered me for some time, like why can we not live together peacefully."

"I enjoyed hearing the life stories and experiences of what people went through and how things in their own communities effected them and changed their perspective."

"It has been a very good experience meeting with people from a different community. The people have been so friendly and a well worthwhile experience."

"Improved my knowledge, made me more open minded."



In addition to the T:BUC Programme, TEO leads a range of wider Good Relations initiatives including the FICT Working Group chaired by Junior Ministers to consider matters relating to the Report of the Commission on Flags, Identity, Culture and Tradition (FICT) and delivery of over £10m worth of good relations projects through the Central Good Relations Fund (£3m of the Executive's £12m Good Relations Funding), District Council Good Relations Programme (£3m TEO plus £1m from Councils), Planned Interventions Programme and the budget for CRC (totalling circa £7m of TEO baseline funding). Further information on the Central, District Council, Planned Interventions and pilot T:BUC Trees programmes are set out in the following infographics.

Further information on the Northern Ireland Community Relations Council is set out in the Arms' Length Bodies section on page 61.

The infographic below shows the most recently available outcomes data for 2022-23 for the District Council Good Relations Programme:



DISTRICT COUNCIL GOOD RELATIONS PROGRAMME 2021/2022

The District Council Good Relations Programme (DCGRP), is delivered as part of the Executive's wider Together: Building a United Community (T:BUC)'Strategy. The key aims of the programme are to improve relations between and within District Council areas and to support local solutions to local good relations issues.

HOW MUCH DID WE DO?

Programmes delivered across all 11 District Council areas impacting over 100,000 participants
£4m in funding provided by The Executive Office and District Councils

HOW WELL DID WE DO IT?

99% of participants felt they were treated well throughout

11% of participants from an ethnic minority background showing good inclusivity

29% of participants had never attended a Good Relations event before

99% of participants likely to recommend DCGRP to family or friends

16% of participants reported a long term illness or disability showing how accessible programmes were

13% of participants travelled over 5 miles to attend Good Relations events

WHAT DIFFERENCE DID WE MAKE?

84% of participants are more knowledgeable of other cultural traditions

89% of participants are more likely to attend an event in an area associated with another community

93% reported increased confidence

67% of participants report improved attitudes towards people of different religious and ethnic backgrounds

98% of participants feel DCGRP events played a positive role in bringing people from different backgrounds together

95% reported improved skills

This data only captures direct participant responses. The data is from hard copy survey returns only. Figures included for hard copy responses should be treated with caution and as estimates only. Due to errors which occurred in how the questionnaires were returned during the data collection exercise, these figures may include unquantifiable duplicate data.

WHAT ARE PEOPLE SAYING?

This was a great programme. I felt like I was in a safe space and was comfortable sharing my opinions and views.

Amazing and unforgettable experience - would recommend to others and I would love to take part in any future programmes.

Participating in this project has enabled me to discover my self worth and how to use leadership skills to promote diversity and inclusivity in my community.



SCAN ME FOR MORE INFORMATION

The infographic below shows the most recently available outcomes data for 2022-23 for the T:BUC Trees Programme:



T:BUC Trees Overview 2022/23

WHAT DID WE DO?

The T:BUC Trees Pilot Programme is administered by The Executive Office as part of the Together: Building a United Community strategy. The Programme seeks to provide opportunities for people from all backgrounds to come together and learn more about the environment, while participating in shared good relations activities. It supports a range of projects across existing good relations funding schemes.

HOW WELL DID WE DO IT?



More than 3,000 Trees planted.

Over 1,000 participants.



60+ events in conjunction with T:BUC Camps & District Council Good Relations Programme

11 councils delivered T:BUC Trees events including:

- Tree planting
- Forest classrooms
- Guided walks
- Seed kit distribution
- Beach clean - ups
- Mental Health initiatives

The Trees Programme
let me leave a legacy
on Stormont Estate

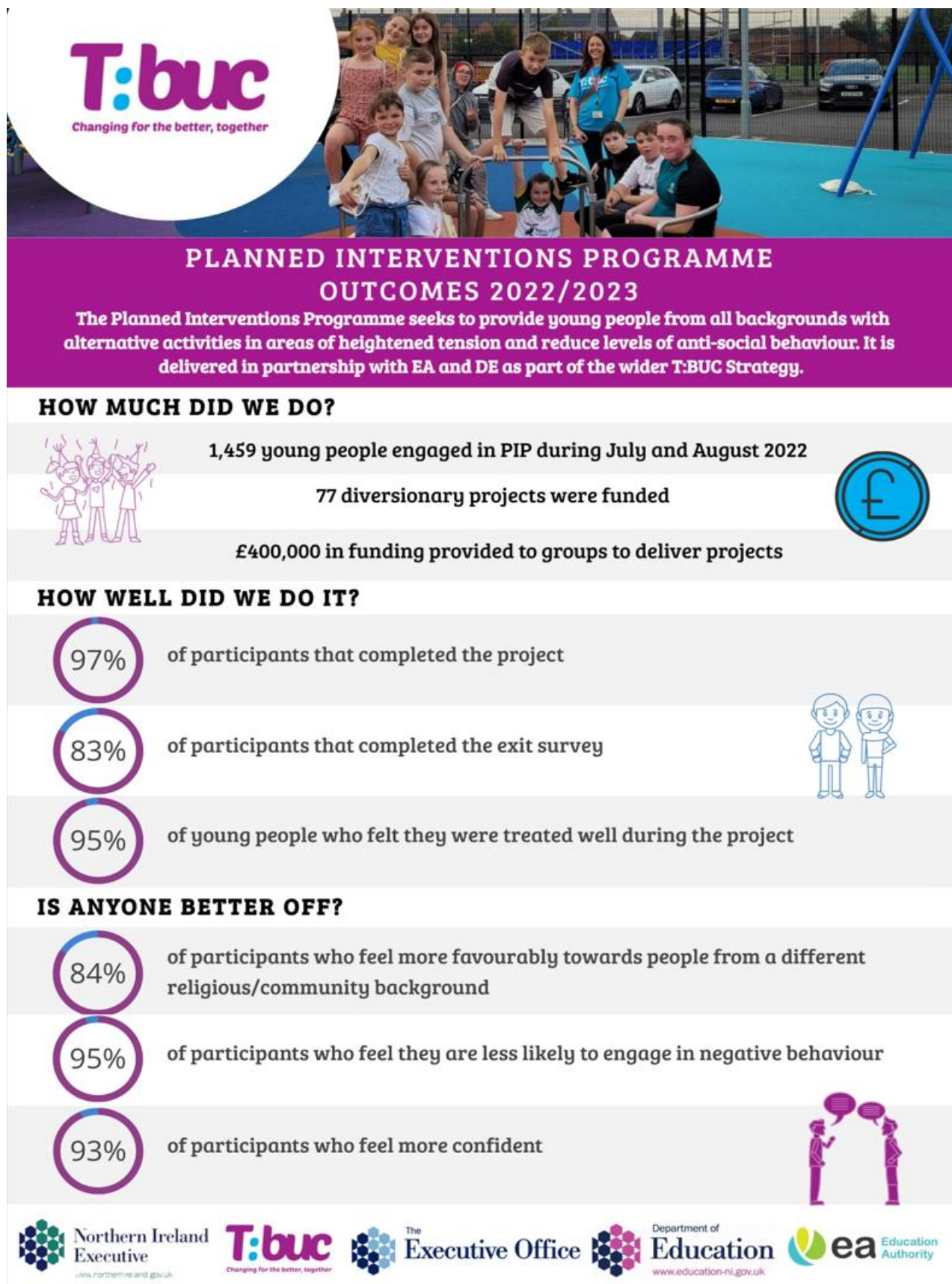
WHAT DIFFERENCE DID WE MAKE?



100% of respondents said they had learned more about their local environment and would like to see more events focussed on the environment



The infographic below shows the most recently available outcomes data (2022-23) for the Planned Interventions Programme:



PEACE IV and PEACE Plus

TEO is the Accountable Department for actions under three of the four main objectives of the **PEACE IV** Programme, totalling €110m with €13m of match funding.

Through the PEACE IV's Shared Spaces and Services objective, 17 local initiatives have been supported to improve shared use of public areas/buildings. Projects delivered under the Children and Young People objective aimed to support at least 21,000 participants aged 0-24 years to develop their soft skills and a respect for diversity. Under Building Positive Relations objective projects are being delivered to ensure that there is purposeful contact between persons from different communities, and border counties.

Throughout the year steady progress has been made in delivery of all three objectives and, at 31 March 2023, 13 councils have completed delivery, nine in NI and four in the border counties of Ireland. The remaining Local Authority Action Plans are expected to be completed during 2023. Around 23,220 children and young people have engaged in programme activity under the Children and Young People's strand exceeding the target.

Key highlights from PEACE IV included further progress in the enhancements to Belfast City Council's Forth Meadow Community Greenway project; delivery of Newry, Mourne and Down District Council's "Capacity Building – Hard-to-Reach Young People" project, the development by Mid Ulster District Council of a shared eco civic space in Aughnacloy and Antrim and Newtownabbey Borough Council's "Sports, Arts and Recreation Engagement Programme."

A further €30.3m has been allocated to community groups to support 21 projects under the Building Positive Relations at a regional level. Again steady progress on delivery is being made with 19 projects complete and two due to complete shortly. Circa 113,800 participated in these projects, with 14 of the completed projects having fully met or exceeded their participation targets while the two projects currently underway have exceeded their targets.

During the year TEO continued to support SEUPB in the development of the £1 billion **PEACE PLUS** programme which secured the approval of the Executive and Irish government in October 2021 and was adopted by the European Commission in July 2022. On 24 March 2022 the UK government laid in Parliament the Financing Agreement between the UK, Ireland and the EU Commission on the PEACE PLUS Programme. Following the parliamentary scrutiny process, it can be ratified and will enter into force. Through the provision of advice on drafts of guidance material for future calls under PEACE PLUS and engagement with key stakeholders the Department supported SEUPB to help facilitate the launch of the PEACE PLUS programme at the earliest possible point in 2023-24.

Equality, Rights and Identity

Rights, Language and Identity (RLI) Branches are comprised of the following entities: Language Commissioners Branch and Identity and Cultural Expression Branch are responsible for the implementation of the provisions of the Identity and Language (NI) Act 2022, which fall to TEO, namely the establishment of -

- The Office of Identity and Cultural Expression;
- The Irish Language Commissioner; and
- The Commissioner for the Ulster-Scots and British tradition

Ending Violence Against Women and Girls

On 21 March 2021 the Executive responded to an Assembly motion for a Strategic Framework on Violence Against Women and Girls (VAWG) by agreeing a paper containing the following mandate:

“a cross-sectoral task-group (...) to co-ordinate a strategic approach to tackling the root causes of violence against women and girls, that must be inter-sectional and focus on all forms of violence, with a particular emphasis on behavioural and attitudinal change; and agreed to build this approach in the new Programme for Government with the necessary resource, and leadership from The Executive Office.”

Violence against women and girls remains a systemic and deep-rooted problem here. We envision a changed society where women and girls are free from all forms of gender-based violence, abuse and harm including the attitudes, systems and structural inequalities that cause them.

We can achieve this vision by working together as partners across society in public, private and third sectors and with the community to prevent and eradicate all forms of VAWG with a focus on root causes.

PERFORMANCE ANALYSIS

In the 2022-23 year, TEO used a range of methods of performance monitoring, such as financial reporting, balanced scorecards and departmental/divisional business plans (which outline the Department's key objectives), risk registers and assurance statements. Monitoring performance against key objectives was carried out by way of regular written updates with quantitative and qualitative analysis provided on progress where this information was available.

Going forward into the 2023-24 financial year, TEO, in line with an outcomes focused PfG, will also take an increased focus on organisational outcomes on which performance can be regularly monitored through the use of organisational performance accountability measures.

FINANCIAL PERFORMANCE

Table 1: TEO Outturn against Estimate by Category of Spend

Table 1 provides a breakdown of the total outturn figure, as compared against Estimate, by category of expenditure.

2022-23	Estimate £000s	Outturn £000s	Underspend/ (Overspend) £000s %	
Administration Costs	19,859	18,513	1,346	6.78%
Grants	33,886	34,030	(144)	(0.42%)
Other Current (including accruing resources)	280,909	53,701	227,208	80.88%
Total Resources	334,654	106,244	228,410	68.25%
Capital	60,897	60,811	86	0.14%
Departmental Total	395,551	167,055	228,496	57.77%

Note - Figures presented on a Consolidated basis

The Departmental Group's total Resource Outturn for the 2022-23 financial year was £106m against an Estimate of £334.7m. Total Capital Outturn for the 2022-23 financial year was £60.8m, against an Estimate of £60.9m.

Resource Outturn - Analysis of Resource Underspend by Request for Resource

Table 2: Summary of Resource Outturn by Request for Resource

	Estimate	Outturn	Underspend/ (Overspend)	
	£000s	£000s	£000s	%
Request for Resource (RfR)				
RfR A	334,654	106,244	228,410	68.25%
Departmental Total	334,654	106,244	228,410	68.25%

Note - Figures presented on a Consolidated basis

Request for Resources A (RfR A)

Driving investment and sustainable development; making people's lives better through support for equality, human rights and community relations; and the effective operation of the institutions of Government.

The net underspend against RfR A of £228.4m can be analysed as follows:

- (i) Following an updated review of the future estimated costs of the HIA Redress Scheme compensation payments, carried out in 2022-23 by Government Actuary's Department (GAD), it was determined that the estimate made for the further provision for HIA Redress Scheme (£100m) was not required. Instead, based on revised updated GAD figures the overall provision was instead reduced by £18.2m, resulting in an overall underspend against the Estimate of £118.2m;
- (ii) The creation of a provision for future estimated costs of the Victims' Payment Scheme (£100m included in the Estimate) was not required following a review of the scheme by the Government Actuary's Department. It was agreed that there was insufficient data available at 31 March 2023 to warrant the set up of a provision and so the potential estimated future payments of the scheme will be included as a Contingent Liability;
- (iii) Amortisation of NI Investment Fund Financial Transactions Capital (FTC) loans has caused an increase to the value of the loans rather than a write down (£4.2m);
- (iv) Underspend of £1.7m in respect of the Homes for Ukraine scheme has arisen due to requirement estimated by other departments being significantly lower than forecast coupled with a reduction in council and interpreters costs;
- (v) Underspend against AME budget for diminution of value of Land and Buildings at MLKDC (£1.5m);
- (vi) Underspend of £1.5m in Payroll costs mainly due to the lead time in filling vacancies;
- (vii) Underspends in VSS support services to Victims' Payment Scheme and Truth Recovery programme (£0.4m); and
- (viii) Other underspends totalling £0.8m across several areas.

Capital Outturn - Analysis of Capital Underspend by Request for Resource

Table 3: Summary of Capital Outturn by Request for Resource

	Estimate	Outturn	Underspend/ (Overspend)	
Request for Resource (RfR)	£000s	£000s	£000s	%
RfR A	60,897	60,811	86	0.14%
Departmental Total	60,897	60,811	86	0.14%

Note - Figures presented on a Consolidated basis

Request for Resources A (RfR A)

The Departmental Group had a total capital underspend against Estimate provision of £0.1m (0.14%) due mainly to a total of £0.5m of Capital Receipts, offset by a £0.3m pressure in Financial Transactions Capital (FTC) capitalised Loan Interest and a Lease modification.

Assets Valuation

TEO and MLKDC Land and Buildings are valued annually by Land and Property Services. In the 2022-23 financial year TEO impaired its land and buildings by £0.2m, (2021-22, £0.6m (Note 7)) which was funded by Annually Managed Expenditure budget.

Net Cash Requirement

The net cash requirement for 2022-23 was £203.4m. This is £6m lower than the Main Estimates net cash requirement of £209.4m.

The reduction of £6m was mainly due to lower than anticipated payments for both the Historical Institutional Abuse Redress Scheme and the Victims' Payment Scheme.

Forward Look Financial Position

Following the resignation of the First Minister in 2021-22 and the subsequent lack of an Executive, a budget for 2023-24 could not be finalised. Northern Ireland faces unprecedented budget pressures given the overspend in the NI Block budget position that occurred in 2022-23. Discussions ensued between the Secretary of State, NIO, DoF and departments in preparing spending plans for the year resulting in a Written Ministerial Statement (WMS) being issued by Secretary of State on 27 April 2023. The Department has assessed the impact of the actions required to live within the constrained budget settlement which represents a shortfall of 11% against spending plans. The Department is consulting on the equality impact of such measures being taken to live within budget.

Long Term Expenditure Trends

Note - All figures presented on a Consolidated basis

The Resource DEL outturn for 2021-22 has not been adjusted for the prior period adjustment of £(26.3m) in respect of FTC amortisation reflected in the accounts.

Total Departmental Spending	Outturn 2018-19 £'000	Outturn 2019- 20 £'000	Outturn 2020-21 £'000	Outturn 2021-22 £'000	Outturn 2022-23 £'000
Resource DEL	73,155	73,505	97,166	128,238	147,956
AME	(1,436)	4,959	87,064	102,711	(41,712)
	71,719	78,464	184,230	230,949	106,244
Capital DEL	14,299	40,561	119,056	34,983	60,811

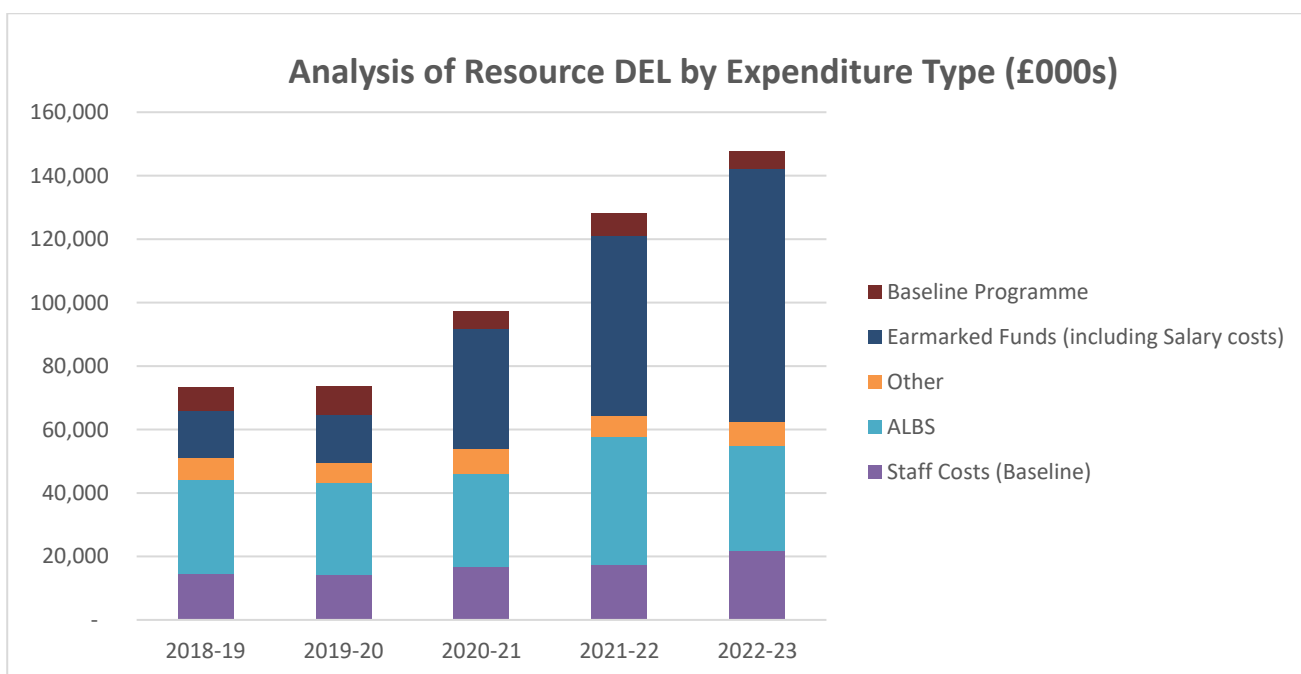
	Outturn 2018-19 £'000	Outturn 2019- 20 £'000	Outturn 2020-21 £'000	Outturn 2021-22 £'000	Outturn 2022-23 £'000
Resource DEL					
RfR A	73,155	73,505	97,166	128,238	147,956
Of Which					
Staff Costs (Baseline)	14,493	14,253	16,901	17,392	21,694
ALBs	29,835	28,892	29,040	40,350	33,453
Other	6,652	6,584	8,054	6,442	7,646
Earmarked Funds (including Salary costs)	14,910	14,803	37,674	56,902	79,780
Baseline Programme	7,265	8,973	5,497	7,152	5,383
Total Resource DEL	73,155	73,505	97,166	128,238	147,956

	Outturn 2018-19 £'000	Outturn 2019- 20 £'000	Outturn 2020-21 £'000	Outturn 2021-22 £'000	Outturn 2022-23 £'000
Resource AME					
RfR A	(1,436)	4,959	87,064	102,711	(41,712)
Of Which					
Diminution of Value of PPE	3,897	675	2,531	1,051	2,950
Increase/(Decrease) in Provision	15	1	392	101,660	(44,662)
Impairment FTC loans	(5,348)	4,283	84,141	-	-
Total Resource AME	(1,436)	4,959	87,064	102,711	(41,712)

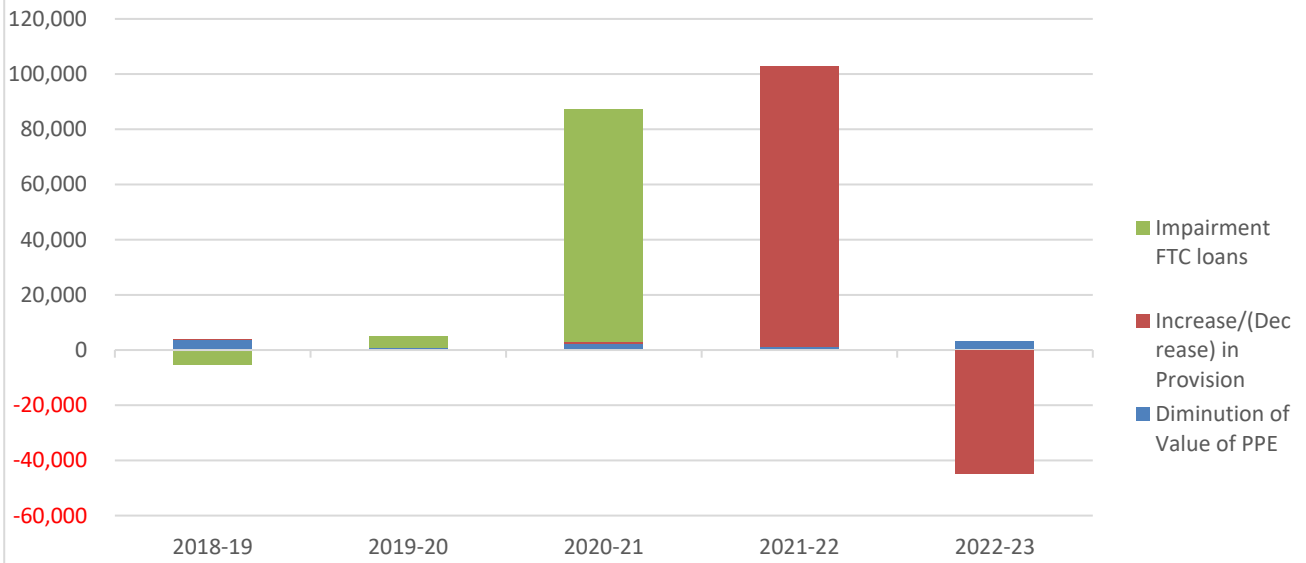
	Outturn 2018-19 £'000	Outturn 2019- 20 £'000	Outturn 2020-21 £'000	Outturn 2021-22 £'000	Outturn 2022-23 £'000
Capital DEL					
RfR A	14,299	40,561	119,056	34,983	60,811
Of Which:					
Plant, Property and Equipment	4,940	4,184	1,850	6,190	3,199
Intangible Assets	38	276	349	63	496
Financial Transactions Capital (Net of Repayments)	(5,354)	25,246	105,725	22,800	50,313
Capital Grants	14,675	10,855	11,132	5,930	6,803
Total Capital DEL	14,299	40,561	119,056	34,983	60,811

	Outturn 2018-19 £'000	Outturn 2019- 20 £'000	Outturn 2020-21 £'000	Outturn 2021-22 £'000	Outturn 2022-23 £'000
Earmarked Funds (including Salary costs)					
Social Investment Fund (SIF)	5,816	2,157	1,516	580	465
Covid related/RHI	728	13	3,166	2,428	-
Delivering Social Change (DSC)	18	-	25	271	-
EU Exit/Brexit/NI Protocol	180	2,246	2,239	1,292	148
Fresh Start	458	2,007	6,575	(95)	79
Historical Institutional Abuse (HIA)	701	1,360	15,129	32,098	32,731
Victims' Payments	-	-	1,450	8,575	29,120
Communities in Transition (CIT)	-	-	-	3,610	4,438
Refugee & Asylum Seekers	-	-	-	-	4,458
Mother and Baby Institutions and Magdalene Laundries (MBIML)	-	-	-	211	905
T:BUC/Shared Future	7,009	7,020	7,574	7,932	7,436
Total	14,910	14,803	37,674	56,902	79,780

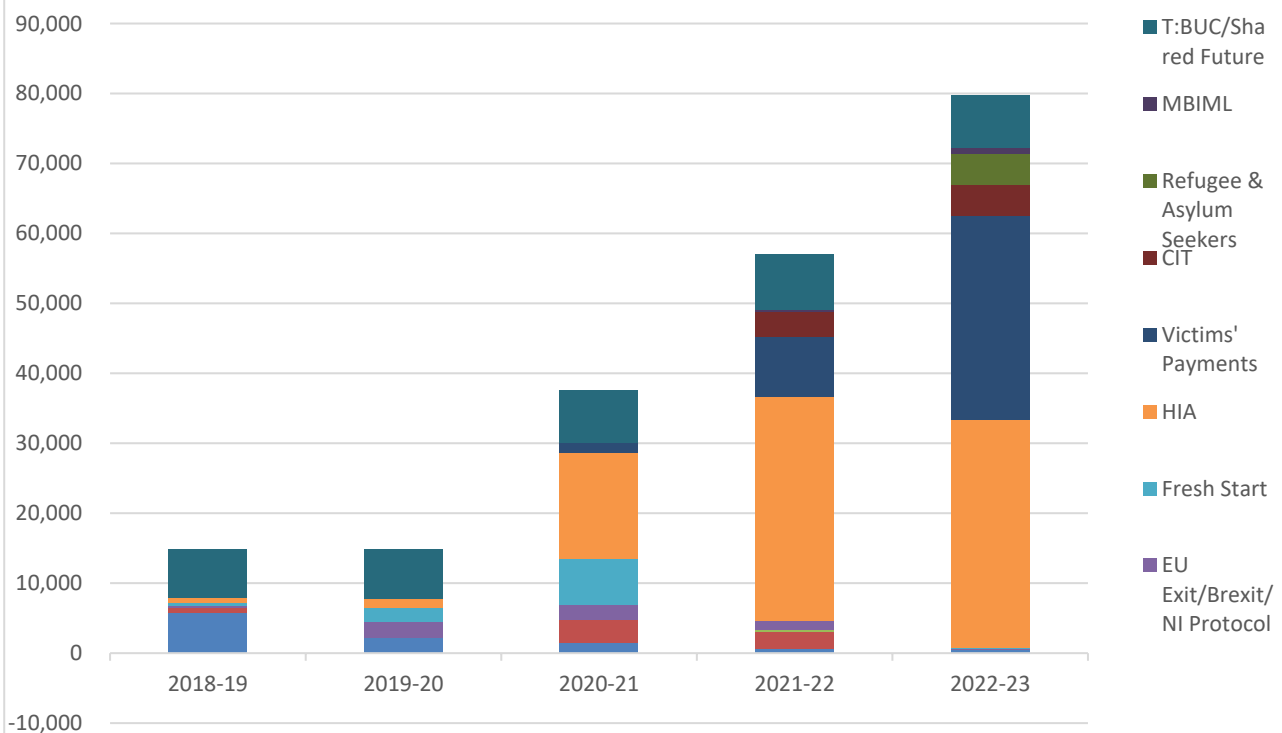
Total Departmental Spending	Outturn 2018-19 £'000	Outturn 2019-20 £'000	Outturn 2020-21 £'000	Outturn 2021-22 £'000	Outturn 2022-23 £'000
Of Which					
Total DEL	87,454	114,066	216,222	163,221	208,767
Total AME	(1,436)	4,959	87,064	102,711	(41,712)
	86,018	119,025	303,286	265,932	167,055



Analysis of Resource AME (£000s)



Analysis of Earmarked Funds (£000s)



NON-FINANCIAL PERFORMANCE

Equality

TEO Equality, Rights and Identity Branch provides advice and support to the Department and the wider NICS on the application of equality responsibilities relating to Section 75 of the Northern Ireland Act and the Disability Discrimination Act. This includes creating and maintaining the Department's Equality Scheme and Disability Action Plan. An Annual Progress Report on both issues is prepared for the Equality Commission for NI.

Human Rights

TEO aims to promote a culture of rights and responsibilities within the civil service and to promote awareness of other human rights considerations under international instruments to which the UK is a signatory.

TEO has specific responsibility for responding to the United Nations on:

- The international covenant on civil and political rights;
- The international covenant on economic, social and cultural rights; and
- The convention on the elimination of racial discrimination.

Freedom of Information

During 2022 calendar year, TEO dealt with 96 requests for information under the Freedom of Information Act. This is a decrease of 29 (23%) on the number of requests received in 2021. Of those FOI requests commissioned, 73% came from members of the public and 17% from the media. The remainder came from businesses, campaigning groups, and public representatives.

In addition to the 96 FOI requests, a further 52 requests for information were responded to under normal course of business; a decrease of 42 (45%) on 2021.

There were 9 requests for an internal review of the Department's response to a request for information (a decrease of 3 on 2021).

There was 1 complaint, under the Freedom of Information Act made to the Information Commissioner, to the Department's response (a decrease of 4 on 2021).

In December 2021 the Public Record Office of Northern Ireland (PRONI) released, under the Freedom of Information Act, approximately 750 official files, many with a terminal date of 1999. The Executive Office was responsible for the review of 151 of those files prior to release.

Information Assurance and Management

The Information Management and Central Advisory Branch (IMCAB) continue to provide central advice, assistance and business delivery in regard to records management; supporting the Senior Information Risk Owner (SIRO), and Information Asset Owners (IAOs) in meeting the Department's information governance obligations, including the management of internal controls for information and data management.

Data Protection Compliance

The Department's Data Protection Officer (DPO) continues to fulfill the legal and organisational functions required under the UK General Data Protection Regulation and the Data Protection Act 2018; ensuring data protection governance, transparency and accountability, and providing assurance of data protection compliance to Senior Management.

In this regard, during 2022-23 the DPO issued a number of Data Protection Guidance Notices to all staff; continued to monitor data protection compliance; provided data protection awareness and training; advised on data protection obligations (including data protection principles, data subjects rights, lawful bases, records of processing activities, data flow maps, data protection impact assessments (DPIAs), data sharing, privacy notices, data security and data breach management); and acted as the contact point for data subjects and the Information Commissioner.

There were five minor data breaches during 2022-23 involving the use of email, which did not warrant reporting to the Information Commissioner. Consequently, a memo about protecting data when using email was issued to all staff in the Department.

Also during 2022-23, as provided for under Article 15 of the UK General Data Protection Regulation (UK GDPR) and Section 45 of the Data Protection Act 2018, the Department received, and responded to, two subject access requests.

Counter Fraud, Raising Concerns and Complaints Branch Update

TEO is committed to providing the highest standards of customer service, including investigating and addressing any cause of dissatisfaction, as well as investigating any allegations of fraud or other wrongdoing. Any customer who is unhappy with the quality of service received from TEO is able to have their complaint addressed through the Complaints Procedure. Details are available at: [TEO Complaints Procedure](#)

Seven complaints were received during the 2022-23 financial year. Three of these related to other Government Departments and were referred directly to them. There was only one open complaint at the year end, which has since been closed. In addition, seven concerns were raised during the year. None of these are currently being investigated independently by Group Fraud Investigation Services or by the Northern Ireland Public Sector Ombudsman. Three cases were transferred to be investigated independently by another NICS or Home Civil Service Department. Only one case is still in progress. The remainder have been resolved satisfactorily and lessons learned where appropriate.

NICS launched a new Raising Concerns Framework during 2022-23. The TEO Raising Concerns Policy was reissued during the year and an updated version is currently being progressed through the approvals process to take account of new NICS-wide framework.

It is intended to roll out training on raising concerns, counter fraud and complaints throughout the Department in order to raise awareness of the appropriate processes to be followed.

Corporate Social Responsibility

The Department maintained a Corporate Social Responsibility (CSR) Framework Document, addressing its CSR responsibilities in the environment, marketplace, community and workplace.

Payment to Suppliers

The Department is committed to the prompt payment of bills for goods and services in accordance with the Late Payment of Commercial Debts (Interest) Act 1998. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or on presentation of a valid invoice or similar demand, whichever is the latter.

In 2022-23, the Department's performance in relation to the payment of invoices within 30 days was an average of 93%; this is a slight decrease in performance compared to the previous year and is slightly below the NICS average. In 2022-23 an average of 88% of invoices were paid within 10 days; this is below the NICS average.

TEO Prompt Payment Performance 2022-23 and 2021-22

Prompt Payments Rates	2022-23		2021-22	
	TEO	NICS	TEO	NICS
Total number of invoice payments	3,015	170,111	2,903	164,840
Number of invoice payments within 30 days	2,810	164,649	2,800	160,626
Percentage paid within 30 days (%)	93%	97%	96%	97%
Number of invoice payments within 10 days	2,647	157,532	2,663	154,642
Percentage paid within 10 days (%)	88%	93%	92%	94%

- Figures for ALBs can be found in their respective Annual Report and Accounts on their websites

Environmental and Sustainability Matters

Departmental Premises Officers energy management and energy related responsibilities include implementing, within their building, Departmental strategies and policies in relation to the efficient use of energy and which contributes to the Department's sustainability initiatives. This includes a commitment to raise awareness through the publication of intranet articles and sustainability themed briefings. Sustainable behaviours are promoted through encouraging staff to travel by sustainable methods, for example, the Cycle to Work initiatives, car sharing, car parking spaces with electric charging points and the mandatory use of recycled paper from legal and sustainable sources. The Department is also represented on the NICS Plastic Reduction Action Plan (PRAP) working group, whose aim is to reduce the use of unnecessary single use plastic across the government estate.

Departmental Premises Officers in larger buildings have access to a building energy management interface to provide direct access to temperature variables and overtime settings. This provides a facility for Premises Officers to fine tune temperature settings to reduce energy consumption and reduce Helpdesk calls.

TEO acquired four hybrid vehicles in July 2022 to replace the four official cars within the Department. In line with the NI Executive's commitment to the COP26 Joint Declaration, the Department will work towards all new cars being zero emissions by no later than 2035.

The Department has reduced the number of printers and installed multi-functional devices throughout its buildings. Due to the number of staff availing of hybrid working, the cost for

printing has reduced by 20% compared to pre-Covid figures despite significant increases in staff numbers.

In line with NICS Policy the Department supports the use of Fair-Trade products. The Stormont Estate has a dedicated staff allotment site which provides opportunities to promote more sustainable living.

Finally, TEO has commenced implementation of the duties placed upon it by the Climate Change Act (Northern Ireland) 2022. This includes providing input, along with all Executive Departments, to the Executive's first Climate Action Plan – with drafting currently being led by DAERA. More specifically though, TEO has been tasked (through the Climate Change Act (Northern Ireland) 2022) to establish the office of the NI Climate Commissioner. Development work on this has commenced. The Act stipulates that the Office should be established by Regulations, the first draft of which should be introduced to the NI Assembly no later than 2 years from the point at which the Act received Royal Assent i.e. 6 June 2024.

EU Withdrawal

On 27 February 2023 the UK and EU announced the agreement of the Windsor Framework amending the Protocol. Its purpose was intended to address frictions on trade within the UK Internal Market, as well as concerns as to NI's place in the Union and address any potential democratic deficit.

NICS officials are currently assessing the detail of the Windsor Framework, and have sought legal advice, and are undertaking stakeholder engagement to understand the implications of the Agreement for Northern Ireland.

Further work is being taken to address the outcome of the implementation of the Stormont Break.

Rural Needs

The Rural Needs Act (Northern Ireland) 2016 came into operation for departments and district councils on 1 June 2017 and for remaining specified public authorities from 1 June 2018. The Act provides a statutory duty on public authorities to "have due regard to rural needs" in the development and delivery of strategies and policies. A Rural Needs Impact Assessment is required to be carried out in each case. Details of these assessments are required to be provided to the Department of Agriculture, Environment and Rural Affairs (DAERA) for publication in its Rural Needs Annual Monitoring Report for each financial year. Two Rural Needs Impact Assessments were completed by policymakers within The Executive Office under Section 3 of the Act between 1 April 2022 and 31 March 2023, as well as one completed by the Community Relations Council on the 'Implementation of Together: Building a United Community Policy' (T:BUC). TEO runs several programmes that fall within the T:BUC Strategy.

Approved and signed



Gareth Johnston
Interim Accounting Officer
27 October 2023

THE ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

The purpose of the corporate governance report is to explain the composition and organisation of the Department's governance structures and how they support the achievement of the Department's objectives.

DIRECTORS' REPORT

TEO presents its Accounts for the financial year ended 31 March 2023 as directed by the Department of Finance under section 9(1) of Government Resources and Accounts Act (Northern Ireland) 2001. These accounts have been prepared in accordance with the appropriate form and disclosure requirements of the Government Financial Reporting Manual.

Accounting Boundary

The departmental boundary is determined by the way in which in-year budgetary control is exercised by the Department. For the year 2022-23 in addition to the TEO core Department the following are considered to be within the boundary and their financial performance is consolidated in the Department's resource accounts:

- **Attorney General for Northern Ireland**

The commencement of Sections 22-26 of the Justice (Northern Ireland) Act 2002 on 12 April 2010 (when policing and justice powers were devolved) established the position of the Attorney General for Northern Ireland as a statutory office within the devolved administration. The Attorney General is an independent statutory office holder appointed by the First Minister and deputy First Minister for a fixed term in accordance with the terms of the appointment and the provisions of the Justice (Northern Ireland) Act 2002. Ministers appointed Dame Brenda King as Attorney General in June 2020. This appointment has been extended to 2025. A review of the Office of the Attorney General is ongoing. Further details are available at www.attorneygeneralni.gov.uk.

- **Commissioner for Public Appointments for Northern Ireland**

The post of Commissioner for Public Appointments for Northern Ireland (CPANI) was established in 1995 on the recommendation of the Committee on Standards in Public Life. The Commissioner is appointed by the First Minister and deputy First Minister and is a statutory office holder operating at arm's length from the Department. The Commissioner's role is to publish a code of practice, and regulate, monitor and report on Ministerial appointments to a range of public bodies as outlined in legislation. Further details are available at www.publicappointmentsni.org

The CPANI Annual Report is normally due no later than June each year however the CPANI position is currently vacant and interim measures put in place include deferring the submission of the Annual Report until the position is filled.

- **North South Ministerial Council Joint Secretariat (North)**

Established under the terms of the Belfast/Good Friday Agreement, the North South Ministerial Council brings together Ministers from the Northern Ireland Executive and the Irish Government to develop consultation, co-operation and action on matters of mutual interest. The North South Ministerial Council is supported by a Joint Secretariat, based in Armagh and staffed by civil servants from TEO and the Irish Civil Service. The North South Ministerial Council Joint Secretariat (North) provides advice and support for Ministers in relation to their participation in the North South Ministerial Council. The North South Ministerial Council did not meet during 2022-23 owing to the absence of Ministers but officials continued to engage with Irish Government counterparts, Executive Departments and the North-South Bodies on existing work programmes and areas of cooperation. Further details are available at www.northsouthministerialcouncil.org.

- **Historical Institutional Abuse Redress Board**

In addition, the Historical Institutional Abuse Redress Board was established by the Historical Institutional Abuse (Northern Ireland) Act on 5 November 2019 and came into operation on 31 March 2020. The Redress Board falls within TEO's Departmental boundary.

- **Victims' Payments Board**

The Victims' Payments Board was established by the Victims' Payments Regulations 2020, which came into force on 24 February 2020 and 29 May 2020. The Victims' Payments Board was established in February 2021. The Victims' Payments Board also falls within TEO's departmental accounting boundary.

Arms' Length Bodies now Consolidated for the First Time in 2022-23

TEO has implemented the Review of Financial Process (RoFP) in 2022-23. As a result of this development, TEO's Arms' Length Bodies below are now consolidated within the group Accounts. The aim of RoFP is to align the boundaries of budgets, estimates and accounts as far as it is practicable, including consolidation of NDPBs and other central government bodies in Estimates and accounts.

The bodies intended for inclusion within the 2022-23 departmental boundary are detailed in note 20 to the accounts. The list of bodies is subject to change each year and the final list of bodies to be included within the departmental boundary will be designated each year in an Estimates and Accounts (Designation of Bodies) Order for consolidation into TEO's annual Estimates and Accounts. However, some further detail is provided below:

- **Northern Ireland Community Relations Council** The Community Relations Council (CRC) is a non-departmental public body of The Executive Office and a key partner in the delivery of good relations funding schemes under the wider T:BUC Strategy. CRC also facilitates wider stakeholder engagement on behalf of The Executive Office to influence the effective implementation of the strategy through delivery of the T:BUC Engagement Forum which is held three times per year. They deliver a programme of shared learning events for community and voluntary groups and organise the delivery of events for Good Relations Week which takes place annually in September.
- The CRC also manages the [North Belfast Strategic Good Relations Programme \(NBSGRP\)](#) which seeks to improve relations between and within communities in North Belfast, and to contribute to the four key aims of the T:BUC strategy. Further

information, including its Annual Report and Accounts, can be obtained at <https://www.community-relations.org.uk/>.

- **Commission for Victims and Survivors for Northern Ireland**

The Commission for Victims and Survivors for NI was established as an executive NDPB in June 2008. The principal aim of the Commission is to promote the interests of victims and survivors. Its duties include promoting an awareness of, and safeguarding matters relating to the interests of victims and survivors, and keeping under review the adequacy and effectiveness of law and practice and services provided for victims and survivors. Further information on the Commission's work can be obtained at www.cvsni.org.

- **Equality Commission for Northern Ireland**

The Equality Commission for NI is an executive NDPB established under the NI Act 1998 with statutory functions which include working towards eliminating unlawful discrimination and to promote equality of opportunity on the grounds of disability, sex, race and religious belief/political opinion. The Commission also has responsibilities under Section 75 of the NI Act 1998 in relation to the public sector equality duties. Further information, including its Corporate Plan and Annual Report and Accounts can be obtained at www.equalityni.org. The Equality Commission in conjunction with the Northern Ireland Human Rights Commission agreed to act as a "Dedicated Mechanism" to ensure no diminution of rights, safeguards and equality of opportunity following the UK's withdrawal from the EU.

- **Maze/Long Kesh Development Corporation**

The Maze/Long Kesh Development Corporation was established as an executive NDPB body on 10 September 2012. The overall aim of the Corporation is to secure the regeneration of the Maze/Long Kesh site. The Corporation has its own Board and is funded by TEO. More information is available on <http://mazelongkesh.com/>.

- **Northern Ireland Judicial Appointments Commission**

The NI Judicial Appointments Commission (NIJAC) is a NDPB which was established on 15 June 2005 under the Justice (Northern Ireland) Act 2002, as amended by the Justice (Northern Ireland) Act 2004. It is currently responsible for selecting and appointing, or recommending for appointment, applicants in respect of all listed judicial offices up to and including High Court Judge. In the year ended 31 March 2023 eight recruitment schemes were fully completed, including appointments to the County Court tier of the judiciary, and a further three schemes were also commenced. NIJAC continued this year to develop digital solutions for its work including on-line testing and new methods of engagement through webinars and social media. Further information can be obtained at www.nijac.gov.uk.

- **Strategic Investment Board Limited**

The Strategic Investment Board Limited (SIB) is an executive NDPB and formed as a company limited by guarantee. SIB's vision is that Northern Ireland will build and sustain a public social and physical infrastructure fit for the needs of all its people. In pursuit of this, SIB's priorities are:

- To support the provision of physical and social infrastructure that makes Northern Ireland a great place to live, work and invest by delivering, to time and budget, the programmes and projects that it leads and supports;
- To maximize the money available for front line services by delivering cash savings through improving the efficient use of government assets;
- To improve the quality of public-sector decision-making through original research and the innovative analysis and exploitation of data, so that the best possible outcomes can be delivered with available resources; and
- To create opportunities for more people to have better jobs, including by improving the social return on public procurement by extending the use of 'Buy Social' models.

SIB has its own Board and is funded by TEO.

Further details of the work of the Strategic Investment Board, the projects in which it is involved and other information can be obtained at www.sibni.org.

- **Victims and Survivors Service Limited**

The Victims and Survivors Service is an executive NDPB and formed as a company limited by guarantee. It was established by TEO's predecessor OFMDFM (Office of the First Minister and Deputy First Minister) to administer funding and support to victims and survivors and opened in April 2012. The Service provides funding to both individual victims and survivors through the provision of goods, services and financial assistance, and Victims Groups. Further information on the Victims and Survivors Service can be obtained at www.victimsservice.org.

- **Commissioner for Survivors of Institutional Childhood Abuse**

The Commissioner for Survivors of Institutional Childhood Abuse (COSICA) was appointed from 14 December 2020. The overall aim of COSICA is to promote the interests of any person who suffered abuse while a child and while resident in an institution at some time between 1922 and 1995 (both inclusive). COSICA is funded by TEO. COSICA has continued to function during Covid-19 restrictions with staff working both remotely and from the office when required. More information is available at <http://www.cosica-ni.org>

TEO Departmental Board

During the financial year, the Departmental Board was chaired by the Permanent Secretary of TEO. The Board supports the delivery of effective Corporate Governance and operates within best practice guidelines outlined in *Corporate Governance in Central Government Departments: Code of Good Practice (Northern Ireland) 2013*. It advises on the operational implications and effectiveness of policy proposals and takes an objective long-term view of the business of the Department, leading its strategic planning process and supporting corporate governance responsibilities for the Department.

The roles and responsibilities of the Departmental Board and its sub committees are detailed in the Governance Statement at Pages 65-86.

During 2022-23 the Departmental Board comprised the following members:

- Dr Denis McMahon, TEO Permanent Secretary and Accounting Officer.
- Denis Power, Independent Board Member, until 28 September 2022.
- Jo Aston, Independent Board Member from 28 September 2022

- Claire Keatinge, Independent Board Member from 14 November 2022.
- Chris Stewart, Deputy Secretary of Executive Support.
- Gareth Johnston, Director of Good Relations and Inclusion.
- Karen Pearson, Director Of Covid-19 Recovery, Civil Contingencies & Programme for Government.
- Neelia Lloyd as Director of Corporate Services.
- Tara Kennedy as (Acting) Director of Finance from 1 April 2022 until 25 September 2022.
- Marcella Phillips*, NICS HR Strategic Business Partner.
- Ronan Murtagh as Director of Finance from 26 September 2022.
- Tom Reid, Director of EU Exit and International Relations.
- Alexander Gordon, Head of the Office of the Legislative Counsel.
- Claire Archbold, Director of Ending Violence Against Women & Girls.

**Marcella Phillips is not a member, she attends the Board as adviser*

Management

Jayne Brady was Head of the Civil Service and Dr Denis McMahon was the Accounting Officer for the whole of the financial year.

Departmental Reporting Cycle

This report provides a summary of the Department's performance and key achievements during 2022-23. The Department's original Estimates for the year were set out in *NI Main Estimates 2022-23*. This was the final Estimate for the year, as there was no Spring Supplementary Estimate for 2022-23. Estimate documents are available at <https://www.finance-ni.gov.uk/publications/estimates-publications> or from *The Stationery Office (TSO)*.

Pension Liabilities

The treatment of pension costs and liabilities is disclosed in the Remuneration Report and Note 1.8 of the accounts.

Register of Interests

DOF FD 04/21 guidance, contains a new requirement that the disclosure of interests for Special Advisors should be included in the Annual Report & Accounts, alongside the disclosure of Board members interests. Ministers' and Special Advisors' interests information is collated by DoF and can be found at: [DoF Weblink to Ministers' and Special Advisors' Register of Interests page](#).

No members of the Departmental Board held any positions outside the Department which may have conflicted with their management responsibilities. The Department's register of interest is available at: [TEO-register-interests-2022-2023](#).

A policy for the declaration and management of interests for all staff is under development. NICS-wide guidance is currently awaited from DoF.

Data Related Incidents

The Departmental Security Officer continued to review and report to the Departmental Board on data resilience, vulnerabilities and risks during the year.

As stated above, there were five minor data breaches during 2022-23 involving the use of email, which did not warrant reporting to the Information Commissioner. Consequently, a memo about protecting data when using email was issued to all staff in the Department.

Also during 2022-23, as provided for under Article 15 of the UK General Data Protection Regulation (UK GDPR) and Section 45 of the Data Protection Act 2018, the Department received, and responded to, two subject access requests.

Auditors

The Department's Accounts are audited by the Comptroller and Auditor General for Northern Ireland in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. The audit of the financial statements for 2022-23 resulted in a notional audit fee of £100,000 and is classified as notional costs in the statement of comprehensive net expenditure.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (Northern Ireland) 2001 the Department of Finance (DoF) has directed TEO to prepare for each financial year consolidated resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year inclusive of its sponsored non-departmental and other arm's length public bodies designated by order made under the Act and listed in Note 20 (together known as the 'Departmental Group').

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 of income and expenditure, Statement of Financial Position and cash flows for the financial year.

The Executive Office

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 DoF including the relevant accounting and disclosure requirement, and apply suitable accounting policies on a consistent basis;
- ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process;
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by non-departmental and other arm's length public bodies;
- State whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts;
- Prepare the accounts on a going concern basis; and,
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Dr Denis McMahon was the Permanent Secretary and Accounting Officer of the Department for the financial year. Gareth Johnston took on the role as Interim Accounting Officer from 4 September 2023.

The responsibilities of an Accounting Officer, including the 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 Department's assets, are set out in the Accounting Officers' Memorandum issued by DoF and published in Managing Public Money Northern Ireland (MPMNI).

TEO's Accounting Officer is responsible for all estimate sections areas identified in the TEO Estimate.

The Accounting Officer of the Department has also appointed the most Senior Officials of its sponsored non-departmental and other arm's length public bodies as Senior Accountable Officials/Accounting Officers of those bodies.

The 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 non-departmental or other arm's length public bodies for which the Accounting Officer is responsible, are set out in Managing Public Money NI published by DoF.

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

GOVERNANCE STATEMENT

Introduction

This statement is given in respect of the Departmental Accounts for 2022-23. It reflects the Department's governance, risk management and internal control arrangements for directing and controlling its functions; and, how assurance is provided to support me in my role as Accounting Officer for The Executive Office (TEO).

During 2022-23, the Department was responsible for twelve Arm's Length Bodies (ALBs). These, along with the Core Department, are consolidated into the Group Accounts. No new bodies were established during this year.

The twelve ALBs include independent bodies and executive Non-Departmental Public Bodies which sit within the Department's accounting boundary. Oversight of the ALBs is delivered by partnership divisions responsible for advising on, and monitoring of adherence to, all aspects of accountability and good governance.

The following statement incorporates key issues from within the Department's ALBs.

Budget Position and Authority

The Northern Ireland Budget (No. 2) Act 2023, which received Royal Assent on 18 September 2023, provides the statutory authority for the 2023-24 Northern Ireland Budget which the Secretary of State for Northern Ireland set in his Written Ministerial Statement on 27 April 2023.

Compliance with Corporate Governance Code

NI Government Departments are expected to apply the principles of the Department of Finance (DoF) *Orange Book Management of Risk – Principles and Concepts (2020)* ('the Orange Book') and the (DFP) (now DoF) *Corporate Governance in Central Government Departments: Code of good practice (2013)* ('the Code') unless good governance can be achieved by other means.

The Department's compliance with the principles of good practice in the extant 2004 Orange Book and the Code, was confirmed as satisfactory by the most recent Internal Audit evaluation in November 2019. TEO is in compliance with the five main principles of the Orange Book. An update of the Orange Book released in 2020 was considered by TEO as part of the review of the Corporate Risk Register (CRR).

During the 2019 evaluation, Internal Audit highlighted an ongoing departure from the Code as TEO, at the time, had only one Non-Executive Board Member (NEBM), who also acted as Chair of the Audit and Risk Assurance Committee (ARAC). Since November 2022, TEO has two NEBMs in post. The Department continues to further strengthen its governance arrangements through the ongoing development of support and guidance for staff, including enhanced policies and procedures for the approval of departmental expenditure; an ALB Forum to promote partnership and collaboration with and between ALBs; learning and development seminars; the establishment of a Departmental People Development Sub Committee; and the continued development of communication and engagement channels between policy and support functions.

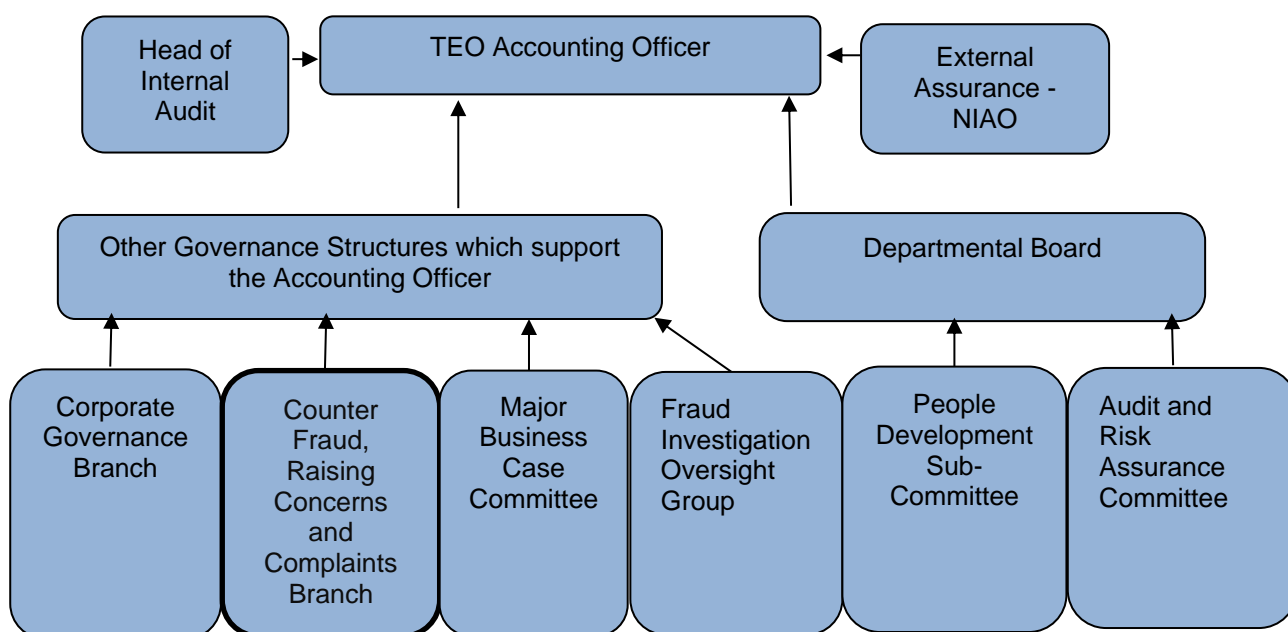
Corporate Governance Framework

Corporate Governance refers to the way in which organisations are directed, controlled and led. TEO's governance framework, which sets out the structures, roles, responsibilities and procedures for the effective and efficient conduct of its business, is summarised in the following paragraphs. In compliance with the Code, TEO has established key organisational structures which support the delivery of departmental business, including: the Ministers; the Accounting Officer; the Departmental Board; the Audit and Risk Assurance Committee (ARAC) and Departmental People Development Committee (both of which are Sub-Committees of the Board); and the Major Business Case Committee (MBCC).

The Department's Corporate Governance Framework was reviewed and updated during this year to reflect best practice and the latest departmental structures and responsibilities.

The key structures which support the delivery of Corporate Governance in the Department are illustrated in the diagram below.

TEO Corporate Governance Structures



These key organisational structures within the Department's Corporate Governance Framework, including the governance and accountability procedures in relation to its ALBs, and the assurance that they provide are discussed below.

Corporate Governance Responsibilities and Performance

Ministers

The First Minister and the deputy First Minister (acting jointly) lead the Department and are responsible and accountable to the Northern Ireland Assembly for the policies, programmes and actions of TEO, including its ALBs. They may designate their Junior Ministers to assist them in carrying out their duties.

On 3 February 2022, the First Minister resigned from office, which triggered the dissolution of the joint office. However, the deputy First Minister was able to and did continue to exercise the functions of her office, in accordance with the Northern Ireland Act 1998, until the Assembly election on 5 May 2022.

After the election on 5 May 2022, no Speaker, First Minister or deputy First Minister were nominated; an Executive could not be formed. Other Departmental Ministers were permitted to remain in post for an executive formation period, a maximum of 24 weeks. That period ended on 28 October 2022 and at midnight all ministers automatically ceased to hold office. However, the Speaker remains in post until his successor is appointed.

Accounting Officer

Dr Denis McMahon undertook the Permanent Secretary role until 3 September. This role ordinarily has responsibility to the First Minister and deputy First Minister for the day-to-day operation of the departmental functions, and as Accounting Officer for the managing and controlling of the resources used by the Group. This responsibility also includes chairing the Departmental Board. Gareth Johnston was appointed Accounting Officer on 4 September 2023, with Jayne Brady, Head of Civil Service, taking on the Permanent Secretary function.

The Northern Ireland (Executive Formation etc) Act 2022, which received Royal Assent in December 2022, provides that the absence of Ministers does not prevent a senior officer of a Northern Ireland Department from exercising a function of the Department before an Executive is formed or the Act expires, if the officer is satisfied that it is in the public interest to do so.

Departments are required to maintain a record of decisions taken in the absence of Ministers under the Act, which should be made available to incoming Ministers when an Executive is appointed; and, the preparation of a monthly summary report of decisions taken to be shared with the Secretary of State who will make it available to Parliament and to MLAs and subsequently published on the [TEO internet site](#). These monthly summary reports record a number of decisions taken by senior officers in TEO.

As Accounting Officer, I am responsible for maintaining a sound system of internal governance that supports the achievement of the Department's policies, aims and objectives. I also have responsibility for the propriety and regularity of the public finances voted to the Department and for safeguarding those public funds and departmental assets, in accordance with the responsibilities assigned to me in DFP's (now DoF) guidance Managing Public Money Northern Ireland (MPMNI). In my role as Accounting Officer, I am supported by the Departmental Board ('the Board'). My responsibilities to the Board include highlighting

specific business issues or risks and, where appropriate, their implications and/or the mitigating measures that could be employed to manage these risks.

In addition, I am required to combine my Accounting Officer role with my responsibilities to the Ministers, which ordinarily include providing advice on the allocation of Departmental resources and the setting of appropriate financial and non-financial performance targets for ALBs.

Departmental Board

The Departmental Board leads the Department's strategic planning and supports the delivery of effective Corporate Governance. It operates within best practice guidelines outlined in DFP's (now DoF) *Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013 ('the Code')*. It does not decide policy nor exercise the powers of a Minister, as policy is decided by Ministers on advice from officials. The Board advises on the operational implications and effectiveness of policy proposals and takes an objective long-term view of the business of the Department, leading its strategic planning process and assisting the Permanent Secretary/Accounting Officer in meeting their corporate governance responsibilities. It also provides support and advice to those members who have corporate responsibility for Executive matters such as the Programme for Government (PfG) and the Legislative programme.

The Board is supported by a secretariat provided by the TEO Departmental Secretariat Branch. The secretariat is responsible for organising the agenda and papers for monthly Board meetings and ensuring that the Board members are provided with timely information to support full discussions at each meeting. In order to achieve the Board's objectives, a forward plan is maintained to schedule matters for its consideration. These requirements are set out in the Board Operating Framework.

The Board Operating Framework is in compliance with the Code and makes clear the Board's responsibility to establish and oversee the Department's Corporate Governance arrangements.

The Board advises on the five key areas set out in the Code:

- *Strategic Clarity* – the Board is responsible for ensuring that all TEO activities, either directly or indirectly, contribute towards the overall purpose of the Northern Ireland Executive of *Improving wellbeing for all - by tackling disadvantage and driving economic growth*. It is also responsible for ensuring that strategic decisions are based on a collective understanding of wellbeing and outcome-based policy issues; and that, through the appointment of its Non-Executive Board Members, the Department is challenged on the delivery of its outcomes;
- *Commercial Sense* – the Board is responsible for ensuring sound financial management (scrutinising the allocation of financial and human resources); and that the organisation and structure supports the delivery of TEO's outcomes-based PfG commitments and strategic objectives. It sets the risk appetite and ensures that controls are in place to manage risk and to evaluate the Board and its members, and succession planning;
- *Talented People* – the Board is responsible for ensuring that TEO has the capability to plan to meet, and to deliver, current and future needs;

- *Results Focus* – the Board agrees the operational business plan, including strategic aims and objectives. It monitors and steers performance against plans and scrutinises performance of sponsored bodies. It sets the standards and values for the Department; and
- *Management Information* – the Board is responsible for ensuring clear, consistent, comparable performance information is used to drive improvement.

Individual Board Roles and Responsibilities

The Chair

The Chair of the Departmental Board is now the Departmental Accounting Officer of TEO.

The role of the Chair is to:

- ensure adherence to the principles of good governance, as set out in the Code;
- facilitate Board meetings;
- ensure that systems are in place to provide Board members with accurate and timely information of good quality to allow the Board to properly consider all matters in advance of the meeting;
- ensure that an evaluation of the Board's effectiveness is performed annually with independent input at least every three years, and that results are acted upon; and
- disclose all Ministerial Directions to the Board.

The Chair encourages all Board members to make full use of their skills and expertise in order to robustly challenge, and thereby improve, the standard of discussion in Board meetings.

Executive Board Members

Each Executive Board Member:

- advises the Board of any matters that threaten the regularity, propriety or value for money with which the Department conducts its business; and
- notifies the Board of any significant issues which may impact on the Department's leadership, medium-term capability and significant risks to delivery of policy, along with mitigating actions taken.

The Board will act in an advisory capacity, offering advice to the Accounting Officer, while also exercising a challenge function. It is expected that this will be applied constructively.

Non-Executive Board Members

The Board includes two Non-Executive Board Members (NEBMs), appointed on merit in line with the Commissioner for Public Appointments' guidance. The appointment for a three-year fixed term is reviewed annually. The role of the NEBMs is to:

- challenge the Board on the operational and delivery implications of policy proposals;

- ensure that the Board obtains and considers all appropriate information relating to the performance and progress of the Department, including the use of human and financial resources;
- maintain a critical overview of the Department's financial controls and procedures for assessing and managing risk;
- use their experience to challenge and support the Board, acting corporately and not simply reflecting their own functions; and
- chair the Audit and Risk Assurance Committee (ARAC), and
- chair of the Departmental People Development Sub-Committee.

Membership and attendance at the Departmental Board

Ten Departmental Board meetings were held in 2022-23. The members and their records of attendance are set out below.

Board Member	Grade	Role	Meetings attended (10)
Dr Denis McMahon	G2A	TEO Permanent Secretary and Accounting Officer	10/10
Alex Gordon	G2A	Head of the Office of the Legislative Counsel	10/10
Claire Archbold	G3	Director of Ending Violence Against Women & Girls	7/10
Gareth Johnston	G3	Director of Good Relations and Inclusion	10/10
Karen Pearson	G3	Director of COVID Strategy and Contingency Planning (formerly COVID Recovery, Civil Contingencies and Programme for Government)	8/10
Tom Reid	G3	Director of Inter-Governmental and International Relations (formerly International Relations and EU Exit)	6/10
Chris Stewart	G3	Director of Executive Support	6/10
Neelia Lloyd	G5	Director of Corporate Services	9/10
Tara Kennedy	G5	(Acting) Director of Finance (to 25 September 2022)	4/4
Ronan Murtagh	G5	Director of Finance (from 26 September 2022)	6/6
Marcella Phillips *	G7	NICS HR Strategic Business Partner	8/10
Denis Power	n/a	Non-Executive Board Member (to 28 September 2022)	5/5
Jo Aston	n/a	Non-Executive Board Member (from 28 September 2022)	6/6

Claire Keatinge	n/a	Non-Executive Board Member (from 14 November 2022)	4/4
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* Marcella Phillips is not a member, she attends the Board as an adviser.

Board Decisions and Reporting

The Board offers rigorous challenge and collectively scrutinises the performance of TEO and its funded organisations. It also operates in an advisory and consultative capacity and takes strategic decisions on:

- issues of strategic importance to the management of TEO and its business areas;
- the departmental and ALB business plans for submission to Ministers;
- key business risks that might affect the delivery of the Executive's and Department's priorities;
- corporate leadership of the Department;
- appropriate operational strategies to best implement policies set by Ministers and ensure coherence of policy across TEO business areas;
- cross-cutting matters for which senior TEO staff have lead responsibility for example, Programme for Government, International Relations and external communications;
- financial, physical and human resources required to implement the business plan and long-term capability of the Department; and
- budget and resource allocation across TEO business areas.

The Departmental Board also plays a key role in:

- informing Ministers of any changes likely to impact on strategic direction, performance and delivery of departmental priorities;
- ensuring that Section 75 and Human Rights issues have been fully considered; and,
- reviewing the Governance Statement.

Day-to-day TEO operational matters are the responsibility of the Directors and Deputy Directors.

Quality of the Data used by the Board

A standard Board agenda has been developed that includes:

- **TEO matters:**
 - declarations of interest;
 - health and safety matters;
 - whistleblowing concerns;
 - budget and finance issues;
 - governance and risk issues;
 - our people;
 - business planning and improvement;
 - international relations/intergovernmental relations; and
 - ALB oversight.

- **Other matters:**
 - updates on the current political position.

A standard reporting template provides a high-level strategic update on headline issues at each Departmental Board meeting.

All reports/papers conform to a standard layout to ensure the appropriate focus on key issues. Financial and performance data is extracted from the accounting and operational systems and is therefore subject to regular, planned internal quality assurance checks, independent audits and external assurance.

The Board considers the information provided to be sufficient to allow it to discharge its strategic planning and corporate governance responsibilities.

The Board also reviews, prior to publication, the Departmental Annual Report and Accounts and the Governance Statement.

Review of Board Effectiveness

In line with best practice, the operational procedures of the Departmental Board are kept under continuous review.

The Secretariat of the Board are working with an Independent Organisation who will carry out the independent review of the Departmental Board during 2023-24.

In May 2022, the Non-Executive Board Member undertook a review of the Board's effectiveness, in the form of a self-assessment review. The review demonstrated significant Board strengths in the areas of Board commitment, strategic focus, assurance and risk management, performance reporting, quality of Board papers and timeliness of information and decision-making. The review also identified several areas for future consideration.

The Board Operating Framework is currently undergoing a review by the Departmental Board.

Conflicts of Interest

The Code requires that actual and potential Board Member conflicts of interest identified; and, how they have been managed, are published within the annual Governance Statement. The Board Operating Framework includes guidance on conflicts of interest. Conflicts of interest are identified through the requirement to declare actual and potential conflicts on induction to the Department; and, as and when they arise, thereafter. Board and ARAC members are required to declare any conflicts of interest, with the business to be discussed, at the start of each meeting. After declaration, consideration is given to the action needed to manage them appropriately. Two attendees at the November 2022 Departmental ARAC raised a potential conflict of interest. The two attendees agreed to leave the ARAC meeting temporarily while the potentially conflicted matter was discussed.

Departmental Audit and Risk Assurance Committee

During 2022-23, the Board was supported and advised in its role by the Audit and Risk Assurance Committee (ARAC). The ARAC does not have executive powers and its membership is independent of the Department. Its purpose is to support the Board and the Accounting Officer by monitoring the departmental risk, control and governance systems

(including financial reporting). Additionally, the Committee will give advice to the Accounting Officer on the adequacy of the coverage of audit arrangements (internal and external) to provide the required assurances.

The Terms of Reference of the Committee are usually reviewed on an annual basis in accordance with best practice contained in the DoF Audit and Risk Assurance Committee Handbook (NI) 2018; and, in consultation with the Committee and Departmental Board members. The Terms of Reference were reviewed in January 2023 and updated to reflect changes in Committee membership.

Membership of the TEO ARAC in 2022-23 comprised three Independent Members. From April to September 2022, the ARAC Chair [also the Non-Executive Board Member (NEBM)] was supported by two Independent Members [from other NICS Departments]. One had been co-opted by the Committee, following his retirement on 31 December 2021, to provide continued support until 30 June 2022.

The Chair / NEBM completed his term in office in September 2022 and two new NEBMs were appointed in September and November 2022. One NEBM, Jo Aston, undertakes the role of ARAC Chair, whilst the other NEBM, Claire Keatinge, undertakes the role of Chair of the Departmental People Development Sub-Committee.

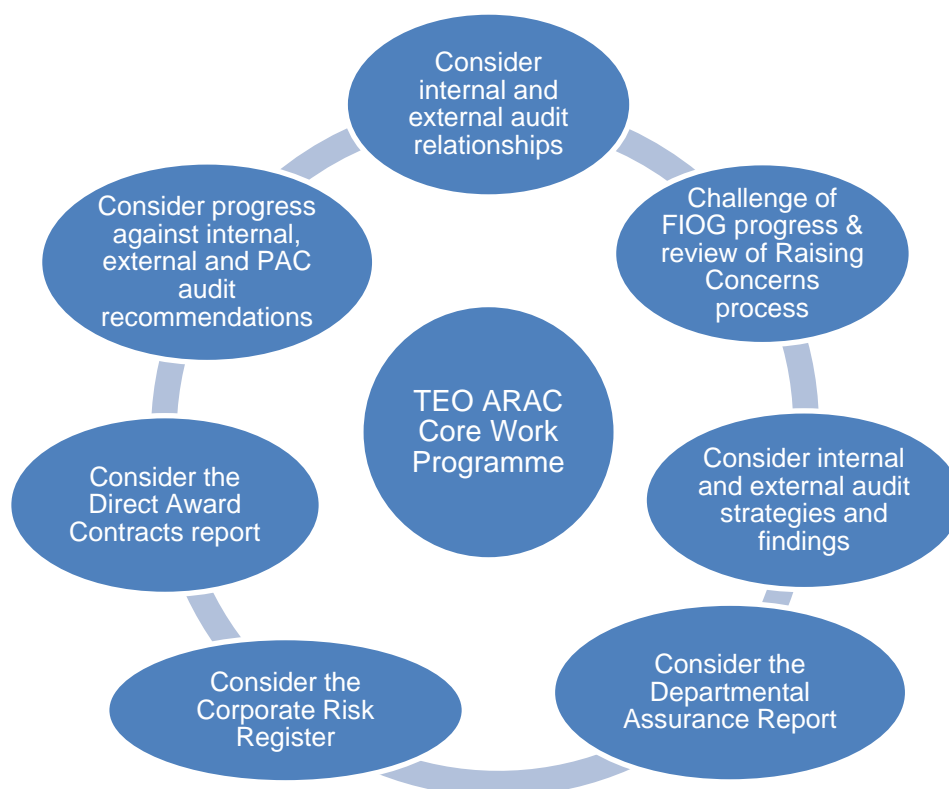
The Committee met four times during 2022-23.

A summary of the ARAC members' attendance is detailed below:

ARAC Member	Role	Meetings Attended (4)
Denis Power	Chair and Non-Executive Board Member (completed term on 28 September 2022)	2/2
Jo Aston	Chair and Non-Executive Board Member (appointed 28 September 2022)	2/2
Claire Keatinge	Non-Executive Board Member and Chair of the Departmental People Development Sub-Committee (appointed 14 November 2022)	2/2
Stewart Barnes	Independent ARAC Member appointed from Department of Finance (on 1 November 2021)	4/4
Glyn Capper	Independent ARAC Member from Department of Justice, (retired on 31 December 2021; co-opted to provide continued support until 30 June 2022).	1/1

A minimum of two members of the Committee is required to form a quorum and all meetings in 2022-23 were deemed quorate. ARAC meetings are normally attended by the Accounting Officer, the Director of Finance, the Head of TEO Governance Branch, the Head of Internal Audit and a representative from the Northern Ireland Audit Office. The ARAC may ask any other departmental official to attend to assist with its deliberations on any particular matter. In line with best practice set out in the DoF Handbook, the Chair set an agreed core work programme for each of the Committee's meetings. The components of the core work programme are illustrated below.

TEO ARAC Core Work Programme



In addition to its core work programme, the ARAC also scrutinises the Department's Annual Accounts, advising on the content of the Governance Statement. The Accounting Officer also reports annually to the Committee on the operation of the Department's Raising Concerns arrangements.

In 2022-23, the ARAC considered and commented on individual issues of internal governance and their implications for wider governance arrangements. These included reports on the test drilling of business cases and post project evaluations; TEO's current resourcing risks; reports in relation to Health and Safety and ICT; actuarial reports in relation to Historical Institutional Abuse and Victims' Payments Schemes; a lessons learned report on direct award contracts; the annual review of the effectiveness of TEO's Raising Concerns policy; a mid-term review of the budget position; a report on the outcomes of the 2020-22 National Fraud Initiative (NFI) for Northern Ireland and the Department's proposed approach to the 2022-23 NFI exercise.

The Chair of the Committee presented regular reports throughout the year to the Departmental Board on the ARAC's work and the main governance issues considered by it. The Chair also provides an annual report to the Board, based on the ARAC's annual work plan and performance.

In its annual report, the Committee recognised that this was another challenging year for TEO. The war in Ukraine led to an urgent need to develop and deploy a Refugee Integration Strategy; and economic pressures were created by a significant increase in energy and fuel costs. BREXIT protocol discussions, and latterly the development of the Windsor Framework added to this workload.

The absence of Ministers and the Executive throughout this financial reporting year together with an unconfirmed budget position for much of the year presented many challenges which TEO managed through effective and robust corporate governance. The absence of such

decision making has resulted in a technical qualification of this year's accounts, as necessary legislative changes could not be made enabling NI Departments to make Financial Transaction Capital loans directly.

Nevertheless, much strategic work was advanced with progress being made in delivering the Homes for Ukraine Scheme, offering an official apology to victims of Historical Institutional Abuse, preparing for the COVID Inquiry, delivering the largest ever Good Relations programme, and developing a co-designed strategy for Ending Violence Against Women and Girls.

Throughout this period of considerable organisational growth and challenge, the Committee acknowledged the rigor with which the Department approached financial management; supported and challenged its ALBs; and, investigated suspected fraud. It commended the quality of reporting on governance matters. These factors helped to inform the ARAC's opinion that:

- the departmental systems of internal control are satisfactory;
- the ARAC operated in accordance with DoF's Audit and Risk Assurance Committee Handbook (NI) guidance; and
- there are no major issues that the Committee considers should be brought to the attention of the Accounting Officer which have not been satisfactorily resolved.

The ARAC considers its own effectiveness annually, using guidelines issued by the National Audit Office. Findings of the self-assessment are presented to ARAC for action as appropriate. A self assessment review was carried out in 2022-23 and the overall assessment of the Committee members is that it operates in accordance with the good practice principles set out by the National Audit Office.

Major Business Case Committee (MBCC)

The MBCC has the overall objective of improving financial governance and management within TEO through the challenge of significant expenditure proposals.

Expenditure proposals are presented to a quorum of three Departmental Board members, comprising the Accounting Officer (or an Independent Departmental Grade 3 (G3) Board Member), the Director of Finance and one other G3 member of the Departmental Board.

The MBCC Terms of Reference were reviewed in 2022-23 and updated to reflect changes regarding the Chair of the Committee. To avoid any potential or perceived conflicts of interest, the MBCC is chaired by the Accounting Officer when the project has been proposed by the Head of the Civil Service (HOCS). The Accounting Officer may also chair the MBCC where a proposal is potentially controversial or repercussive. For all other projects, the MBCC is chaired by a G3 member of the TEO Board who does not have G3 Directorate responsibility for the project being proposed. This is to ensure independence and impartiality in the MBCC review process.

In addition to the members, attendance by governance and economist representatives brings a professional perspective to the scrutiny process. This provides an independent perspective as well as facilitating the sharing of knowledge, experiences and lessons gained from across the Department, which is of particular relevance in TEO, given its wide remit. In 2022-23, the Committee considered eight expenditure proposals, including those for the Victims' Payments

Scheme for Permanent Disablement; development of the Ebrington site; Communities in Transition; the Shackleton site and the Ukraine Family and Homes for Ukraine Schemes.

Departmental People Development Sub-Committee

The Departmental People Development Sub-Committee provides assurance to the Board by overseeing strategic resource planning of departmental staff from financial, HR, capability, staff engagement, accommodation and IT-enabled perspectives.

The role of the Sub-Committee is to ensure the Department has the right people at the required levels, with the right skills and talent within the timeframes it needs to deliver on its overarching business objective of ensuring the wellbeing of citizens. The Sub-Committee's role in strategic resource planning will also take account of wider contextual issues, alongside specific departmental circumstances, that have the potential to impact on the Department's ability to achieve sustainable performance delivering on the departmental priorities.

The Sub-Committee is chaired by Claire Keatinge, one of the Department's NEBMs, and is comprised of TEO Deputy Secretaries. The Sub-Committee's regular advisers and attendees will include the Director of Corporate Services, Director of Finance and NICS HR Business Partner.

A minimum of three members of the Committee must be present for it to be deemed quorate.

Internal Control and Risk Management

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

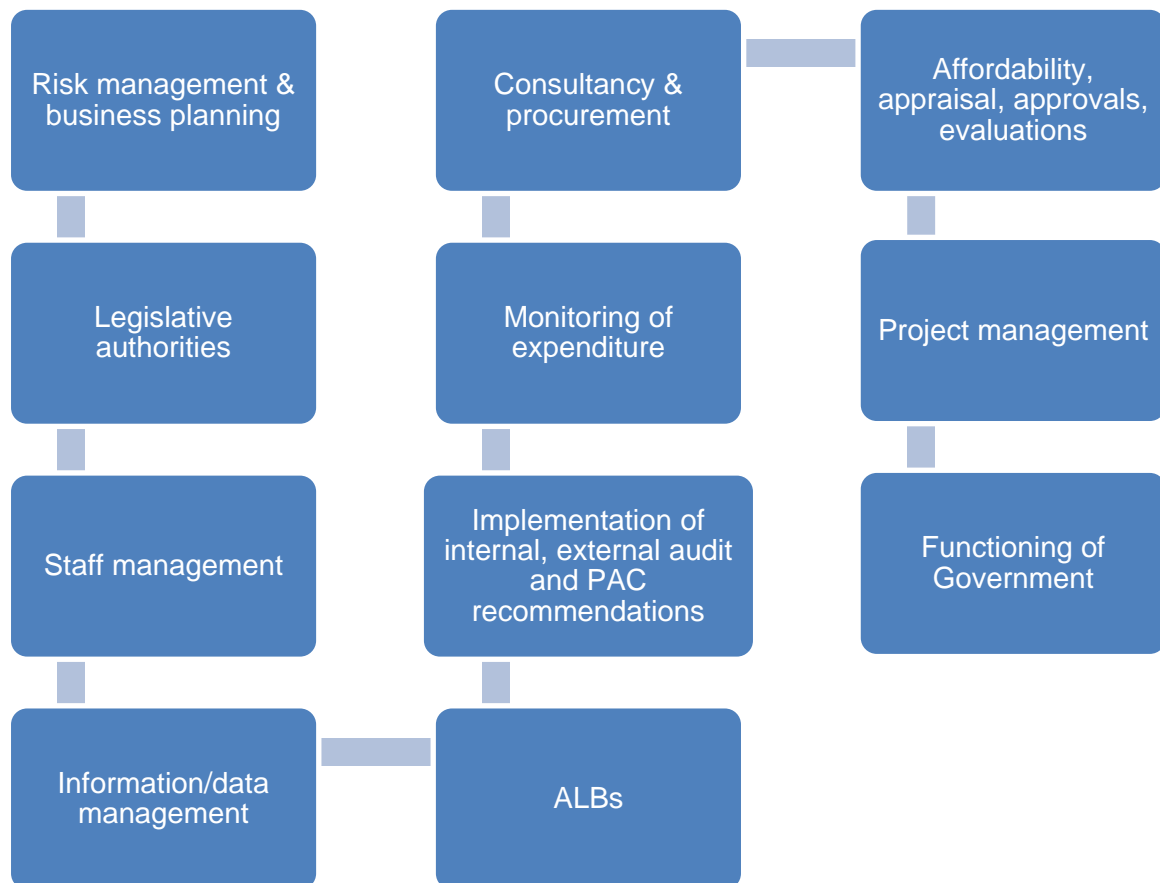
The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of departmental policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage those risks efficiently, effectively and economically.

All relevant internal control considerations and risks are taken into account in the development of departmental policies, aims and objectives and, where necessary, are brought to the attention of the Ministers. The system of internal control has been in place in the Department for the year ended 31 March 2023 and up to the approval date of the Annual Report and Accounts and accords with DoF guidance.

A key element of the system of internal control is the Assurance Statement process. These statements provide assurance to the Accounting Officer that robust systems of internal control are in place and adhered to, for the period of the statement. By signing the assurance statement, officials are confirming their responsibility for maintaining a robust system of internal control whilst safeguarding public funds and assets under their control. They are also confirming that a thorough risk assessment has been completed against each of the risk factors set out in the Assurance Statement Checklist which is set out below.

TEO Assurance Statement – Key Internal Controls



Each Director and the Accounting Officer or Senior Accountable Officer in the Department's ALBs is required to provide a quarterly assurance statement. These statements are used as a basis for the authorisation of the annual Governance Statement by the Departmental Accounting Officer.

Other Governance Structures

There are a number of other policies and processes which also contribute to the Department's corporate governance:

- the development and monitoring of TEO's Business Plan, which identifies key departmental priorities and provides a basis for the allocation of resources;
- setting budgets and priorities and the in-year monitoring process;
- guidance on the policy and procedures for the approval of departmental expenditure and delegated limits is kept under review and disseminated throughout the Department;
- Corporate Governance Branch continues to provide advice and support to officials across TEO;
- test drilling exercises undertaken by departmental economists, of around 10% of all business cases/post project evaluations, highlighting lessons to be learned and the embedding of good practice across this discipline. DoF also undertake periodic test drilling exercises;

- governance is reinforced through the ALB Partnership Forum which meets in several formats, at which collaborative working exercises are commissioned. Best practice and guidance across the Department and its ALBs are shared and discussed at the Forum;
- the Performance Management System;
- HR policies designed to ensure the Department complies with employment law and has the appropriate numbers of staff with suitable skills to meet its objectives;
- the Departmental Fraud Prevention Policy and Response Plan, which details responsibilities for the prevention of fraud and the procedures to be followed in the event of a fraud being detected or suspected. This document relates to fraud and loss both within the Department and its ALBs;
- the Fraud Investigation Oversight Group oversees the investigation of Raising Concerns allegations, allegations of financial irregularity, relevant PSNI action and options for action if funds have been obtained fraudulently;
- TEO did not find any cases of actual, suspected or attempted fraud in its most recent NFI investigations (2020-22 exercise) and takes positive assurance from this on the effectiveness of its internal control environment; and,
- the Departmental Raising Concerns policy and procedures for staff involved in managing Raising Concerns allegations. TEO is mindful of the new NICS Framework launched in respect of Raising Concerns and has taken steps to ensure that its policies and procedures are in line with the Framework.

Risk Management

Managing risk is particularly important in TEO, since the Department undertakes a wide range of services and activities either directly, or via its ALBs; many of which are within sensitive and challenging operational areas. This influences the mechanisms deployed to manage risk and the Department's risk appetite. A number of initiatives under the Together: Building a United Community strategy, Good Relations, Victims' Payments Scheme for Permanent Disablement, SIF and Urban Villages programmes have led to innovative methods of collaborative working, which accelerated project implementation. The Department's robust risk management structure provides the mechanism to manage the risks associated with such innovative projects and initiatives.

To assist in the Risk Management Process, the Department has developed a Corporate Risk Register (CRR) which identifies the high-level risks to the achievement of the Department's vision and overall aim.

The CRR includes the Board's statement of its risk appetite:

CAUTIOUS	OPEN	EAGER
Legal risks	Governance risks	Strategy risks*
Security risks	Operational risks	Investment in People risks
Large/complex/high-cost project/programme risks	Financial risks	Technology risks
	Commercial risks	Agile projects
	Information risks	Pilots
	Reputational risks	Innovations
	Small to medium/ lower cost project risks	

*Refers here to the Department welcoming considered risk taking in organisational actions in pursuit of priorities and committing to regular refresh of organisational strategy. This is different from the risk of pursuing a poorly designed strategy, based on flawed data, or one that is not aligned with departmental priorities.

The CRR is informed by an assessment of risk at each level of the Department, including at Corporate, Directorate, Divisional Branch and Project levels. A risk owner is identified for each of these risks which reinforces the inextricable link between risk management and the business planning process. Where a risk cannot be managed solely by a business area, it should be escalated – first to the Deputy Secretary and, if necessary, to the Board, where the Deputy Secretary needs Board action to mitigate or treat the risk, or agreement to tolerate it.

The CRR is endorsed by the Accounting Officer and Departmental Board and is subject to regular revision. Assurance on the mitigation of identified risks is provided to the Accounting Officer, through the quarterly assurance statement process. Scrutiny of the CRR forms part of the Board and ARAC core work programme. The CRR is updated and reviewed by the TEO Board and the ARAC on a quarterly basis.

The CRR for 2022-23 represents an evolution from previous years', reflecting the changing role of the Departmental Board in a Department which has grown significantly. It aims to present the corporate-level risks which require the Board's active monitoring and intervention, while delegating to Directorates those risks relating to specific programmes and projects that can satisfactorily be managed at business area level. The CRR therefore comprises those risks which need Board-level, corporate attention, and have the ability to materially impact the deliverability of the Department's aims and objectives. Mitigations have been divided into standing controls and specific actions to be taken.

The refreshed CRR also stimulates fresh thinking on Divisional and Branch Risk Registers. It encourages Divisions to use these, at team meetings, for regular discussions on emerging or changing risks; and, how they can be managed, with updates to the Registers as a consequence.

The 2022-23 CRR is focused on five key strategic and corporate risks, compared to fourteen last year. They are:

- **Mission:** clarity of purpose and communications.
[A lack of clarity leads to a disjointed portfolio and failure to maximize outcomes];
- **Delivery:** available resources and match to mission.
[A gap between targets and ability impacts on delivery];
- **Organisational wellbeing: people and culture.**
[Misalignment of skills and culture vs departmental aims];
- **Our partners and relationships:** alignment to mission.
[A lack of alignment leads to lost opportunity costs]; and
- **Resilience: systems for managing external and internal events**
[Predictable adverse incidents impact delivery].

During 2022-23, business areas presented on risk management within their Directorates to the Departmental Board to allow a deeper and more meaningful understanding and discussion of risks facing the Department.

Internal Audit formally reviewed the Department's Risk Management process in 2019-20 and provided a satisfactory audit opinion. Although no formal review has taken place since, Internal Audit has contributed to the review of the departmental risk register through attendance at Audit and Risk Assurance Committee meetings and is content that the satisfactory rating remains in force.

The Senior Information Risk Owner (Neelia Lloyd) continues to provide the overall lead in the important work of Information Risk Assurance, reviewing and developing TEO's information assurance and management policies and procedures. The Data Protection Officer has worked closely with Information Asset Owners and Senior Responsible Owners (Data Protection & FOI) to raise awareness of information issues and to provide training to staff on UK information law. In addition, the Departmental Security Officer continues to review and report to the Departmental Board bi-annually on resilience, vulnerabilities and risks.

Along with other Northern Ireland Departments, the Department has historically carried out a Security Health Check. This check is in keeping with the principles outlined in the UK Government's Security Policy Framework. The Framework describes how organisations and third parties handling official information and other assets will apply protective security to ensure government can function effectively, efficiently and securely. The last check within the Department was performed during 2020-21, as the process is under review by the Department of Finance.

Work continues with the Public Record Office of Northern Ireland (PRONI) to facilitate the timely disposal of official records or their transfer to PRONI for permanent preservation. Considerable progress was made during the year with the completion of the first phase of assessment and destruction. A further review of records was recently completed by PRONI.

The TEO Information Asset Register (IAR) has been reviewed and a number of new business areas have been captured thereby providing a comprehensive overview of departmental information assets and meeting a legislative requirement within UK information law.

All the actions mentioned above ensure the continuing protection, assurance, legitimate processing and secure disposal of official and sensitive corporate business and personal information within a secure environment.

There were no personal data breaches in the core Department in 2022-23. During the year, five information incidents occurred in three of the Department's ALBs. However, none of the incidents met the threshold for reporting to the Information Commissioner's Office (ICO).

Following the June 2021 Information Commissioner's Audit report on TEO, mandatory Freedom of Information e-learning was rolled out across the NICS. Work continues to embed good practice, raise awareness levels in staff and build on the progress made to improve response times for FOI requests to 82% (target, 90%), a significant improvement since 2021.

Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for reviewing the effectiveness of TEO's system of internal governance. I am advised by the Board and Audit Committee in this regard.

My review of the effectiveness of this system is informed by the work of the Internal Audit Service; and the executive directors within the Department, who have responsibility for the development and maintenance of the internal control framework. I also consider the comments made by the NIAO in its Report to Those Charged with Governance and other reports. I have considered the implications of this review and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Sources of Independent Assurance

The Department relies on Independent Assurance from the following sources:

- Internal Audit Service (IAS); and
- the Northern Ireland Audit Office (NIAO).

Internal Audit

The Internal Audit Service provides independent assurance by giving an independent opinion on the adequacy and effectiveness of the Department's system of internal control to the Accounting Officer and Audit and Risk Assurance Committee. It was provided by DoF's Internal Audit Unit.

The Internal Audit work programme includes a periodic assessment of the completeness and effectiveness of TEO's corporate governance arrangements. This was most recently reported as satisfactory, in April 2020.

The Departmental Accounting Officer and the Board are independently advised by the Head of Internal Audit, who operates in accordance with Public Sector Internal Audit Standards (PSIAS). The primary role of Internal Audit is to provide the Permanent Secretary, in his capacity as Accounting Officer, and the Board with an independent and objective opinion on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the Department's agreed objectives.

IAS has played a crucial role in their review of TEO by:

- focusing audit activity on the key business risks;
- guiding managers and staff through improvements in internal controls;
- auditing the application of risk management and control as part of Internal Audit reviews of key systems and processes; and
- providing advice to management on internal governance implications of proposed and emerging changes.

Resource issues have impacted progress against internal audit plans resulting in slippage within the TEO audit timetable and as such some audits have not yet fully completed. However, IAS has completed four audits all with a satisfactory audit opinion. IAS have also issued two draft reports and undertook three advisory pieces of work. Three further pieces of work are nearing completion.

Recommendations within these reports are given due consideration with changes made to improve governance, if required.

IAS provided advice to the Department on a range of issues on both a formal and an informal basis.

IAS also conducted two external quality assurance reviews of the internal audit service provision to the Equality Commission NI and to the Victims and Survivors Service. IAS was satisfied that the audit provision met with the requirements of the International Professional Practices Framework (IPPF) which includes the Code of Ethics, the Core Principles, the definition of Internal Auditing and the International Standards for the Professional Practice of Internal Auditing.

On the basis of work undertaken in previous years and during 2022-23, the Head of Internal Audit provided a satisfactory opinion for 2022-23 to TEO.

Northern Ireland Audit Office (NIAO)

The Department is also subject to independent scrutiny from the NIAO. The NIAO is independent of Government and is tasked by the Assembly to hold the Northern Ireland Departments and their Agencies to account for their use of public money. As Head of the NIAO, the Comptroller and Auditor General works closely with the Assembly's Public Accounts Committee, which can require Accounting Officers and senior officials to account for their actions in relation to the stewardship of public funds.

Governance and Accountability of TEO's ALBs

The Department's ALBs are key to the delivery of its objectives and strong governance of them is critical to the Department.

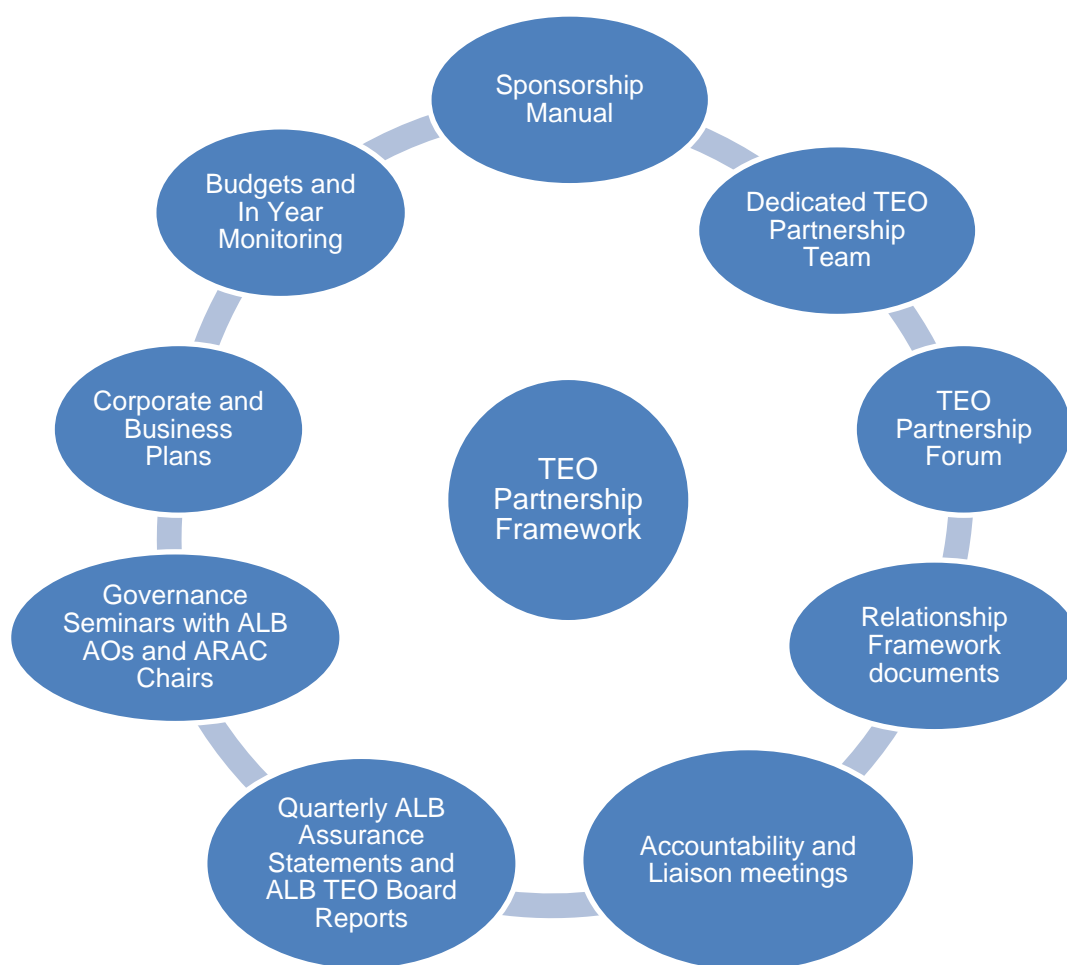
ALBs use their own governance structures developed in line with: Managing Public Money Northern Ireland; the requirements of the Department; and other relevant guidance. Each ALB, where required by statute, publishes its own Governance Statement within its Annual Report and Accounts.

ALB Boards have corporate responsibility for ensuring that their organisation fulfils its statutory responsibilities and the aims and objectives set by the Department/Ministers, including promoting the efficient, economic and effective use of staff and other resources.

As Principal Accounting Officer, I have a duty to satisfy myself that all ALBs have adequate governance systems and procedures in place to promote the effective and efficient conduct of their business; and, to safeguard financial propriety and regularity.

In fulfilling the partnership and oversight role, a partnership framework is in place including key governance arrangements to provide effective partnership working with the Department's ALBs and to provide assurance to Ministers and the Accounting Officer. A Partnership Charter was developed collaboratively by a joint TEO / ALB task and finish group. This sets out the overall approach, including agreed principles, for the relationships between organisations in the TEO family of organisations.

TEO Partnership Framework



The relationship between the Department and each of its ALBs is set out in a Partnership Agreement, a Management Statement/Financial Memorandum, or a Memorandum of Understanding, and is managed through a nominated ALB partnership team within the Department. Specific risk-based delegated authority levels are in place for each ALB. Departmental partnership teams are guided by TEO's ALB Sponsorship Manual and DoF's Code of Good Practice on Partnerships between Departments and Arm's Length Bodies. The TEO ALB Sponsorship Manual has been developed to meet the responsibilities placed on the Department, under Managing Public Money NI, for the ALBs operating under its control.

The performance of ALBs is reviewed by the Departmental Board, on a quarterly basis, through the ALB Directors' Assurance reports. These reports include financial performance; monitoring of business plan targets; key risks and achievements; and any action required by the Departmental Board. Using a risk-based approach, the Board considers annual business plans for the larger ALBs, in advance of their submission for Ministerial approval. Quarterly Assurance Statements from all ALBs are completed by the ALB Accounting Officers/Senior Accountable Officers and reviewed by the partnership team and Corporate Governance Branch. Any significant issues are escalated through inclusion in the lead official's Departmental Assurance Statement.

The ALB Forum meets on a quarterly basis (or more frequently if considered necessary) and includes the departmental lead official for the ALB and the ALB Accounting Officer/Senior Accountable Officer. These meetings promote partnership and collaboration combining skills

and experiences that will improve the wellbeing of society. Four meetings were held in 2022-23.

TEO Finance continued to engage with ALB Finance teams on the preparations and timetabling of the introduction of the Review of Financial Process (RoFP). It also worked with ALB Finance teams on budgeting and accounting issues, over the course of the year.

In addition, Corporate Governance Branch provided advice and guidance to ALBs on business cases, pay remits and the development of relationship framework documents. Collectively these actions provide the Department with the assurance that individual ALBs are effectively discharging their functions and that public money is being properly used to deliver the objectives and targets set, while ensuring compliance with the requirements for regularity, propriety and value for money.

Adherence to Procedures

Adherence to Appraisal Procedures

The conclusions drawn from the most recent test drill review of the 2021-22 economic appraisals and post project evaluations sampled, are mainly positive. However, some areas have been identified where actions could be taken to align the economic appraisals and post project evaluations more closely to the relevant guidance.

Raising Concerns and Investigations

The Department's Fraud Investigation Oversight Group (FIOG) considers on a six-monthly basis the investigation of Raising Concerns allegations, as well as allegations of financial irregularity, relevant PSNI action and options for action if funds have been obtained fraudulently.

During 2022-23, FIOG had oversight of 22 investigations, six of which were reported in that year. The investigations related to a number of areas within TEO, its ALBs and funded third party organisations. Following investigation, 16 cases were closed during the year and six cases carried forward into the next financial year. No funding associated with these cases has been written off in the year.

The Department managed 12 Raising Concerns cases in 2022-23, five of which were carried over from 2021-22 and seven were reported in the current financial year. Following investigation, 10 cases were closed and two cases carried forward into 2023-24.

The NICS People Survey opened on 17 April 2023 and will serve to examine if the current arrangements regarding Raising Concerns appear to have been working effectively over the 2021-23 period. TEO hope to publish early in 2023-24 a revised Fraud Response Plan and new set of guidelines for Raising a Concern [in line with the [NICS Raising a Concern Policy Framework](#), published on 25 January 2023]. These anticipated updates will be considered in line with recent revisions to the NICS guidance before Departmental Board approval is sought of the revised policy and it is re-issued to all staff.

Divergences - Prior Year

CRC - Since 2010-11, an ongoing issue in relation to pension allowances paid to the staff of CRC has resulted in irregular expenditure of approximately £288k, including £15k in 2022-23. The allowance being paid was to ensure that staff at CRC, on terms and conditions analogous to the NICS, were not disadvantaged by membership of the pension scheme to which they belonged but it has not been approved by TEO or DoF. Work is ongoing to address the issue.

Divergences – Current Year

Financial Transactions Capital (FTC)

Financial Transactions Capital (FTC) funding is ring-fenced by Treasury and can only be used to provide a loan to a private sector entity or take an equity share in a private entity. FTC is usually used to increase and/or accelerate infrastructure investment in Northern Ireland, in support of the Executive's priorities.

Since the Strategic Investment Board (SIB) has a generic legal capability to make loans or equity investments and some departments do not, the funding is channelled through SIB. Where a Department wishes to make an FTC loan and SIB makes the loan agreements; they are also the subject of individual Memoranda of Understanding (MOU) between that Lead Department, The Executive Office (TEO), SIB and the Department of Finance (DoF) that set out each body's respective responsibilities.

TEO's Accounting Officer is responsible for: providing FTC funding to SIB; agreeing with DoF how repayments are reflected in TEO's budget and accounts; ensuring the investment aligns with the ambit of TEO's Request for Resources; and meets the requirements of regularity and propriety, on the basis of assurances received from the Accounting Officers of the lead departments. TEO continues to work with Department of Finance to resolve a potential governance issue raised by them in their assurance statement to TEO for 2022-23 in respect of FTC loans delivered on their behalf.

In terms of accounting treatment, DoF directed SIB to recognise financial assets for all of these FTC loans which are now consolidated in TEO's Statement of Financial Position. However, the assets and loans do not meet the government reporting manual (FReM) recognition criteria. This represents a material error in the accounts and has resulted in technical qualification of the audit opinion.

The technical qualification of TEO consolidated accounts results from the lead Departments (namely DoF and DfE) not having the legal capability to make loans or equity instruments. This can only be addressed by amendment within the next Financial Provisions Bill providing them with such powers. TEO is working with both Departments to ensure that the legal drafting for such an amendment is finalised. The amended legislation can then be put forward for approval when the Executive is restored or alternatively, taken through Westminster should an opportunity arise prior to the restoration of the Executive. Once such legislation is approved, neither TEO nor SIB will have any role or accountability in facilitating such loans, thus negating the associated technical qualification of the accounts.

Retrospective approvals

The war in Ukraine and the subsequent refugee crisis required immediate expenditure by the Department during 2022-23. Retrospective approval was subsequently sought and secured from the Department of Finance.

Similarly, the novel and complex nature of the Victims Payment Scheme for Permanent Disablement meant that retrospective approval was required and subsequently secured from DoF for an element of this expenditure (£23.4m).

Urgent preparatory work associated with the strategy on Ending Violence Against Women and Girls (EVAWG) and the Truth Recovery Programme (TRP) is the subject of business cases currently being developed. In the meantime, expenditure including staff costs for EVAWG is £2.2m and TRP £1.1m.

TEO has taken steps to prevent a recurrence of these issues including revisions to its TEO Expenditure Approvals Guidance in April 2022 to further simplify and streamline the internal approvals process.

Ministerial Directions

I can confirm that, as Accounting Officer, I am in compliance with the “Accounting Officer responsibilities” set out in MPMNI Chapter 3, by ensuring that, should the Ministers decide to continue with a course of action which I have advised against, the Ministers are asked to provide me with a formal Ministerial Direction to proceed with that course of action. Such a Direction is likely to mean that the associated expenditure is novel or contentious and therefore outside of the departmental delegated expenditure limits.

The Ministers may decide, in these circumstances, that the issue should be discussed by the Executive. As Accounting Officer, I ensure that any Ministerial Directions are formally notified to DoF and to the C&AG.

No Ministerial Directions were issued during 2022-23.

Conclusion

TEO has a rigorous system of accountability on which I rely, as Accounting Officer, to form an opinion on the probity and use of public funds, as detailed in Managing Public Money Northern Ireland.

Having considered the corporate governance framework within which the Department and its Arm’s Length Bodies operated and in conjunction with assurances given to me by the Audit and Risk Assurance Committee, I am content that the Department has operated a sound system of internal governance during the period 2022-23.

REMUNERATION AND STAFF REPORT

The remuneration and staff report sets out the Department's remuneration policy for Ministers and Senior Civil Servants, reports on how the policy has been implemented and sets out the amounts awarded to Ministers and Senior Civil Servants.

Departmental Remuneration Report

Remuneration Policy

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following the Secretary of State for Northern Ireland's 24th November 2022 Written Ministerial Statement (WMS) on the Budget and the NI (Executive Formation) Act receiving Royal Assent on the 6th December 2022, the NI public sector pay policy guidance was published on 8th December 2022.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2022/23 has been finalised and paid in June 2023. The pay award for NICS industrial staff for 2022-23 has been finalised and paid in July 2023.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance.

Service Contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise.

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

Further information about the work of the Civil Service Commissioners for Northern Ireland can be found at www.nicscommissioners.org.

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 and pension entitlements – Ministers (Audited)

There were two Ministers in place during 2022-23 and six during 2021-22.

Single total figure of remuneration								
Ministers	Salary (£)		Benefits in kind (to nearest £100)		Pension Benefits** (to nearest £1000)		Total (to nearest £1000)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Mrs Arlene Foster (from 01/04/21 to 14/06/21)	-	14,800 (72,000 full year equivalent)	-	-	-	5	-	20
Mr Paul Givan (from 17/06/21 to 03/02/22)	-	45,442 (72,000 full year equivalent)	-	-	-	14	-	59
Mrs Michelle O'Neill (from 01/04/21 to 14/06/21 and from 17/06/21 to 03/02/22)	-	60,243 (72,000 full year equivalent)	-	-	-	16	-	76
Mr Gordon Lyons (from 01/04/21 to 14/06/21)	-	1,233 (6,000 full year equivalent)	-	-	-	1	-	2
Mr Declan Kearney (from 01/04/21 to 31/03/22 and from 01/04/2022 to 05/05/2022)	581 (6,000 full year equivalent)	6,000 (6,000 full year equivalent)	-	-	-	2	1	8
Mr Gary Middleton (from 17/06/21 to 31/03/22 and from 01/04/2022 to 05/05/2022)	581 (6,000 full year equivalent)	4,733 (6,000 full year equivalent)	-	-	-	1	1	6

**The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.*

Remuneration and pension entitlements – Officials (Audited)

Officials	Salary		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1000)		Total (£'000)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Dr Denis McMahon <i>Permanent Secretary</i> (from 26/07/21)	130 - 135	85-90 (130-135 Full year equivalent)	-	-	31,000	35,000	160-165	120-125
Dr Jayne Brady** <i>Head of the Civil Service</i> (from 01/09/21)	165-170	95-100 (165-170 Full year equivalent)	-	-	64,000	37,000	225- 230	130-135 (200-205 Full year equivalent)
Mrs Jenny Pyper <i>Interim Head Of the Dept</i> (to 31/08/21)	N/A	95-100 (235-240 Full year equivalent)	N/A	N/A	N/A	N/A	N/A	95-100 (235-240 Full year equivalent)
Dr Andrew McCormick <i>Director General</i> (Retired 31/08/21)	N/A	50-55 (135-140 full year equivalent)	N/A	Nil	Pension is a private scheme	Pension is a private scheme	N/A	50-55
Mr Chris Stewart <i>Director</i>	100-105	100-105	Nil	Nil	(46,000)	56,000	55 - 60	155-160
Ms Karen Pearson <i>Director</i>	95 - 100	95-100	Nil	Nil	(35,000)	53,000	55 - 60	145-150
Mr Alexander Gordon <i>Director</i>	150-155	150-155	Nil	Nil	61,000	59,000	185-190	205-210
Mrs Neelia Lloyd <i>Director</i>	80-85	75-80	Nil	Nil	4,000	36,000	80-85	110-115
Mr Thomas Reid <i>Director</i>	95-100	95-100	Nil	Nil	(1,000)	75,000	95-100	170-175
Mr Gareth Johnston <i>Director</i>	95-100	50-55 (95-100 full year equivalent)	Nil	Nil	13,000	59,000	105-110	105-110
Mrs Tara Kennedy <i>Acting Director</i> (from 01/12/21 to 25/09/22)	35 - 40 (70 - 75 full year equivalent)	20-25 (70-75 full year equivalent)	Nil	Nil	32,000	17,000	65-70 (100-105 full year equivalent)	35-40 (85-90 full year equivalent)
Mr Ronan Murtagh <i>Director (From 26/09/22)</i>	35-40 (70-75 full year equivalent)	N/A	Nil	N/A	20,000	N/A	55-60 (90-95 full year equivalent)	N/A
Mrs Patricia Claire Archbold <i>Director (from 01/12/21)</i>	100-105	30-35 (100-105 full year equivalent)	Nil	Nil	(14,000)	13,000	85-90	40-45 (110-115 full year equivalent)

Mrs Josephine Aston <i>Independent Non Executive Board Member from 28/09/22</i>	5-10 (45-50 full year equivalent)	N/A	Nil	N/A	Nil	N/A	5-10 (45-50 full year equivalent)	N/A
Ms Anne Claire Keatinge <i>Independent Non Executive Board Member from 14/11/22</i>	0-5 (30-35 full year equivalent)	N/A	Nil	N/A	Nil	N/A	0-5 (30-35 full year equivalent)	N/A
Mr Denis Power <i>Independent Non Executive Board Member to 28/09/22</i>	5-10	5-10	Nil	Nil	Nil	Nil	5-10	5-10

* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

**As per agreement with the Chair, the Head of the Civil Service attends the TEO Departmental Board by exception. Jayne Brady was in attendance for the meeting on 26 October 2022.

Remuneration and pension entitlements – Officials of the NICS Board (Audited)

The NICS Board comprises of cross-departmental representation (including HOCS and all Permanent Secretaries). It provides concerted strategic leadership of the work of the NICS in support of the Northern Ireland Executive. It is crucial to achieving the whole-system approach needed to support the development and delivery of the Executive's priorities, through the provision of collective advice and oversight of the organisational change required to optimise delivery and impact.

Members who were existing NICS employees did not receive any additional remuneration for their attendance in addition to their departmental salaries and expenses.

Secretariat support to the NICS Board is provided by The Executive Office. Further details, including board minutes can be accessed at: [NICS Board Background and Minutes](#).

Officials	Salary		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1000)		Total (£'000)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Dr Jayne Brady* <i>Head of the Civil Service (from 01.09.21)</i>	165-170	95-100 (165-170 Full year equivalent)	Nil	Nil	64,000	37,000	225- 230	130-135 (200-205 Full year equivalent)
Patrick Magee <i>Independent Non-Executive Board member (from 01.02.23)</i>	0-5 (10-15 full year equivalent)	N/A	Nil	N/A	Nil	N/A	0-5 (10-15 full year equivalent)	N/A
Laura McKeaveney <i>Independent Non-Executive</i>	0-5 (10-15 full year equivalent)	N/A	Nil	N/A	Nil	N/A	0-5 (10-15 full year equivalent)	N/A

Board member (from 01.02.23)								
Frances Ruane Independent Non-Executive Board member (from 01.02.23)	0-5 (10-15 full year equivalent)	N/A	Nil	N/A	Nil	N/A	0-5 (10-15 full year equivalent)	N/A

* HOCS remuneration also disclosed above in 'Remuneration and pension entitlements – Officials' note above.

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 and any severance or ex gratia payments. This report is based on accrued payments made by The Executive Office and thus recorded in these accounts.

The Northern Ireland Assembly was dissolved from 3 February 2022 with an election taking place on 5 May 2022, on which date Ministers ceased to hold office. An Executive was not formed following the 5 May 2022 election. Consequently, the former Ministers retained their roles in a caretaker capacity until 28 October 2022. As such, The Executive Office was under the direction and control of Mr Paul Givan during part of the 2022-23 the financial year. His salary and allowances were paid by the Department and have been included in these accounts. These amounts do not include costs relating to the Minister's role as MLA which are disclosed in the Northern Ireland Assembly Commission accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. None of the above received any benefits in kind.

Fair Pay Disclosures (Audited)

Pay Ratios

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

The banded remuneration of the highest-paid director in The Executive Office in the financial year 2022-23 was £165,000 - £170,000 (2021-22: £165,000 - £170,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below

In 2022-23, one (2021-22; one) employee received remuneration in excess of the highest paid director.

Remuneration ranged from £7,752 to £225,978 (2021-22: £8,076 to £219,396).

<u>2022-23</u>	25th percentile	Median	75th percentile
Total remuneration (£)	£29,307	£35,398	£49,559
Pay ratio	5.72	4.73	3.38

The above divergences from the median remuneration arise from the range of grades across the TEO pay structure.

<u>2021-22</u>	25th percentile	Median	75th percentile
Total remuneration* (£)	£28,706	£38,022	£52,026
Pay ratio	5.84	4.41	3.22

** 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.*

For 2022-23 and 2021-22, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- salary and allowances, and
- performance pay and bonuses of the highest paid director and of their employees.

The percentage changes in respect of The Executive Office are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2022-23 v 2021-22	2021-22 v 2020-21
Average employee salary and allowances	18%	3%
Highest paid director's salary and allowances	0%	-29%

Pension Benefits (Audited)

Pension Entitlements - Ministers

There were two Ministers in place during 2022-23 (until 5 May 2022) and six in 2021-22

	Accrued pension at pension age as at 31/03/23	Real increase in pension at pension age	CETV at 31/03/23	CETV at 31/03/22	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mrs Arlene Foster (from 01/04/21 to 14/06/21)	-	-	-	186	-
Mr Paul Givan (from 17/06/21 to 03/02/22)	-	-	-	36	-
Mrs Michelle O'Neill (from 01/04/21 to 14/06/21 and from 17/06/21 to 03/02/22)	-	-	-	203	-
Mr Gordon Lyons (from 01/04/21 to 14/06/21)	-	-	-	2	-
Mr Declan Kearney (from 01/04/21 to 31/03/21 and from 01/04/21 to 31/03/22)	0 - 5	0 – (2.5)	5	4	1
Mr Gary Middleton (from 17/06/21 to 31/03/22)	0 - 5	0 – (2.5)	1	1	-

On 3 February 2022, the First Minister resigned from office, which triggered the dissolution of the joint office. However, the deputy First Minister was able to and did continue to exercise the functions of her office, in accordance with the Northern Ireland Act 1998, until the Assembly election on 5 May 2022.

After the election on 5 May 2022, no Speaker, First Minister or deputy First Minister were nominated; an Executive could not be formed. Other Departmental Ministers were permitted to remain in post for an executive formation period of a maximum of 24 weeks. That period came to an end on 28 October 2022 and at midnight all ministers automatically ceased to hold office. However, the Speaker remains in post until his successor is appointed.

Ministerial pensions

Pension benefits for Ministers are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2016 (AMPS). In 2011, the Assembly passed the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 establishing a panel to make determinations in relation to the salaries, allowances and pensions payable to members of the Northern Ireland Assembly. The tenure of the first Panel ended in July 2016. As a consequence of the Assembly Commission's desire to consider a reform of the Panel and the political situation between March 2017 and January 2020, a new Panel was not appointed. Legislation to reform the Panel, although started, was not completed before the dissolution of the Assembly on 28 March 2022, therefore, the legislation and appointment of the Panel will be taken forward during the next mandate.

In April 2016 the Independent Financial Review Panel (IFRP) issued The Assembly Members (Pensions) Determination (Northern Ireland) 2016 which introduced a Career Average Revalued Earnings scheme for new and existing members. The scheme is named Assembly Members' Pension Scheme (Northern Ireland) 2016.

Members of the Legislative Assembly ("MLA" or "Member") aged 55 or over on 1 April 2015 and in continuous service between 1 April 2015 and 6 May 2016 retained their Final Salary pension arrangements under transitional protection until 6 May 2021. The McCloud judgement found that the transitional protection offered to members of the Judiciary and Firefighters Schemes when their schemes were reformed was discriminatory on grounds of age. In light of this decision, the government has agreed to provide remedy to eligible members across the main public sector schemes. This judgement could have an impact on MLAs who missed out on the Transitional Protection policy in the AMPS because of their age. However, the applicability of, and approach to, the McCloud judgement in relation to this scheme is not a matter for the Assembly Commission, instead it is a matter for IFRP. Therefore, this matter will be given further consideration once a new panel is appointed.

As Ministers are MLAs, they also accrue an MLA's pension under the AMPS (details of which are not included in this report). Pension benefits for Ministers under transitional protection arrangements are provided on a "contribution factor" basis, taking account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as an MLA for each year of service as a Minister. Pension benefits as a Minister are based on the accrual rate (1/50th or 1/40th) multiplied by the cumulative contribution factors and the relevant final salary as an MLA. Pension benefits for all other Ministers are provided on a career average (CARE) basis.

Benefits for Ministers are payable at the same time as MLA's benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Up to the 6 May 2021 those Ministers under the transitional protection arrangements paid contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate. The contribution paid by Ministers in the CARE Scheme is 9% of the Ministerial salary. There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose representing the balance of cost. Following the publication of the triennial valuation of the AMPS by the Government Actuary's Department, this was increased from 14.4% to 17.1% of Ministerial salary, effective from 1 April 2021. The accrued pension quoted is the pension the Minister is entitled to receive when they reach normal pension age for their section of the Scheme. Ministers under transitional protection arrangements may retire at age 65. Ministers in the CARE scheme have a pension age aligned to the State Pension Age.

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. It 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 service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) 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 increase in accrued pension due to the Assembly Commission's contributions to the AMPS, and excludes increases due to inflation and contributions paid by the Minister and is calculated using valuation factors for the start and end of the period.

Pension Benefits – Officials

	Accrued pension at pension age as at 31/03/23 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/23	CETV at 31/03/22	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Dr Denis McMahon (Permanent Secretary from 26/07/21)	30 - 35	0 - 2.5	545	480	12	-
Dr Jayne Brady (Head of the Civil Service from 01/09/21)	5 - 10	2.5 - 5	73	26	32	-
Dr Andrew McCormick Director General (retired 31/08/21)	N/A	N/A	N/A	N/A	N/A	-
Mr Chris Stewart Director	45 - 50 plus a lump sum of 120-125	0 plus a lump sum of 0	1,106	1,035	(62)	-
Ms Karen Pearson Director	50 - 55 plus a lump sum of 105-110	0 plus a lump sum of 0	1,011	945	(47)	-
Mr Alexander Gordon Director	10 - 15	2.5 - 5	175	121	36	-
Mr Thomas Reid Director	35 – 40 plus a lump sum of 55 - 60	0 – 2.5 plus a lump sum of 0	614	563	(14)	-
Mrs Neelia Lloyd Director	25 - 30	0-2.5	384	350	(7)	-
Mr Gareth Johnston Director from 09/09/21	40 – 45 plus a lump sum of 80 - 85	0 – 2.5 plus a lump sum of 0	744	663	(1)	-
Mr Ronan Murtagh Director from 25/09/22	20 - 25	0 - 2.5	338	303	13	-
Mrs Tara Kennedy Acting Director from 01/12/21 to 25/09/22	15 - 20	0 - 2.5	217	189	23	-
Ms Patricia Claire Archbold Director from 01/12/21	45 - 50 plus a lump sum of 75 - 80	0 - 2.5 plus a lump sum of 0	809	750	(27)	-

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the classic, premium, classic plus and nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. At that time, members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha (full protection) and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

McCloud Judgment

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, steps are being taken by the Department of Finance to remedy those 2015 reforms, making the pension scheme provisions fair to all members. Some active members will have seen changes from April 2022.

The remedy is made up of two parts. The first part was completed last year with all active members now being members of alpha from 1 April 2022, this provides equal treatment for all active pension scheme members.

The second part is to put right, 'remedy,' the discrimination that has happened between 2015 and 2022. DoF are currently working on new scheme regulations and processes in readiness for this.

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(NI) 'Classic', 'Premium' or 'Nuvos' (legacy scheme) or alpha. Scheme regulations made in March 2022, closed the PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS(NI) members (including partially retired members in active service) moved to 'alpha' from 1 April 2022. This completed 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(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. At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at:

<https://www.finance-ni.gov.uk/publications/dof-resource-accounts>

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

Information on the PCSPS(NI) – Closed Scheme

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of premium or joining the Partnership Pension Account.

Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' 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 (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

Partnership Pension Account

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. 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).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy **Classic**, **Premium**, and **Classic Plus** arrangements and 65 for any benefits accrued in **Nuvos**. Further details about the NICS pension schemes can be found at the website <http://www.finance-ni.gov.uk/civilservicepensions-ni>.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2022 was 10.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2023.

Employee contribution rates for all members for the period covering 1 April 2023 – 31 March 2024 are as follows:

Scheme Year 1 April 2023 to 31 March 2024

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	To	From 01 April 2023 to 31 March 2024
£0	£25,049.99	4.6%
£25,050.00	£56,999.99	5.45%
£57,000.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

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 CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

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.

Under the transfer value regulations, a CETV should be the amount required within the pension scheme to make provision for the accrued benefits, options and discretionary benefits which would otherwise be provided.

The public service pension schemes provide deferred benefits to early leavers that are calculated by reference to completed service and to pensionable earnings. Under the Pensions (Increase) Act 1971, benefits are up-rated in line with inflation during deferment and in payment both to the member and any dependants. That part of the benefit which is guaranteed minimum pension (GMP) or national insurance modification may be up-rated by the schemes at a lower rate, if at all, once benefits are brought into payment. GMPs are up-rated in line with earnings during deferment.

Assumptions have to be made for valuing the components of the benefits to be exchanged for a CETV. The stream of payments which the CETV will replace may extend for many decades once prospective payments to the member and his or her eligible dependants are considered. It follows from the benefits provided that the main assumption in the calculation is the rate of discounting to be applied to future benefit payments, which are themselves rising in line with prices, and the length of time the benefits will be paid. The key discount rate assumptions for determining CETVs for public service pension schemes are therefore the real (net of benefit increases) discount rates.

Real increase in CETV

This reflects the increase in CETV effectively 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. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Staff Report

Senior Civil Servants

The number of Senior Civil Service staff (or equivalent) by salary band at 31 March is as follows:

	2022-23	2021-22
Salary Band	Number	Number
Pay Scale 4 £167,829-£192,057	1	1
Pay Scale 3 £124,282-£141,866	3	3
Pay Scale 2 £96,170-£107,566	7	6
Pay Scale 1 £74,912-£84,122	30	27
Special Advisor 1 £0- £54,999	0	0
Special Advisor 2 £55,000-£69,999	0	1
Special Advisor 3 £70,000-£85,000	0	4

The figures above exclude 2 senior civil servants currently on career breaks.

Staff numbers and related costs (Audited)

Staff costs comprise of (Consolidated):

	2022-23			2021-22	
	Permanently employed staff* £000	Others £000	Ministers £000	Total £000	Total £000
Wages and salaries	33,813	3,551	2	37,366	35,127
Social security costs	3,675	15	0	3,690	3,433
Other pension costs	7,661	21	0	7,682	7,079
Sub Total	45,149	3,587	2	48,738	45,639
Less recoveries in respect of outward secondments	(6,844)			(6,844)	(348)
Total net costs**	38,305	3,587	2	41,894	45,291

Of which:	Charged to Administration £000	Charged to Programme £000	Total £000	Total £000
Core department	12,469	15,275	27,744	24,340
ALBs	1,360	12,790	14,150	20,951
	13,829	28,065	41,894	45,291

* The 2021-22 figures include the cost of the Department's Special Advisers. There are no Special Advisers in 2022-23 (2021-22 one in the pay band £55,000 – £69,999) and no Special Advisers paid in the pay band £70,000 - £85,000 (2021-22 four in the pay band of £70,000-£85,000)

****Of the total, £0 has been charged to capital.**

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes, but The Executive Office is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2023.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. Following completion of the consultation process the 2016 Valuation has been completed and the final cost cap determined. Further information, including a copy of Unpause Cost Cap Valuation Report, can be found on the Department of Finance website: <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

A case for approval of a Legislative Consent Motion (LCM) was laid in the Assembly to extend the Public Service Pensions and Judicial Offices Bill (PSP&JO) to Northern Ireland. Under the LCM agreed by the NI Assembly on 1 November 2021 provisions are included in the Act for devolved schemes in NI. A second LCM was laid in the Assembly to implement the CCM changes in the Westminster Bill for devolved schemes. The second LCM, as agreed by the Assembly on 31 January 2022, ensured the reformed only scheme design and the economic check will now be applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The PSP&JO Act received Royal Assent on 10 March 2022. The UK Act legislates how the government will remove the discrimination identified in the McCloud judgment. The Act also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

For 2022-23, employers' contributions of £6,654,410 were payable to the NICS pension arrangements (2021-22: £4,477,958) at one of three rates in the range of 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £18,890 (2021-22: £39,524) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer

contributions are age-related and range from 8% to 14.75% (2021-22: 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £640, 0.5% (2021-22: £53, 0.5%) of pensionable pay, were payable to the NICS Pension schemes 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 period date were £Nil. Contributions prepaid at that date were £Nil.

No-one retired early on ill-health grounds (2021-22 none), the total additional accrued pension liabilities in the year amounted to less than £2k (2021-22: less than £2k).

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the Department as well as in agencies and other bodies included within the consolidated Departmental Accounts

Activity	Permanently employed staff	Others	Ministers	Special advisers	2022-23 Number Total	2021-22 Number Total
Core Departmental staff in post	303	60			363	336
North South Ministerial Council	7				7	9
Commissioner for Public Appointments for Northern Ireland	2				2	3
The Inquiry into Historical Institutional Abuse	12				12	11
Attorney General for Northern Ireland	15				15	15
ALBs	267	3			270	285
Total	606	63	-	-	669	659
Of which:						
Core department	339	60	-	-	399	374
ALBs	267	3	-	-	270	285
Total	606	63	-	-	669	659

Staff Composition at 1 April 2023 and 1 April 2022

The number of persons of each gender who were directors, senior managers, and employees of the consolidated TEO and its ALB group at 1 April 2023 and 1 April 2022 is as follows;

(Consolidated)	2022-23		2021-22	
	Male	Female	Male	Female
Directors	32	18	30	19
Senior Managers (Grade 5 and above)	15	26	17	28
Employees (All other staff)	298	399	260	346
Total	345	443	307	393
Of which:				
Core department	175	250	142	206
ALBs	170	193	165	187
Total	345	443	307	393

Special Advisers are included in senior managers when employed, none were employed at 1 April 2023, there was 5 employed at 1 April 2022

Staff Turnover

The two definitions employed centrally are for 'General Turnover' (staff leaving the Northern Ireland Civil Service as a whole) and 'Departmental Turnover' (staff leaving The Executive Office). For the period 1 April 2022 to 1 April 2023, the turnover figure is calculated as the number of leavers within that period divided by the average of staff in post over the period. The average staff in post can be calculated as the average of headcount at the start and end of the period.

TEO Staff Turnover Rates				
TEO Staff Turnover Rates	Departmental Turnover Rate		General Turnover Rate	
TEO Core	0.091	9.1%	0.046	4.6%

Note: that staff turnover data includes those who left the NICS while on a career break and includes permanent and temporary staff.

The consolidated staff turnover percentage for 2022-23 was 88% (2021-22: 92%). The high turnover of staff was largely due to the Office of the Commissioner's dependency on agency staff.

Absence management

TEO continued to place a high priority on absence management and had a wide variety of support mechanisms in place to help staff who were sick, including Occupational Health Service, Welfare Services and Inspire Workplace Services (formerly Care call) who provide independent counselling services. A Workplace Health and Fitness programme ran throughout the year, with 10 health and fitness activities and events, as well as a range of staff communications highlighting support and help available. As part of its commitment to improving the health and wellbeing of staff TEO continues to plan and promote events and work alongside the NICS Well programme.

TEO and NICS Sick Absence Statistics

Sickness Absence persons

Data provided by Northern Ireland Statistics and Research Agency (NISRA). This information is collated from an annual NISRA report on NICS Sickness Absence. The Department had an overall sickness absence rate of 5.8 days lost per employee in 22/23, which is considerably below the NICS average of 12.3 days. Similarly the % of staff with one or more long-term absence is 6.1% compared to the NICS rate of 12.4%.

Annual sickness absence figures can be found in the “Sickness Absence in the Northern Ireland Civil Service 2022/23” report at <https://www.nisra.gov.uk/statistics/ni-civil-service-human-resource-statistics/sickness-absence-statistics>.

	2022-23		2021-22		2020-21	
	TEO	NICS	TEO	NICS	TEO	NICS
Days Lost per Staff Year	5.8	12.3	10.9	12.2	7.7	9.8
% of Staff with no recorded absence	71.3	57.8	71.0	62.0	81.8	72.3
Long term absence						
% of staff with one or more long-term absence	6.1	12.4	12.4	12.7	6.0	10.8
% of working days lost due to long-term absence	69.5	79.5	84.4	80.5	86.1	83.9
Average duration (working days)	49.4	66.0	60.3	64.3	92.9	64.0

- Figures for ALBs can be found in their respective Annual Report and Accounts on their websites

Staff Policies

(i) Equality, Diversity and Inclusion

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all.

Our Diversity Champions Network includes senior colleagues as designated Diversity Champions for each of the nine NICS departments, as well as four thematic leads for gender, race and ethnicity, disability and LGBTQ+.

We deliver an ambitious diversity and inclusion programme of work through the implementation of an annual NICS Diversity Action Plan, which sets out our priorities for action by diversity and inclusion theme and cross-cutting priorities.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. Further information on the NICS' commitment to equality of opportunity is available in the Equality, Diversity and Inclusion Policy.

As part of the NICS' efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of data. The statistics are available on the NICS Human Resources Statistics section of the Northern Ireland Statistics and Research Agency (NISRA)'s website

The annual "Equality Statistics for the Northern Ireland Civil Service" reports work force composition and trends over time and, where appropriate, makes comparisons with the wider labour market and the Civil Service in Great Britain.

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. Although not a statutory requirement, the NICS also conducts a similar formal review of the gender profile of its workforce. The findings from both tri-annual reviews are published in the NICS Workforce Reviews.

The NICS uses the findings of all the equality monitoring and analysis to inform its programme of targeted outreach activity to address any areas of under-representation.

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions.

Further information on the department's equality scheme is available on its website: [TEO Equality Scheme](#).

(ii) Employee Consultation and Trade Union Relationships

The Department of Finance is responsible for the NICS Industrial Relations Policy. People & Organisational Development¹ consults on HR policy with all recognised Trade Unions and local departmental arrangements are in place to enable consultation on matters specific to a Department or individual business area.

(iii) Application of Business Appointment Rules (BARs)

The NICS Standards of Conduct Policy, (Section 8 and Annexes 4) sets out the rules on the acceptance of outside business appointments, employment or self-employment by Civil Servants after leaving the NI Civil Service, including procedures to make staff aware of these rules and provides that the Permanent Secretary of the Department is responsible for the effective operation of the Business Appointment Rules within their Department. Further detail is available in the NICS Standards of Conduct Policy.

Summary information in respect of applications from Senior Civil Service Grade 5 and above, including equivalent grades, and Special Advisers can be found at [TEO Public Appointments](#).

¹ HR policy and Industrial Relations policy for the NICS is centralised within People & OD, in the Department of Finance

(iv) Learning & Development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

Development and delivery of generic staff training is centralised in NICSHR 1. Training is delivered using a variety of learning delivery channels (including on-line, webinars), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme of the NICS People Strategy and highlights the importance of the development conversation between managers and staff, with a number of resources already available within the existing talent management toolkit.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

(v) Employment, training and advancement of disabled persons

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all. The NICS Diversity Champions Network was established in 2015 and continues to drive diversity and inclusion across the service.

The NICS Disability Champion is supported by the NICS Disability Working Group, a consultative group that works to promote disability equality and inclusion across the service. The NICS applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Panel members must complete mandatory recruitment and selection training prior to participating on any selection panel. This training includes specific learning on equality and diversity, relevant legislation and reasonable adjustments for disabled candidates. Unconscious bias training is available to all staff.

The NICS continues to be a lead partner of Employers for Disability NI (EFDNI) and is committed to the employment and career advancement of disabled people. A range of activities to encourage and promote Civil Service career opportunities to the disability sector were delivered during 2022-23; including positive action advertising, targeted advertising and outreach information sessions for large volume recruitment competitions. The NICS continues to have a permanent presence on EFDNI's Jobs Bulletin Board which is an online career opportunities service circulated to disability organisations.

The NICS operates a Guaranteed Interview Scheme (GIS) which applies to all external NICS recruitment competitions (at any grade and any discipline) where appropriate. This ensures a guaranteed number of disabled applicants, who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview.

For more information refer to the "Information for disabled applicants" section of the [NICS Recruitment Website](#). Due to the ongoing Covid-19 restrictions, the NICS Work Experience Scheme for Disabled People remained closed to applications until November 2022. The NICS continued its' participation in International Job Shadow Day (IJSJ) by facilitating 13 work placements in 2022. This initiative provides work experience for disabled people of all ages. During this year the nine-month placement work placement opportunities under the Job Start

Scheme pilot within the Department for Communities (DfC) for 15 young disabled people (aged 16-24) concluded. As a result of an amendment to Recruitment Code merit principle approved by the Civil Service Commissioners, nine of the successful participants were made permanent offers of appointment in the NICS. Another three placement workers successfully obtained employment with other employers.

In June 2022, the Northern Ireland Executive, in partnership with the Harkin Institute, hosted the Harkin International Summit 2022. The event brought together leaders and activists across Business, Government, Philanthropy, the Third and Voluntary Sector, and Academia to highlight and address disability employment issues, showcase best practice and success, build relationships and challenge for change. The NCS as an employer participated, attended and supported the summit to promote its commitment to disability inclusion.

To maintain and promote a disability inclusive workplace, the NICS has policies in place to support reasonable adjustments to working practices or the work environment as required by disabled persons. During the year a programme of awareness training was available to all staff.

vi) Employee Involvement

TEO, and its senior management team, places considerable importance on staff engagement and the inclusion of employees. The Department's Business Improvement Plan, produced by the Business Improvement and Staff Engagement Unit, was developed following widespread consultation and continues to evolve through engagement with staff, including the TEO Staff Engagement Forum. The Department also recognises the importance of highly effective communication and makes every effort to ensure that staff are kept informed through a series of articles issued on a daily basis through the departmental intranet. This is supplemented by regular webinars, departmental updates, team meetings and the sharing of corporate information such as updates on corporate and business plans. Site visits and regular learning seminars are also made available to improve engagement and the sharing of corporate knowledge.

At an individual level, all staff also have access to the NICS Welfare Services, an Employee Assistance Programme (provided by Inspire) and trade union membership/support.

TEO currently holds an Investors in People Silver (IIP) level which is in place until March 2024.

The Department continues to use the agreed and established Whitley process for staff consultation with Trade Union Side. The Departmental Whitley Committee provides a forum for discussion on all issues affecting staff and meetings are held quarterly.

(vii) Staff Engagement

The last completed NICS People Survey was conducted by NISRA in 2021 across the nine NICS Ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey.

For TEO there were 365 staff invited to complete the survey, of which 236 participated, a response rate of 65%. The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%.

TEO responses indicated an Employee Engagement Index of 64%, compared to the NICS average of 57%. The full survey can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>.

The 2023 NICS People Survey closed on 17 May 2023 and the results are currently being analysed by NISRA for publication later in the year. The results have now been published.

(viii) Health and Safety

The Department is committed to applying all existing health and safety at work legislation and regulations to ensure that staff and visitors enjoy the benefits of a safe environment.

(ix) Expenditure on consultancy and temporary staff

Expenditure on consultancy and temporary staff is as follows:

	2022-23 £000	2021-22 £000
Consultancy Costs	475	291
Agency staff	2,459	1,454
Seconded in staff	856	639
Total Temporary Staff	<u>3,790</u>	<u>2,384</u>

Agency and seconded in staff costs have increased across the Department and includes staff who were employed by the Northern Ireland Courts & Tribunal service and dealing with applications under the Historical Institutional Abuse Redress Board. Consultancy costs have increased by £184k during 2022-23.

(x) Off Payroll Engagements

The Department had no 'off-payroll' engagements in place during 2022-23 (2021-22: Nil).

There were no 'off-payroll' engagements by any of the 13 board members who served on the board at any time during 2022-23 and had significant financial responsibility (2021-22: Nil).

(xi) Civil Service and other compensation schemes – exit packages (Audited)

Comparative data to be shown (in brackets) for previous year

Exit package cost band	Number of compulsory redundancies	Core Dept		Departmental Group		
		Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000						
£10,000 - £25,000		0 (5)	0 (5)		0 (5)	0 (5)
£25,000 - £50,000		0 (2)	0 (2)		0 (2)	0 (2)
£50,000 - £100,000						
£100,000- £150,000						
£150,000- £200,000						
Total number of exit packages		0 (7)	0 (7)		0 (7)	0 (7)
Total cost /£000		0/(150)	0/(£150)		0/(150)	0/(£150)

No exit packages were paid in 2022-23 for either Core or Group. 2021-22 redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland) (CSCS(NI)), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. The table above shows the total cost of exit packages agreed and accounted for in 2022-23 and 2021-22. £0 exit costs were paid in 2022-23, the year of departure (2021-22 £150, 7 cases). Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Disclosures of the maximum (highest), minimum (lowest) and median values of the payments would conflict with a legal obligation arising as a result of the Data Protection Act 1998. Comparative data is shown (in brackets) for previous year.

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

The Assembly accountability and audit report brings together the key Assembly accountability documents within the annual report and accounts.

Statement of Outturn against Assembly Supply (SOAS) (Audited)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRm) requires TEO to prepare a Statement of Assembly Supply (SOAS) and supporting notes.

The SOAS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

The SOAS 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 the Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SOAS.

Should an entity exceed the limits set by its Supply Estimate and corresponding Act of the Assembly, called control limits, its accounts will receive a qualified opinion.

The format of the SOAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on the DoF website.

The SOAS contains a summary table, detailing performance against the control limits that the Assembly has voted on, cash spent (budgets are compiled on an accruals basis and as a result outturn won't exactly reconcile to cash spent) and administration.

The supporting notes detail the following: Outturn detailed by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOAS to the financial statements (note 2); a reconciliation of net resource outturn to net cash requirement (note 3) and an analysis of income payable to the Consolidated Fund (note 4).

Previously the information contained within budgetary controls did not read directly to financial information presented in Financial Statements due to a number of misalignments. The Executive's Review of Financial Process (RoFP), which was implemented in 2022-23, has helped to address these differences and improve transparency. Further information on the Executive's Review of Financial Process can be found on the Northern Ireland Assembly website.

The SOAS provides a detailed view of financial performance, in a form that is voted on and recognised by the Assembly. The financial review, in the Performance Report, provides a summarised discussion of the outturn against Estimates and functions as an introduction to the SOAS disclosures. For 2022-23 these are prepared on a Consolidated basis.

The Department of Finance (DoF) is responsible for management of the NI Executive Budget process in line with a budgetary framework set by Treasury.

The total amount a Department spends is referred to as the Total Managed Expenditure (TME); which is split into:

- Annually Managed Expenditure (AME)
- Departmental Expenditure Limit (DEL)

Treasury, and in turn DoF, do not set firm AME budgets. They are volatile or demand-led in a way that departments cannot control. The Department monitors AME forecasts closely and this facilitates reporting to DoF, who in turn report to Treasury.

As DEL budgets are understood and controllable, Treasury sets firm limits for DEL budgets for Whitehall departments and Devolved Administrations at each Spending Review. The NI Executive, based on advice from the Finance Minister, will in turn agree a local Budget that will set DEL controls for Executive departments.

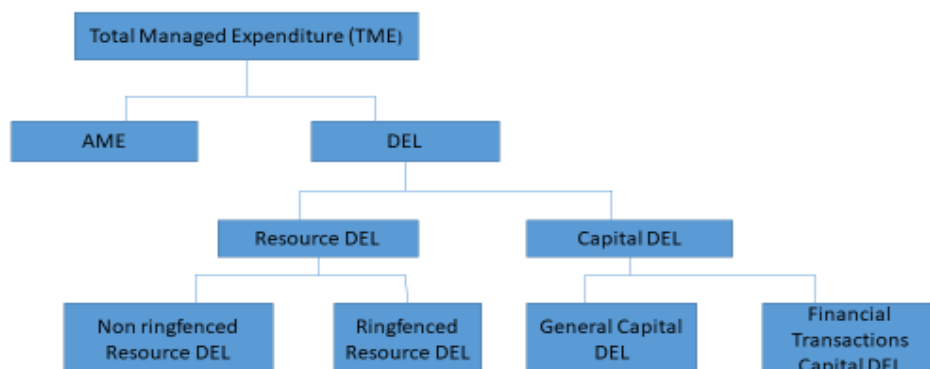
DEL budgets are classified into resource and capital.

- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs, and separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets.
- Capital DEL is split into 'financial transactions' for loans given or shares purchased, capital grant payments and 'general capital' for spending on all other assets or investments.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by Treasury:

[Consolidated budgeting guidance 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2022-to-2023)

Budget Structure



Budgetary Performance

Details of the Department's performance against Budgetary Control totals is set out in the table below.

Request for Resources A	Final Plan 2022-23 £'000	* <i>Provisional</i> <i>Outturn 2022-23</i> £'000	Outturn 2022-23 £'000	Underspend / (Overspend) £'000
Resource DEL	156,483	152,184	147,956	8,527
<i>including</i>				
<i>Non-ringfenced</i>	<i>153,697</i>	<i>150,058</i>	<i>150,075</i>	<i>3,622</i>
<i>Ringfenced D/I</i>	<i>2,786</i>	<i>2,126</i>	<i>(2,119)</i>	<i>4,905</i>
Capital DEL	60,897	60,717	60,811	86
<i>including</i>				
<i>General Capital</i>	<i>10,897</i>	<i>10,717</i>	<i>10,498</i>	<i>399</i>
<i>FTC</i>	<i>50,000</i>	<i>50,000</i>	<i>50,313</i>	<i>(313)</i>
Total DEL	217,380	212,901	208,767	8,613
AME	178,171	(40,476)	(41,712)	219,883
<i>including</i>				
<i>AME Resource</i>	<i>178,171</i>	<i>(40,476)</i>	<i>(41,712)</i>	<i>219,883</i>
<i>AME Capital</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Managed Expenditure	395,551	172,425	167,055	228,496

* Provisional Outturn submitted to DoF on 16 May 2023.

Note a – Figures presented on a Consolidated basis

Request for Resources A (RfR A)

Driving investment and sustainable development; making people's lives better through support for equality, human rights and community relations; and the effective operation of the institutions of Government.

Explanation of Variances

The underspend in Resource DEL primarily related to: (i) FTC amortisation (£4.2m), (ii) underspend in the Homes for Ukraine scheme due to requirement by other departments being significantly lower than forecast coupled with a reduction in council and interpreters costs (£1.7m), (iii) underspend in salaries as a direct result of vacancies not being filled as anticipated (£1.5m), (iv) underspend in Non-Cash due to lower than anticipated depreciation charges following the introduction of IFRS16 and as a result of disposals of buildings (£0.6m) and (v) underspends in VSS support services (£0.4m).

The Departmental Group had a total capital underspend against Estimate of £0.1m (0.14%) due mainly to a total of £0.5m of Capital Receipts, offset by a £0.3m pressure in Financial Transactions Capital (FTC) capitalised Loan Interest and a Lease modification.

The underspend in AME relates primarily to the provision for HIA Redress Scheme Compensation payments being lower than estimated following a review of the scheme by the Government Actuary's Department (GAD) for 2022-23. This review resulted in the overall provision being reduced; along with the set up of a provision for the compensation payments for the Victims' Payments Scheme not being required after work progressed by GAD in 2022-23 determined that there was insufficient data available at 31 March 2023 to warrant the set up of a provision due to the early stage of implementation. MLKDC also reported an underspend against AME for diminution of value of Land and Buildings (£1.5m).

The notes on pages 138 to 168 form part of these accounts.

Statement of Outturn against Assembly Supply, 2022-23 (£000s) (Audited)
Summary Table

Type of spend	Note	Outturn			Estimate			Outturn vs Estimate: saving/ (excess)		Prior Year Outturn Total, 2021-22
		Voted	Non- Voted	Net Total	Voted	Non- Voted	Total	Voted	Total	
Departmental Expenditure Limit										
- Resource	SOAS 1.1	147,956	-	147,956	156,483	-	156,483	8,527	8,527	128,238
- Capital	SOAS 1.2	60,811	-	60,811	60,897	-	60,897	86	86	34,983
Total		208,767	-	208,767	217,380	-	217,380	8,613	8,613	163,221
Annually Managed Expenditure										
-Resource	SOAS 1.1	(41,712)	-	(41,712)	178,171	-	178,171	219,883	219,883	102,711
-Capital	SOAS 1.2	-	-	-	-	-	-	-	-	-
Total		(41,712)	-	(41,712)	178,171	-	178,171	219,883	219,883	102,711
Total Budget										
- Resource	SOAS 1.1	106,244	-	106,244	334,654	-	334,654	228,410	228,410	230,949
- Capital	SOAS 1.2	60,811	-	60,811	60,897	-	60,897	86	86	34,983
Total Budget Expenditure		167,055	-	167,055	395,551	-	395,551	228,496	228,496	265,932
Total Resource		106,244	-	106,244	334,654	-	334,654	228,410	228,410	230,949
Total Capital		60,811	-	60,811	60,897	-	60,897	86	86	34,983
Total Budget and Non Budget		167,055	-	167,055	395,551	-	395,551	228,496	228,496	265,932

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

Item	Note	Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2021-22
Net cash requirement	SOAS 3	203,416	209,386	5,970	150,955

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

Administration costs 2022-23, all figures presented in £000

Type of spend	Note	Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2021-22
Administration costs	SOAS 1.1	18,390	19,734	1,344	16,506

Administration costs are not a separate voted limit and a breach of the administration budget will not result in an excess vote.

Notes to the Statement of Outturn against Assembly Supply, 2022-23 (£000)
SOAS 1 Outturn detail, by Estimate Line
SOAS 1.1 Analysis of resource outturn by Estimate line (all figures presented in £000)

- NDPB Outturn is recorded net

Type of spend (Resource)	Resource Outturn							Estimate			Outturn vs Estimate (inc. Virements), saving/ (excess)	Prior-year outturn Total, 2021-22
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net		Total	Total	Virements*	Total inc. virements	
Spending in Departmental Expenditure Limits (DEL)												
Voted expenditure	18,514	(124)	18,390	136,076	(6,510)	129,566	147,956	156,483	-	156,483	8,527	128,238
Of which:												
1: Executive Support	16,469	(124)	16,345	114,114	(191)	113,923	130,268	138,179	83	138,262	7,994	107,326
Of which:												
Executive Support and Policy Development – Departmental Expenditure	13,822	(124)	13,698	25,228	(191)	25,037	38,735	42,405	(582)	41,823	3,088	30,650
Historical Institutional Abuse	-	-	-	32,731	-	32,731	32,731	30,189	2,542	32,731	-	32,098
Victims Payments	-	-	-	29,120	-	29,120	29,120	31,080	(1,960)	29,120	-	8,575
Maze/Long Kesh Development Corporation (ALB – Net)	-	-	-	1,109	-	1,109	1,109	1,124	-	1,124	15	1,035
Commissioner for Survivors of Institutional Childhood Abuse (ALB – Net)	-	-	-	755	-	755	755	792	-	792	37	530
Commission for Victims and Survivors for Northern Ireland (ALB – Net)	-	-	-	895	-	895	895	895	-	895	-	860
Equality Commission for Northern Ireland (ALB – Net)	487	-	487	5,767	-	5,767	6,254	6,209	45	6,254	-	6,168
Northern Ireland Judicial Appointments Commission (ALB – Net)	157	-	157	973	-	973	1,130	1,169	-	1,169	39	1,268
Strategic Investment Board Limited (ALB – Net)	-	-	-	1,723	-	1,723	1,723	5,907	38	5,945	4,222	10,585
Victims and Survivors Service Limited (ALB – Net)	2,003	-	2,003	15,813	-	15,813	17,816	18,409	-	18,409	593	15,557

Type of spend (Resource)	Resource Outturn							Estimate			Outturn vs Estimate (inc. Virements), saving/ (excess)	Prior-year outturn Total, 2021-22
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net		Total	Total	Virements*		
2: Good Relations	418	-	418	21,201	(6,319)	14,882	15,300	15,708	(83)	15,625	325	18,378
Of which:												
Good Relations - Departmental Expenditure	-	-	-	17,847	(6,319)	11,528	11,528	11,935	(83)	11,852	324	14,031
Northern Ireland Community Relations Council (ALB – Net)	418	-	418	2,929	-	2,929	3,347	3,348	-	3,348	1	3,603
Strategic Investment Board Limited (ALB – Net)	-	-	-	425	-	425	425	425	-	425	-	744
3: North South Ministerial Council	63	-	63	761	-	761	824	915	-	915	91	1,111
4: Attorney General for Northern Ireland	1,564	-	1,564	-	-	-	1,564	1,681	-	1,681	117	1,423
Total Voted DEL	18,514	(124)	18,390	136,076	(6,510)	129,566	147,956	156,483	-	156,483	8,527	128,238
Spending in Annually Managed Expenditure (AME)												
Voted expenditure	-	-	-	(41,712)	-	(41,712)	(41,712)	178,171	-	178,171	219,883	102,711
Of which:												
5: Strategic Sites	-	-	-	2,932	-	2,932	2,932	750	2,182	2,932	-	942
6: Provisions	-	-	-	(44,662)	-	(44,662)	(44,662)	175,917	(2,182)	173,735	218,397	101,660
7: ALBs (Net)	-	-	-	18	-	18	18	1,504	-	1,504	1,486	109
Total Voted AME	-	-	-	(41,712)	-	(41,712)	(41,712)	178,171	-	178,171	219,883	102,711
Total Resource	18,514	(124)	18,390	94,364	(6,510)	87,854	106,244	334,654	-	334,654	228,410	230,949

SOAS 1.2 Analysis of capital outturn by Estimate line (all figures presented in £000)

*NDPB Outturn is recorded net

Type of spend (Capital)	Outturn			Estimate			Outturn vs Estimate (inc. Virements), saving/ (excess)	Prior-year outturn Total, 2021-22
	Gross	Income	Net total	Total	Virements*	Total inc. virements		
Spending in Departmental Expenditure Limits (DEL)								
Voted expenditure	61,354	(543)	60,811	60,897	-	60,897	86	34,983
<i>Of which:</i>								
1: Executive Support	60,693	(543)	60,150	60,236	-	60,236	86	32,508
<i>Of which:</i>								
<i>Executive Support and Policy Development – Departmental Expenditure</i>	<i>8,753</i>	<i>(543)</i>	<i>8,210</i>	<i>8,633</i>	<i>-</i>	<i>8,633</i>	<i>212</i>	<i>8,970</i>
<i>Historical Institutional Abuse</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Victims Payments</i>	<i>347</i>	<i>-</i>	<i>347</i>	<i>347</i>	<i>-</i>	<i>347</i>	<i>-</i>	<i>61</i>
<i>Maze/Long Kesh Development Corporation (ALB – Net)</i>	<i>1,025</i>	<i>-</i>	<i>1,025</i>	<i>1,025</i>	<i>-</i>	<i>1,025</i>	<i>-</i>	<i>480</i>
<i>Commissioner for Survivors of Institutional Childhood Abuse (ALB – Net)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Commission for Victims and Survivors for Northern Ireland (ALB – Net)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>30</i>
<i>Equality Commission for Northern Ireland (ALB – Net)</i>	<i>101</i>	<i>-</i>	<i>101</i>	<i>105</i>	<i>-</i>	<i>105</i>	<i>4</i>	<i>107</i>
<i>Northern Ireland Judicial Appointments Commission (ALB – Net)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Strategic Investment Board Limited (ALB – Net)</i>	<i>50,399</i>	<i>-</i>	<i>50,399</i>	<i>50,055</i>	<i>-</i>	<i>50,055</i>	<i>(133)</i>	<i>22,827</i>
<i>Victims and Survivors Service Limited (ALB – Net)</i>	<i>68</i>	<i>-</i>	<i>68</i>	<i>71</i>	<i>-</i>	<i>71</i>	<i>3</i>	<i>31</i>

Type of spend (Capital)	Outturn			Estimate			Outturn vs Estimate (inc. Virements), saving/ (excess)	Prior-year outturn 2021-22
	Gross	Income	Net total	Total	Virements*	Total inc. virements		
2: Good Relations	661	-	661	661	-	661	-	2,475
<i>Of which:</i>								
<i>Good Relations – Departmental Expenditure</i>	<i>657</i>	<i>-</i>	<i>657</i>	<i>651</i>	<i>-</i>	<i>651</i>	<i>(1)</i>	<i>2,468</i>
<i>Northern Ireland Community Relations Council (ALB – Net)</i>	<i>4</i>	<i>-</i>	<i>4</i>	<i>10</i>	<i>-</i>	<i>10</i>	<i>1</i>	<i>7</i>
<i>Maze/Long Kesh Development Corporation (ALB – Net)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Strategic Investment Board Limited (ALB – Net)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Victims and Survivors Service Limited (ALB – Net)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
3: North-South Ministerial Council	-	-	-	-	-	-	-	-
4: Attorney General for Northern Ireland	-	-	-	-	-	-	-	2
Total Voted DEL	61,354	(543)	60,811	60,897	-	60,897	86	34,983
Total Capital	61,354	(543)	60,811	60,897	-	60,897	86	34,983

*Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the Assembly does not vote to that level of detail and delegates to DoF). Further information on virements are provided in the Supply Estimates in Northern Ireland Guidance Manual, available on the DoF website.

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 reconcile this Estimate back to the Estimates approved by the Assembly.

SOAS 2
Reconciliation of outturn to net expenditure

Item	Note	Outturn Total 2022-23 £000	Prior Year Outturn Total 2021-22 £000
Total Resource Outturn	SOAS 1.1	106,244	230,949
Add:			-
Capital grants		6,803	5,930
Prior period adjustment – FTC amortisation		-	(26,343)
Total		6,803	(20,413)
Less:			
Income payable to the Consolidated Fund		65	7
Unrealised gain on foreign exchange		168	12
Other		(80)	-
Total		153	19
Net Expenditure in Consolidated Statement of Comprehensive Net Expenditure	SOCNE	112,894	210,517

As noted in the introduction to the Statement of Outturn against Assembly Supply (SOAS) above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this note reconciles the resource outturn to net expenditure, linking the SOAS to the financial statements.

Capital grants are budgeted for as Capital DEL but accounted for as spend on the face of the SOCNE and therefore function as a reconciling item between Resource and Net Expenditure. £6.803m of capital grants were issued, to Urban Villages (£5.842m), Social Investment Fund (£0.657m) and Ebrington Grade A building (£0.304m).

SOAS 3 Reconciliation of Net Resource Outturn to Net Cash Requirement

Item	Note	Outturn Total £000	Estimate Total £000	Outturn vs Estimate, Saving/ (excess) £000
Total Resource outturn	SOAS 1.1	106,244	334,654	228,410
Total Capital outturn	SOAS 1.2	60,811	60,897	86
<i>Adjustments for ALBs:</i>				
Remove voted resource		(33,472)	(39,782)	(6,310)
Remove voted capital		(51,597)	(51,266)	331
Add cash Grant-in-aid		88,567	89,023	456
Less inter-Group transactions		-	-	-
New pensions and adjustments to previous pensions		-	-	-
<i>Adjustments to remove non-cash items:</i>				
Depreciation, impairments and revaluations		(4,134)	(2,406)	1,728
New provisions and adjustments to previous provisions		18,309	(200,019)	(218,328)
Supported capital expenditure (revenue)		-	-	-
Prior Period Adjustments		-	-	-
Other non-cash items – Lease modifications*		(234)	-	234
– Profit/loss on disposals		140	-	(140)
<i>Adjustments to reflect movements in working balances:</i>				
Increase (+) / Decrease (-) in Stock		-	-	-

Increase (+) / Decrease (-) in Debtors	(7,526)		8,476		16,002
Increase (-) / Decrease (+) in Creditors	(158)		(14,293)		(14,135)
Increase (-) / Decrease (+) in Creditors - Other	11		-		(11)
Use of provisions	26,455		24,102		(2,353)
Total	36,361		(186,165)		(222,526)
Removal of non-voted budget items					
Consolidated Fund Standing Services	-		-		-
Other adjustments	-		-		-
Total	-		-		-
Net cash requirement	203,416		209,386		5,970

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

* The non cash item of £234k relates to a lease modification under IFRS 16 following a rent review for office accommodation leased in Brussels.

SOAS 4 Amounts of Income to the Consolidated Fund

SOAS 4.1 Analysis of income payable to the Consolidated Fund

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

Item	Note			Prior Year, 2021-22 £000	
		Accruals	Cash Basis	Accruals	Cash Basis
Income outside the ambit of the Estimate (resource)		65	59	7	29
Income outside the ambit of the Estimate (Capital)		-	-	-	-
Excess cash surrenderable to the Consolidated Fund		-	-	-	8
Total income payable to the Consolidated Fund		65	59	7	37

SOAS 4.2 Consolidated Fund Income

Consolidated Fund income shown in SOAS 4.1 above does not include any amounts collected by the department where it was acting as agent for the Consolidated Fund rather than as principal. No further disclosure is required.

Assembly Accountability Disclosures (Audited)

Losses and Special Payments (Audited)

	2022-23		2021-22	
	Core Department	Departmental Group	Core Department	Departmental Group
Total number of losses	18	19	16	17
Total value of losses (£000)	4	53	25	28
There were no cases over £250,000 in 2022-23 (2021-22: no cases).				

Special Payments

	2022-23		2021-22	
	Core Department	Departmental Group	Core Department	Departmental Group
Total number of special payments	1	1	-	-
Total value of special payments (£000)	>£250k	>£250k	-	-
<i>Details of special payments over £250,000:</i>	See note below	See note below	-	-

The Special Payment relates to a payment in respect of accident at Shackleton Barracks, comprising compensation, legal fees and health service fees. The amount is in excess of £250,000, but the legal settlement amount is commercially sensitive and has not been disclosed (2021-22: no cases).

Fees and Charges (Audited)

There were no fees and charges in the Core Department or its Departmental Group.

Remote Contingent Liabilities (Audited)

There were no remote contingent liabilities in the Core Department or its Departmental Group.

Approved and signed



Gareth Johnston
Interim Accounting Officer
27 October 2023

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of The Executive Office and of its Departmental Group for the year ended 31 March 2023 under the Government Resources and Accounts Act (Northern Ireland) 2001. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts (Northern Ireland) 2001 (Estimates and Accounts) (Designation of Bodies) 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 ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in their preparation of the Group financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

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

In my opinion, except for the matters described in the Basis for opinions section of my certificate, 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 its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and the Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31st March 2023 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for qualified opinions

I have qualified my true and fair opinion due to the inclusion of Financial Transaction Capital (FTC) loans as financial assets within The Executive Office's financial statements. These loans are included in The Executive Office's financial statements as the result of a direction issued by the Department of Finance. However, the loans do not meet the recognition criteria for a financial asset of The Executive Office under both the International Financial Reporting Standards and the Government Financial Reporting Manual accounting requirements. As a result of the application of the Department of Finance's direction, The Executive Office's assets at 31 March 2023 are overstated by £297 million (2021-22: £244 million).

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of The Executive Office and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that The Executive Office 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 Executive Office and 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.

The going concern basis of accounting for The Executive Office and its Group is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit 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 report, 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, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and

- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of The Executive Office and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing The Executive Office and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by The Executive Office 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 (Northern Ireland) 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to The Executive Office and its Group through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included governing legislation and any other relevant laws and regulations identified;
- making enquires of management and those charged with governance on The Executive Office and its Group's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to The Executive Office and its Group's susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of The Executive Office and its Group's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- communicating with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate and reviewing internal audit reports;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. The voted Assembly control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

My detailed observations are included in my report attached to these financial statements at pages 169 to 171.

A handwritten signature in black ink, reading 'Dorinnia Carville'.

Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

31 October 2023

THE FINANCIAL STATEMENTS

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.

	Note (if material)	2022-23		2021-22	
		Core Dept	Group	Core Dept (Restated)	Group (Restated)
		£000	£000	£000	£000
Other operating income	4	(6,698)	(16,350)	(18,168)	(29,233)
Total operating income		(6,698)	(16,350)	(18,168)	(29,233)
Staff costs	3	27,864	48,738	24,438	45,274
Purchase of goods and services	3	46,305	51,945	50,305	57,469
Depreciation and impairment charges	3,5,6	3,994	4,930	1,530	1,896
Amortisation – FTC Loan	9	-	(4,235)		(21,380)
Provision expense	3,14	(18,309)	(17,936)	101,660	101,649
External Audit Fees (ALBs)	3	-	155	-	142
Other operating expenditure	3	114,619	45,595	94,770	54,700
Total operating expenditure		174,473	129,192	272,703	239,750
Net operating expenditure		167,775	112,842	254,535	210,517
Finance income			-	-	-
Finance expense		35	52	-	-
Net expenditure for the year	SOAS2	167,810	112,894	254,535	210,517
Notional Audit Costs	3	100	100	87	87
Other Notional Costs	3	3,066	3,066	2,580	2,580
Total Notional Costs		3,166	3,166	2,667	2,667
Net Expenditure for the year including notional		170,976	116,060	257,202	213,184
Other comprehensive net expenditure					
Items which will not be reclassified to net operating expenditure:					
• Net gain/loss on revaluation of property, plant and equipment	5	(141)	(218)	(125)	89
• Net gain/loss on revaluation of intangible assets	6	(14)	(14)	(14)	(14)

	Note (if material)	2022-23		2021-22	
		Core Dept	Group	Core Dept (Restated)	Group (Restated)
• Actuarial gain/loss on pension scheme liabilities		-	(2,769)	-	(1,069)
Comprehensive net expenditure for the year		170,821	113,059	257,063	212,190

The notes on pages 138 to 168 form part of these accounts.

Consolidated Statement of Financial Position as at 31 March 2023

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

		2022-23		2021-22		2020-21	
	Note (if material)	Core Dept	Group	Core Dept	Group (Restated)	Core Dept	Group
		£000	£000	£000	£000	£000	£000
Non-current assets:							
Investment – FTC Loan	9	-	295,818	-	242,856	-	201,996
Property, plant & equipment	5	18,927	31,283	16,469	25,502	12,228	21,005
Intangible Assets	6	634	779	636	764	630	792
Trade & other receivables	12	91	91	158	158	163	163
Total non-current assets		19,652	327,971	17,263	269,280	13,021	223,926
Current assets							
Assets classified as held for sale	10	-	-	341	341	539	561
Trade & other receivables	12	29,671	37,233	34,468	42,228	26,040	31,146
Cash & cash equivalents	11	206	2,129	199	2,348	214	2,599
Total current assets		29,877	39,362	35,008	44,917	26,793	34,306
Total assets		49,529	367,333	52,271	314,197	39,814	258,232
Current liabilities							
Trade and other payables	13	(53,281)	(60,988)	(50,141)	(57,605)	(35,874)	(40,272)
Provisions	14	(30,168)	(30,418)	(28,813)	(28,813)	(459)	(459)
Total current liabilities		(83,449)	(91,406)	(78,954)	(86,418)	(36,333)	(40,731)
Total assets less current liabilities		(33,920)	275,927	(26,683)	227,779	3,481	217,501
Non-current liabilities							
Provisions	14	(27,348)	(27,361)	(73,466)	(73,632)	(169)	(337)
Other payables	13	(3,191)	(4,816)	(12)	(12)	(32)	(2,254)
Retirement benefit obligations	15.1	-	194	-	(2,386)	-	(3,213)
Total non-current liabilities		(30,539)	(31,983)	(73,478)	(76,030)	(201)	(5,804)
Total assets less total liabilities		(64,459)	243,944	(100,161)	151,749	3,280	211,697

	Note (if material)	2022-23		2021-22		2020-21	
		Core Dept	Group	Core Dept	Group (Restated)	Core Dept	Group
		£000	£000	£000	£000	£000	£000
Taxpayers' equity and other reserves:							
General Fund		(65,009)	243,240	(100,689)	151,149	2,561	210,819
Revaluation Reserve		550	704	528	600	719	878
Total equity		(64,459)	243,944	(100,161)	151,749	3,280	211,697



Gareth Johnston
Interim Accounting Officer
27 October 2023

The notes on pages 138 to 168 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 TEO 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 Department's future public service delivery.

	Note (if material)	Core Dept £000	2022-23 Group £000	Core Dept £000	2021-22 Group (Restated) £000
Cash flows from operating activities					
Net expenditure for the year including notional		(170,976)	(116,060)	(257,202)	(213,184)
Adjustments for non-cash transactions	3, 4	(11,149)	(9,840)	105,856	106,211
Adjustments for non-cash Amortisation Reserve - FTC Loans	9		(4,235)		(21,380)
(Increase)/Decrease in trade and other receivables	12	4,864	5,062	(8,423)	(11,036)
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure	12	2,662	2,662	21	21
Increase/(Decrease) in trade and other payables	13	6,319	8,187	14,249	15,041
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure	13	(4,753)	(7,144)	(2,019)	(2,019)
Other		-	26	-	-
Interest on Lease liabilities		157	191	-	-
Movement in pension scheme deficit:- Current service cost settlement			230	-	286
Employer pension contributions/ use of provisions		-	(104)	-	(111)
- Net return on pension scheme assets;		-	63	-	67
Interest on net defined benefit liability					
Use of provisions	14	(26,455)	(26,731)	(10)	(210)
Net cash inflow/(outflow) from operating activities		(199,331)	(147,693)	(147,528)	(126,314)
Cash flows from investing activities					
FTC Loan issued		-	(50,000)	-	(20,850)
Repayment FTC loan		-	(1,275)	-	(1,275)
Purchase of non-financial assets	5, 6, 13	(4,804)	(4,836)	(3,596)	(4,299)

	Note (if material)	Core Dept	2022-23 Group	Core Dept	2021-22 Group (Restated)
		£000	£000	£000	£000
Proceeds from disposal of non-financial assets		779	779	198	234
Net cash inflow/(outflow) from investing activities		(4,025)	(55,332)	(3,398)	(26,190)
Cash flows from financing activities					
From the Consolidated Fund (Supply) – current year		200,523	200,523	150,722	150,722
From the Consolidated Fund (Supply) – prior year		231	231	220	220
		-			
Advances from the Contingencies Fund		-	-	-	1,275
Repayments to the Contingencies Fund		-	-	-	-
Capital element of payments in respect of leases and on-balance sheet (SoFP) PFI contracts		-	(638)	-	-
Capital element of payments in respect of leases and on-balance sheet (SoFP) PFI contracts		-	-	-	-
Net financing		200,754	200,116	150,942	152,217
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(2,602)	(2,909)	16	(287)
Payments of amounts due to the Consolidated Fund		(71)	(71)	-	-
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(2,673)	(2,980)	16	(287)
Cash and cash equivalents at the beginning of the period		(161)	1,988	(177)	2,275
Cash and cash equivalents at the end of the period		(2,834)	(992)	(161)	1,988

The notes on pages 138 to 168 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

This statement shows the movement in the year on the different reserves held by TEO, 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.

GROUP	Note (if material)	General Fund (Restated)	Revaluation Reserve	Taxpayers' equity (Restated)
		£000	£000	£000
Balance at 31 March 2021		210,819	878	211,697
Net Assembly Funding		150,722	-	150,722
Grant in Aid		20,850		20,850
Supply Receivable Adjustment	12	241 ¹	-	241
CFERs Payable to the Consolidated Fund		(7)	-	(7)
FTC loan repayment received	9	1,275	-	1,275
FTC loan repayment to the Consolidated Fund	9	(1,275)	-	(1,275)
SIB FTC loan issued in year	9	(20,850)	-	(20,850)
SIB FTC loan repayment received in year	9	(1,275)	-	(1,275)
Pension service cost, employer contributions & defined interest benefit	15.2	(242)	-	(242)
Actuarial Gain/(Loss) for year	15.2	1,069		1,069
Revaluation gains/losses	3	-	62	62
Comprehensive Net Expenditure for the year (prior to FTC Loan PPA)	SOAS2, 3	(239,527)	-	(239,527)
Auditors' Remuneration	3	87	-	87
Non-cash charges -- other notional costs	3	2,579	-	2,579
Transfer between reserves		340	(340)	-
Balance at 31 March 2022		124,806	600	125,406
Prior Period Adjustment	1.17	26,343	-	26,343
Balance at 1 April 2022		151,149	600	151,749
Net Assembly Funding		200,523	-	200,523
Grant in Aid		50,000	-	50,000
Supply Receivable Adjustment	12	2,893	-	2,893
Other reserves movements including transfers		7	-	7
CFERs Payable to the Consolidated Fund		(59)	-	(59)
SIB FTC loan issued in year	9	(50,000)	-	(50,000)
SIB FTC loan repayment received in year	9	(1,275)	-	(1,275)

GROUP	Note (if material)	General Fund (Restated)	Revaluation Reserve	Taxpayers' equity (Restated)
		£000	£000	£000
Comprehensive Net Expenditure for the year		(116,060)	-	(116,060)
Auditors' Remuneration	3	100	-	100
Non-cash charges- other notional costs		3,066	-	3,066
Revaluation gains/losses		-	232	232
Actuarial Gain/(Loss) for year		2,769		2,769
Transfers between reserves		128	(128)	-
Balance at 31 March 2023		243,240	704	243,944

The notes on pages 138 to 168 form part of these accounts.

¹ This figure includes £10k adjustment from 2020-21

Notes to the Accounts

1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2022-23 Government Financial Reporting Manual (FReM) issued by the Department of Finance. 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 TEO Group 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.

1.1 *Accounting convention*

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

1.2 *Basis of consolidation*

These accounts comprise a consolidation of the Core Department and its arms' length bodies listed in note 20, which fall within the departmental boundary as defined in the FReM and make up the 'Departmental Group'. Transactions between entities included in the consolidated accounts are eliminated. The consolidated bodies prepare accounts in accordance with either the FReM or the Companies Order 2006. For those bodies that do not prepare accounts in accordance with the FReM, adjustments are made at consolidation if necessary where differences would have a significant effect on the accounts. TEO implemented IFRS 16 Leases, which replaced the extant guidance, IAS 17 Leases. No other new accounting policies were adopted by The Executive Office during 2022-23.

1.3 *Property, Plant and Equipment and Intangible Assets*

The minimum level for capitalisation of a tangible fixed asset within TEO Core itself is £1,000. Some Arm's Length Bodies within the Departmental Group have capitalisation thresholds of £500. The impact of this variation in accounting policy would not have a material impact on the Departmental Group. Computer systems (bespoke software) which have been developed internally have been capitalised at the full cost incurred. Where material, assets have been pooled/grouped so as to reflect property, plant and equipment holdings more accurately.

On initial recognition property, plant and equipment and intangible assets are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as "under construction" are recognised in the statement of financial position to the extent that money has been paid or a liability has been incurred.

All property, plant and equipment and intangible assets are carried at fair value. Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Standards prepared and published by the Royal Institution of Chartered Surveyors (RICS). Full professional valuations of land and buildings are undertaken at specific intervals, but at least every five years. Land and buildings are revalued annually, either by reassessment or using indices provided by Land and Property Services (LPS). All valuations are carried out by LPS, an external valuer, as defined in the Appraisal and Valuation Standards referred to above.

Operational properties are valued on the basis of existing use value, unless they are specialised, in which case they are valued on a depreciated replacement cost basis. Properties surplus to requirements are valued on the basis of open market value less any material directly attributable selling costs. With the exception of the above and items under construction, fair value is estimated by restating the value annually by reference to indices compiled by the Office for National Statistics (ONS).

Surpluses and deficits arising on revaluation are taken to the revaluation reserve. Where appropriate, permanent reductions in the value of fixed assets are charged to the Statement of Comprehensive Net Expenditure. Revaluations below historic cost which are not temporary fluctuations in market value are treated as an impairment in accordance with IAS 36, Impairment of Assets, and charged in full to the Statement of Comprehensive Net Expenditure. Impairment reviews of property, plant and equipment are performed annually and additionally where there is an indication of an impairment as defined by IAS 36. The impairment of assets in note 7 relates to additions and the revaluation on transfer of assets under construction to land or buildings.

Revaluations below historic cost which are not temporary fluctuations in market value are treated as an impairment in accordance with IAS 36, Impairment of Assets, and charged in full to the Statement of Comprehensive Net Expenditure. Impairment reviews of property, plant and equipment are performed annually and additionally where there is an indication of an impairment as defined by IAS 36. The impairment of assets in note 7 relates to additions.

Assets paid for on behalf of TEO by other Northern Ireland Civil Service departments have also been capitalised and depreciated in line with current policy, and have been credited to the general fund.

1.4 Depreciation and Amortisation

Property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight line basis over their estimated useful lives. Depreciation is charged in the month of acquisition. No depreciation is provided on freehold land since they have unlimited or very long estimated useful lives. Items under construction are not depreciated until they are commissioned.

Properties that are surplus to requirements and not in use are not depreciated. Capital expenditure on leasehold improvements is depreciated over the remaining term of the lease.

Asset lives are normally in the following ranges:

Computer Equipment	3-6 years
Computer Systems	6-10 years
Freehold Buildings	25 years
Furniture and Fittings	2-15 years
Motor Vehicles	4 years
Lease hold Buildings	length of lease
Office Equipment	3-11 years
Plant and Machinery	3-20 years
Telecoms Equipment	2-10 years

The overall useful life of the Department's buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on these assets at the same rate as if separate components had been identified and depreciated at different rates.

Intangible assets are depreciated at rates calculated to write them down to estimated residual value on a straight line basis over their estimated useful lives. Asset lives for all intangible assets is in the range of 1-10 years.

1.5 *Operating income including income receivable from the European Union*

Operating income is income which related directly to the operating activities of the Department. It principally comprises fees and charges for services provided on a full-cost basis to external customers, as well as public sector repayment work. It includes not only accruing resources of the Estimate but also income to the Consolidated Fund, authorised by the Department of Finance to be treated as operating income. Operating income is stated net of VAT.

All receipts from the EU are separately identified and shown as income in the notes to the Statement of Comprehensive Net Expenditure. EU income is received in arrears, expenditure having been initially funded by the Department.

1.6 *Administration and programme expenditure*

The Statement of Comprehensive Net Expenditure is analysed between operating income and expenditure. Expenditure is analysed between administration and programme expenditure in notes 3a and 3b. Administration costs reflect the costs of running the Department. Programme costs reflect non-administration costs, including payments of grants and other disbursements by the department, as well as certain staff costs where they relate directly to service delivery. The classification of expenditure and income as administration or as programme follows the definition of administration costs set by the Department of Finance.

1.7 *Foreign exchange*

Transactions which are denominated in a foreign currency and which are covered by a related forward contract are translated into sterling at the exchange rate specified in the contract. Transactions which are not covered by a related forward contract are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for the period is used. Monetary assets and liabilities denominated in foreign currency at the Statement of Financial Position date are

translated at the rates ruling at that date. These translation differences are dealt with in the Statement of Comprehensive Net Expenditure.

1.8 Employee Benefits including Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme Northern Ireland (PCSPS (NI)) which are described in the Staff Report. The 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 PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). In respect of the defined contribution schemes, the Department recognises the contributions payable for the year. A separate scheme statement is prepared for PCSPS (NI) as a whole.

The Community Relations Council participates in a defined benefit pension scheme administered by NILGOSC for all permanent staff. The employer makes a contribution to the NILGOSC pension scheme. The Department has entered into a guarantee agreement with the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) in respect of CRC as noted in note 15.1.

1.9 Leases

As noted 1.16 IFRS 16 Leases replaced IAS 17 Leases and is effective with EU adoption from 1 January 2019. The interest element of any lease classified as a finance lease payment is charged to the Statement of Comprehensive Net Expenditure over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

1.10 Grants payable

The Group is responsible for the payment of a number of Government Grants, both discretionary and mandatory. These grants are recorded in the period in which the recipient carries out the activity which created the entitlement. The recognition of entitlement will vary according to the details of the individual scheme. Unpaid and unclaimed grants may represent obligations to be recognised as liabilities. Where the amount of the claim is not known at the Statement of Financial Position date, an estimate will be made. Overpayments of grants are shown as receivables at the Statement of Financial Position date.

1.11 Provisions

The Group provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the time value of money is material, nominal rates issued by HM Treasury will be used to discount future cash flows related to provisions recognised in accordance with IAS 37 Provisions, contingent liabilities and contingent assets. There are time frames against which nominal rates will apply. The nominal rates are currently between 3.27% to 3.00%

1.12 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Group discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of *Managing Public Money Northern Ireland*.

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 the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

1.13 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment. VAT is recoverable on a departmental basis.

1.14 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when, it is extinguished.

The Group has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

In accordance with IAS 39 Financial Instruments: Recognition and Measurement trade receivables, cash and other receivables are classified as 'loans and receivables'. Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment. Please refer to notes 8-9 with respect of Financial Transactions Capital loan agreements within the group.

The Group assesses at each Statement of Financial Position date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired.

The Group measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In

making the collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics. Impairment losses are recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the Statement of Comprehensive Net Expenditure to the extent that a provision was not previously recognised.

Financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

1.15 Comparatives

Comparative figures for the 2021-22 year are shown for those items listed in the primary schedules and associated notes, in compliance with the disclosure requirements of FReM unless otherwise stated.

1.16 Impeding application of newly issued accounting standards not yet effective

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2025.

Accounting boundary IFRS are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI (Review of Financial Process), has brought NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2022-23, the accounting boundary for departments has changed and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may have changed as a result of these Standards.

Implementation of Review of Financial Process (RoFP)

TEO has implemented the Review of Financial Process in 2022-23. The aim of RoFP is to align the boundaries of budgets, estimates and accounts as far as it is practicable, including consolidation of NDPBs and other central government bodies in Estimates and accounts. The bodies intended for inclusion within the 2022-23 departmental boundary are detailed in the Directors' Report and in note 20. The list of bodies is subject to change each year and the final list of bodies to be included within the departmental boundary will be designated each year in an Estimates and Accounts (Designation of Bodies) Order for consolidation into TEO's annual Estimates and Accounts.

1.17 Prior Period Adjustment

During the year, as a result of the review by the Group of the calculation of the carrying value of Financial Transactions Capital loans, it was identified that a correction was required to the discounting calculations for 2021-22. The loans are carried at amortised cost. The correction was required to fully reflect the application of the discount rate published by HMT in December 2021. As a result, the carrying value of the loans has been increased by £26.3m. The primary statements have been updated accordingly.

2 Statement of Operating Expenditure by Operating Segment

The principal activities of the Department comprise: Support for the Executive and human rights, equality and community relations. This is reflected in the high-level structure under which the Department reports performance to the DoF and HM Treasury.

"Executive Support and Programme for Government" ("Executive Support") embraces provision of advice and guidance to Ministers, managing the Programme for Government, maintaining a presence in Brussels, China and Washington and delivering an integrated investment strategy. The "Good Relations and Inclusion Directorate" ("GRID"), was formerly known as: "Strategic Policy, Equality and Good Relations" ("Strategic Policy") and still comprises the development and implementation of a cross-departmental strategy to tackle poverty and social exclusion, promote equality and improve people's lives. It also includes the regeneration of former military and security sites and the Historical Institutional Abuse Inquiry and administration of the Victims' Payment Scheme for Permanent Disablement.

The Accounting Officer receives detailed monthly reports for each business area in the Department which are aggregated to show performance over these two principal activities.

There are no transactions between reportable segments and there is no reliance on major customers.

	Note	Executive Support	GRID	2022-23 Total	Executive Support	GRID	2021-22 Total
		£000	£000	£000	£000	£000	£000
Gross Expenditure	3	19,309	158,365	177,674	21,393	253,977	275,370
Income	4	(134)	(6,564)	(6,698)	(115)	(18,053)	(18,168)
Net Expenditure		19,175	151,801	170,976	21,278	235,924	257,202
Total assets	5,6,10,11 12	4,698	44,831	49,529	1,029	51,244	52,273

2.1 Reconciliation between Operating Segments and SoCNE

		Executive Support	GRID	2022-23 Total	Executive Support	GRID	2021-22 Total
Note		£000	£000	£000	£000	£000	£000
Total expenditure reported for operating segments	net for	19,175	151,801	170,976	21,278	235,924	257,702
Reconciling items:							
Income		-	-	-	-	-	-
Expenditure		-	-	-	-	-	-
Total net expenditure per Statement of Comprehensive Net Expenditure	net of	19,175	151,801	170,976	21,278	235,924	257,702

2.2 Reconciliation between Operating Segments and SoFP

			2022-23			2021-22
	Executive	GRID	Total	Executive	GRID	Total
	Support			Support		
Note	£000	£000	£000	£000	£000	£000
Total assets reported for operating segments	4,698	44,831	49,529	1,029	51,244	52,273
Reconciling items:	-	-	-	-	-	-
Income	-	-	-	-	-	-
Expenditure	-	-	-	-	-	-
Total assets per Statement of Financial Position	4,698	44,831	49,529	1,029	51,244	52,273

3 Expenditure

3a. Other Administrative Expenditure

		2022-23		2021-22	
		£000		£000	
	Note	Core Department	Departmental Group	Core Department	Departmental Group
Staff Costs ¹ :					
Wages and salaries		9,071	10,177	8,999	10,058
Social Security costs		968	1,033	942	1,033
Other Pension costs		2,550	2,745	2,410	2,685
Contracted Out Services		457	468	393	402
Office Services including advertising, communications and stationery)		384	594	347	511
Staff related costs (including travel subsistence and training)		197	225	147	200
Professional Costs		496	537	183	313
External Audit fees (ALBs)		-	40	-	36
Accommodation Costs		266	354	160	237
Other		362	441	663	713
Rentals under operating leases		68	146	130	210
Managed Services		32	32	29	29
Consultancy		252	302	61	102
Non Capital Purchases		147	161	36	55
Non-cash items:					
Other notional charges		1,821	1,821	1,446	1,446
Office accommodation		1,220	1,220	1,109	1,109
(Decrease)/Increase in provision		(95)	(95)	(323)	(323)
Depreciation		179	187	84	115
Loss on disposal of property, plant and equipment		9	9	28	28
Amortisation		15	35	16	16
Total		18,399	20,432	16,860	18,975

¹ Further analysis of staff costs is located in the Staff Report on page 100

3b. Programme Expenditure

		2022-23		2021-22	
		£000		£000	
	Note	Core Department	Departmental Group	Core Department	Departmental Group
Staff Costs: ¹					
Wages and salaries		11,532	26,855	9,038	24,391
Social Security costs		1,006	2,743	826	2,415
Other Pension costs		2,737	5,185	2,223	4,692
Grants		108,300	37,506	77,026	34,573
EU Programme Spend		6,319	8,089	17,744	20,127
Office Services		1,322	2,249	2,448	3,132
Professional Costs		7,405	8,466	5,791	7,725
External Audit fees (ALBs)		-	115	-	106
NFI		1	7	-	-
Other		32,715	33,446	37,426	38,300
Finance expense		35	52		
Rentals under operating leases		110	519	708	2,427
Interest on net defined benefit liability		-	63	-	67
Contracted Out Services		581	965	620	993
Accommodation Costs		698	1,695	553	1,482
Staff related Costs		582	863	397	840
Managed Services		95	184	152	236
Consultancy Costs		96	182	49	279
Non Capital Purchases		39	46	12	21
Non-cash items:					
Other notional charges		25	25	25	25
Diminution in the value of property, plant and equipment		2,928	2,932	945	1,054
Depreciation		897	1,749	372	614
(Decrease)/Increase in provision		(18,214)	(17,841)	101,983	101,972
Amortisation		115	167	47	47
Bad debt written off		-	-	-	-
Loss on disposal of property, plant and equipment		(149)	(149)	38	22
(Decrease) in pension		-	-	-	(242)
Total		159,175	116,113	258,423	245,298

¹ Further analysis of staff costs is located in the Staff Report on page 100

3c. Notional Audit Costs

The non-cash auditors' remuneration for the year includes costs incurred by the Department for the Departmental Group audit and NDPBs for the audit of their individual accounts as shown in the breakdown below. Further details for agencies and NDPBs can be found in their individual accounts.

	2022-23	2021-22
	£000	£000
Core Department	100	87
Departmental Group Notional Audit Costs	100	87

Please note that all ALBs are hard charged for their audit costs, and their costs are included in the Departmental Group figure for audit costs at Note 3a and b.

4 Income

	2022-23		2021-22	
	£000		£000	
	Core Department	Departmental Group	Core Department	Departmental Group
EU Income	6,319	8,444	17,744	20,617
Recovery of Seconded Costs	120	6,844	136	7,250
Rental Income	152	834	209	1,163
Miscellaneous Other Operating Income	107	228	79	203
Total Operating Income	6,698	16,350	18,168	29,233

5 Property, plant and equipment

Consolidated 2022-23

	Land	Buildings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2022	11,012	3,597	216	1,067	1,074	1,508	10,382	28,856
Prior Period Adjustment	2	(20)	(2)	-	(24)	25	(39)	(58)
IFRS16 Adjustment	-	6,849	-	10	-	-	-	6,859
Additions	-	381	(1)	88	80	(17)	1,957	2,488
Lease Reassessments/Modifi cations	-	234	-	-	-	-	-	234
Disposals	(10)	(171)	(70)	(4)	(28)	(1)	-	(284)
Impairments (a)	-	-	-	-	-	-	-	-
Reclassifications	-	2,414	-	-	-	-	(2,419)	(5)
Fixed Asset Clearing Account	-	-	-	-	-	-	1,021	1,021
Revaluation charged to SoCNE (a)	(246)	(2,700)	-	-	-	-	(77)	(3,023)
Revaluation (a)	55	45	8	80	51	96	1	336
At 31 March 2023	10,813	10,629	151	1,241	1,153	1,611	10,827	36,424
Depreciation								
At 1 April 2022	-	495	78	805	788	1,192	(4)	3,354
Prior Period Adjustment	-	(48)	-	(3)	-	-	7	(44)
Charged in year	-	1,604	38	89	124	85	-	1,940
Disposals	-	-	(61)	(1)	(28)	(1)	-	(91)
Impairments (a)	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluation charged to SoCNE (a)	-	(136)	-	-	-	-	-	(136)
Revaluation (a)	-	(35)	(10)	59	36	68	-	118
At 31 March 2023	-	1,880	45	949	920	1,344	3	5,141
Carrying amount								
At 31 March 2022	11,012	3,102	138	262	286	316	10,386	25,502
At 31 March 2023	10,813	8,749	106	292	233	267	10,823	31,283
Asset financing:								
Owned	10,813	3,013	106	285	233	267	10,823	25,540
Finance Leased	-	5,736	-	7	-	-	-	5,743

Carrying amount at 31 March 2023	10,813	8,749	106	292	233	267	10,823	31,283
Of the total:								
Department	5,518	5,708	97	167	37	204	7,196	18,927
Arms' Length Bodies	5,295	3,041	9	125	196	63	3,627	12,356
Carrying amount at 31 March 2023	10,813	8,749	106	292	233	267	10,823	31,283

- (a) Revaluations were undertaken in respect of Ebrington Barracks and the Crisis Management Centre as at 31 March 2023 by Land & Property Services. Valuations reflect the current situation in the property market in Northern Ireland. Previous year valuations are shown in brackets. Ebrington was valued at £5.39m (£5.54m) for land and £2.025m (£2.195m) for buildings. The Crisis Management Centre was valued at £0.125m (£0.125m) for land and £0.125m (£0.125m) for buildings.

5 Property, plant and equipment (continued)

Consolidated 2021-22

	Land	Buildings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2021	10,782	3,735	111	1,103	1,057	1,391	5,831	24,010
Additions	-	55	102	21	124	44	5,385	5,731
Fixed Asset Clearing Account	-	-	-	-	-	-	500	500
Disposals	-	(1)	-	(111)	(114)	(3)	-	(229)
Impairments (a)	30	(578)	-	-	-	-	-	(548)
Reclassifications	507	826	-	-	-	-	(1,335)	-
Revaluation charged to SoCNE (a)	(306)	(216)	-	-	-	-	-	(522)
Revaluation (a)	(1)	(224)	3	54	7	76	-	(85)
At 31 March 2022	11,012	3,597	216	1,067	1,074	1,508	10,382	28,856
Depreciation								
At 1 April 2021	-	408	68	750	727	1,046	(4)	2,995
Charged in year	-	280	36	96	138	96	-	646
Disposals	-	(1)	-	(78)	(81)	(2)	-	(162)
Impairments (a)	-	18	-	-	-	-	-	18
Reclassifications	-	-	-	-	-	-	-	-
Revaluation charged to SoCNE (a)	-	(147)	-	-	-	-	-	(147)
Revaluation (a)	-	(63)	(26)	37	4	52	-	4
At 31 March 2022	-	495	78	805	788	1,192	(4)	3,354
Carrying amount								
At 31 March 2021	10,782	3,327	43	353	330	345	5,835	21,014
At 31 March 2022	11,012	3,102	138	262	286	316	10,386	25,502
Asset financing:								
Owned	11,012	3,102	138	262	286	316	10,386	25,502
Finance Leased	-	-	-	-	-	-	-	-
Carrying amount at 31 March 2022	11,012	3,102	138	262	286	316	10,386	25,502
Of the total:								
Department	5,668	2,384	123	206	56	258	7,774	16,469
Arms' Length Bodies	5,344	718	15	56	230	58	2,612	9,033
Carrying amount at 31 March 2022	11,012	3,102	138	262	286	316	10,386	25,502

6 Intangible Assets

Consolidated

2022-23

	Software Licenses £000	Developed Software £000	Web Sites £000	Total £000
Cost or valuation				
At 1 April 2022	779	771	138	1,688
Adjustment to Prior Year	1	(282)	(1)	(282)
Additions	89	407	-	496
Disposals	-	(15)	-	(15)
Revaluations charged to SoCNE	-	4	-	4
Revaluations	-	18	-	18
At 31 March 2023	869	903	137	1,909
Amortisation				
At 1 April 2022	686	132	106	924
Charged in year	57	132	14	203
Disposals	-	(1)	-	(1)
Revaluations charged to SoCNE	-	-	-	-
Revaluations	-	5	(1)	4
At 31 March 2023	743	268	119	1,130
Carrying amount at 31 March 2022	93	639	32	764
Carrying amount at 31 March 2023	126	635	18	779
Asset Financing				
Owned	126	635	18	779
Finance Leased	-	-	-	-
Contracts	-	-	-	-
Carrying amount at 31 March 2023	126	635	18	779
Of the total:				
Department	-	635	-	635
Arms' Length Bodies	126	-	18	144
Carrying amount at 31 March 2023	126	635	18	779

6 Intangible Assets (continued)

Consolidated	Software Licenses	Developed Software	Web Sites	Total
2021-22				
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2021	746	691	127	1,564
Adjustment to Prior Year	(1)	-	-	(1)
Additions	34	66	11	111
Disposals	-	-	-	-
Revaluations charged to SoCNE	-	(7)	-	(7)
Revaluations	-	21	-	21
At 31 March 2022	779	771	138	1,688
Amortisation				
At 1 April 2021	617	61	94	772
Charged in year	69	64	12	145
Disposals	-	-	-	-
Revaluations charged to SoCNE	-	-	-	-
Revaluations	-	7	-	7
At 31 March 2022	686	132	106	924
Carrying amount at 31 March 2021	129	630	33	792
Carrying amount at 31 March 2022	93	639	32	764
Asset Financing				
Owned	93	639	32	764
Finance Leased	-	-	-	-
Contracts	-	-	-	-
Carrying amount at 31 March 2022	93	639	32	764
Of the total:				
Department	1	636	(1)	636
Arms' Length Bodies	92	3	33	128
Carrying amount at 31 March 2022	93	639	32	764

7 Impairments

	Core Department	2022-23 £000 Departmental Group	Core Department	2021-22 £000 Departmental Group
Amount Charged to the Statement of Comprehensive Net Expenditure	229	229	567	567
Total	229	229	567	567

Impairments include the works carried out on LPS valued land and buildings.

8 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.

The Group (through Strategic Investment Board Limited (SIB)) has provided loans under the Financial Transactions Funding (FTC) Scheme. A £50 million payment was made this financial year (2021-22: £20.85m). The contractual loan agreement is between the entity in receipt of the loan and SIB who have accounted for this transaction in their FRoM accounts. £1,275k repayment of FTC was received in 2022-23 (2021-22: £1,275k).

In 2022-23, as a result of a review of the carrying value of the FTC loans, a Prior Year Adjustment (PYA) has been made in relation to the carrying value at 31 March 2022. From inception, non-interest bearing FTC loans have been carried at amortised cost using the HM Treasury nominal discount rate. This rate decreased from 3.7% PES (2015) 08 to 1.9% in PES (2021) 10. However, it was identified that the change was not applied on the non-interest bearing FTC loans at 31 March 2022. The move in the rate resulted in a PYA for £26.3m to increase to the carrying value of the loans at 31 March 2022.

Whilst the adjustment has been reflected in the TEO Group accounts for 2022-23, the accounts of SIB have already been finalised and published. The correction will therefore be applied at the next available opportunity, during the preparation of the annual accounts for 2023-24.

9 Investments and loans in other public sector bodies

	Loans	Other investments	Core Department Total	Loans	Other investments	Departmental Group Total
	Core Department			Departmental Group		
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2021	-	-	-	203,178	-	203,178
Additions	-	-	-	20,850	-	20,850
Disposals	-	-	-	-	-	-
Repayments and redemptions	-	-	-	(1,275)	-	(1,275)
Amortisation	-	-	-	(4,963)	-	(4,963)
Revaluations	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Prior Year Adjustment	-	-	-	26,343	-	26,343

	Loans	Other investments	Core Department Total	Loans	Other investments	Departmental Group Total
	Core Department			Departmental Group		
	£000	£000	£000	£000	£000	£000
Balance at 31 March 2022	-	-	-	244,133	-	244,133
Additions	-	-	-	50,000	-	50,000
Disposals	-	-	-	-	-	-
Repayments and redemptions	-	-	-	(1,275)	-	(1,275)
Amortisation	-	-	-	4,235	-	4,235
Revaluations	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Balance at 31 March 2023	-	-	-	297,093	-	297,093

Expected Timing of Cashflows

	Loans	Other investments	Departmental Group Total
	Departmental Group		
	£000	£000	£000
Not later than one year	1,275	-	1,275
Later than one year but not later than five years	24,132	-	24,132
Later than five years	271,686	-	271,686
	297,093	-	297,093

The Group (through Strategic Investment Board Ltd) facilitated the transfer of funds between DoF and DfE, and Queen's University Belfast, Ulster University and GFS Corporate Directorate II Limited (the vehicle holding the NI Investment Fund) for FTC loan agreements.

The loan to Queen's University Belfast is an interest free loan agreement. In 2022-23 the Group (through Strategic Investment Board Ltd) received a loan repayment of £1.275m (2021-22: £1.275m). The outstanding loan amount as of 31st March 2023 is £23.785m (2021-22: £25.060m).

In 2022-23 the Group (through Strategic Investment Board Ltd) issued a £50m loan to GFS Corporate Directorate II Limited (the vehicle holding the NI Investment Fund), the total value of the loan as of 31st March 2023 is £150m (2021-22: £100m). The loan is interest bearing at a rate of Sterling Overnight Index Average (SONIA) previously London Interbank Offered Rate (LIBOR) plus 4%.

The total value of the Ulster University FTC loans as of 31st March 2023 remains at £158.6m (2021-22: £158.6m). Interest of 0.25% is applied monthly and received at the beginning of

the following financial year. This interest is to be used for the management of this specific loan and will be expensed in year by both the Group (through Strategic Investment Board Ltd) and DfE. The Group will be receiving a gross economic benefit from this loan through the receipt of interest payments but will receive no net economic benefit as the income will be used to meet service obligations.

**Further details of the prior period adjustment are provided in note 1.17*

10 Assets Held for Sale

Consolidated

	2022-23 £000		2021-22 £000	
	Core Department	Departmental Group	Core Department	Departmental Group
At 1 April	341	341	539	561
Transfer in from non current assets	-	-	-	(2)
Transfer of carrying value	6	6	-	-
Disposal of carrying value	(339)	(339)	(198)	(218)
Impairment loss	(8)	(8)	-	-
At 31 March	-	-	341	341

TEO buildings 10, 10a and 102 that were held for sale at 31 March 22, were disposed of during 2022-23. No other assets within the group had been held for sale at 31 March 22.

11 Cash and Cash Equivalents

	2022-23 £000		2021-22 £000	
	Core Department	Departmental Group	Core Department	Departmental Group
Balance at 1 April	(161)	1,988	(177)	2,275
Net change in cash and cash equivalent balances	(2,673)	(2,980)	16	(287)
Balance at 31 March	(2,834)	(992)	(161)	1,988
The following balances at 31 March were held at:				
Commercial banks and cash in hand	(2,834)	(992)	(161)	1,988
Balance at 31 March				
The balance comprises:				
Cash	206	2,129	199	2,348
Overdraft	(3,040)	(3,121)	(360)	(360)
	(2,834)	(992)	(161)	1,988

12 Trade receivables, financial and other assets

	2022-23		2021-22	
	£000		£000	
	Core Department	Departmental Group	Core Department	Departmental Group
Amounts falling due within one year:				
Trade receivables ¹	357	1,862	107	2,564
Deposits and advances	3,456	3,486	8,222	8,271
Other receivables ²	10	1,468	24	1,561
Prepayments	145	272	66	640
Accrued Income	15,288	19,730	16,708	19,851
Amounts due from EU VAT	7,369	7,369	8,787	8,787
Amounts due from the Consolidated Fund in respect of supply	153	153	323	323
	2,893	2,893	231	231
Total	29,671	37,233	34,468	42,228
Amounts falling due after more than one year:				
Deposits and advances	13	13	12	12
Other receivables	78	78	146	146
Total	29,762	37,324	34,626	42,386

1. Trade receivables and other current assets contains £6k (2021-22: £6k) which will be surrendered to the Consolidated Fund when received.

2. Other receivables includes £1,275k (2021-22: £1,275k) FTC loan to be repaid (Notes 8 and 9 refer)

13 Trade payables, financial and other liabilities

	2022-23		2021-22	
	£000		£000	
	Core Department	Departmental Group	Core Department	Departmental Group
Amounts falling due within one year				
Bank Overdraft	3,040	3,121	360	360
Other taxation and social security	-	-	-	-
Trade payables	386	440	916	1,080
Other payables	81	1,248	61	1,735

	2022-23		2021-22	
	£000		£000	
	Core Department	Departmental Group	Core Department	Departmental Group
Accruals	48,102	50,903	45,864	48,519
Deferred income	5	76	12	12
Non current asset accruals	1,000	1,000	2,851	2,851
Current part of lease liabilities	602	1,252	-	-
Amounts due to EU	-	2,883	-	2,971
Consolidated Fund extra receipts due to be paid to the Consolidated Fund Received	59	59	71	71
Receivable	6	6	6	6
	53,281	60,988	50,141	57,605
Amounts falling due after more than one year:				
Other payables, accruals and deferred income	13	13	12	12
Leases	3,178	4,803	-	-
Total	56,472	65,804	50,153	57,617

14 Provisions for liabilities and charges

	2022-23		2021-22	
	£000		£000	
	Core Departm ent	Departmenta l Group	Core Department	Departmental Group
Balance at 1 April	102,279	102,445	629	796
Provided in the year	(18,207)	(17,747)	101,660	101,909
Provisions not required written back	(101)	(188)	-	(50)
Provisions utilised in the year	(26,455)	(26,731)	(10)	(210)
Changes in discount rate				
Borrowing costs (unwinding of discounts)	-	-	-	-
Balance at 31 March	57,516	57,779	102,279	102,445

14.1 Analysis of expected timing of discounted flows

	2022-23 £000		2021-22 £000	
	Core Department	Departmental Group	Core Department	Departmental Group
Not later than one year	30,168	30,418	28,813	28,813
Later than one year and not later than five years	27,267	27,280	73,349	73,515
Later than five years	81	81	117	117
Balance at 31 March	57,516	57,779	102,279	102,445

	2022-23 £000				
	Equal Pay	Injury Award	Redress	Other	Departmental Group
Not later than one year	-	10	30,134	274	30,418
Later than one year and not later than five years	10	40	27,217	13	27,280
Later than five years	-	81	-	-	81
Balance at 31 March	10	131	57,351	287	57,779

14.1 Equal Pay

This provision represents the Department's share of the settlement pay made to staff at AA, AO, EO2 and analogous grades in the NICS as the result of an agreement with NIPSA in respect of Equal Pay.

The bulk of staff have now agreed to the settlement and the associated taxation obligations to HMRC were discharged. The provision for equal pay at 31 March 2023 represents the expected future equal pay costs for TEO as advised by DoF.

14.2 Injury Award

The provision represents the future costs of monthly payments in settlement of an injury claim by a former employee. Payments are expected to continue for the lifetime of the claimant, increasing in line with the Consumer Prices Index.

The amount of the provision is calculated using the current monthly payment and actuarial tables which show average life expectancy.

Future costs have been discounted at the -1.30% per annum discount rate applicable to post-employment benefits according to HM Treasury guidance.

14.3 HIA Redress Scheme

A provision for the cost of the potential future redress (compensation) payments, arising from the outcomes of the Historical Institutional Abuse Inquiry, has been included for £57.3 million (GAD estimate £123 million reduced by £65.7 million paid out from start of scheme to 31 Mar 2023). The Redress Scheme is administered through the HIA Redress Board (HIARB) which is responsible for receiving and processing applications for compensation from those who experienced abuse as children in residential institutions in Northern Ireland between 1922 and 1995.

This provision includes £2.0m associated with legal fees and other legal costs, which were not included in the provision in 2021-22. A further £2.0m has been paid in legal fees and costs to date.

Government Actuary's Department (GAD) provided an initial report in April 2022 with a updated estimate provided in March 2023. GAD used the experience of the scheme to date, experience of other schemes, National Statistics on looked-after children, and their best experience with modelling mortality and survival rates to determine the revised cost of the scheme.

The number of claims likely to be received in the future is uncertain based on the limited available data on the number of children that were resident in relevant institutions covered by the scheme and a number of other uncertainties that assumptions have been made for.

The main assumptions used in the model to estimate the cost of compensation (Redress) payments on successful claims include:

- Number of children that were resident in relevant institutions covered by the scheme
 - o No data around number of children in care in NI or England before 1950. GAD have recommended to assume the number of children in care in NI from 1922-1950 was at the 1950 level.
- Life expectancy of the children that were resident in relevant institutions covered by the scheme.
 - o Mortality data for NI pre 1980 is scarce, GAD used data for Scotland due to both countries being part of UK and populations assumed to experience similar rates of mortality
- Number of surviving spouses, partners or children of a resident who has died who would be eligible to make a claim
 - o Data on deaths and marital status specific to NI is scarce, GAD have used data for England and Wales as a suitable comparable.
- Number of children residing in more than one institution.
 - o GAD used data on applications from 3 April 2020 - 31 December 2022 to determine the average number of institutions that applicants were resident in the relevant institutions.

- Claim rate
 - o GAD used data on applications from 3 April 2020 to 31 December 2022 to determine the claim rate to date and used this to estimate the claim rate over the remaining years of the scheme.
- Level of payment award.
 - o Average payment award is based on live data from the scheme to date on the actual number of applications and payments made during 2020-21, 2021-22 and 2022-23.
- Rejected applications.
 - o An adjustment has been made for level of rejected applications – applicants have the right to appeal however cannot submit a further application down the line – at a rate of 15% of claims resulting in no award. If an applicant withdraws an application before panel consideration, they do have the option to resubmit with further information at a later stage.
- Publicity Campaign.
 - o Due to the March 2023 launch of the publicity campaign to promote the HIA Redress Scheme applications could rise and GAD have factored in increases in applications over a 6 to 9-month period resulting from this.

The assumptions used and estimates provided by GAD represent a reasonable best estimate of claim numbers and costs of compensation payments by the Redress Scheme. The modelling assumptions will be kept under review as more claims and data become available and TEO will continue to leverage the experience of other similar redress schemes where possible.

Sensitivity of HIA Redress Scheme Projections to Assumptions

The total cost estimate of the HIA Redress scheme provided by GAD is highly sensitive to the claim rate and the average claim size assumptions. This is because these assumptions have been set with a high degree of judgment and the range between the reasonable low and high values is relatively wide.

The table below shows the impact of changing each assumption individually on the estimated total cost of redress payments (excluding additional costs).

Assumption	Low	High
Best estimate of redress claims	£119m	
Number of children in a relevant institution	£96m -£24m	£143m +£24m
Number of children who survived to the opening of the scheme	£109m -£10m	£129m +£10m
Claim rates	£81m -£39m	£151m +32m
Average claim size	£97m -£23m	£219m +£99m

14.4 Other Provisions

This provision represents the provision in respect of Holiday Pay. The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can extend as far back as 1998. However, the PSNI appealed the CoA judgment to the Supreme Court. The hearing was held in December 2022 and the judgment was delivered on 4 October 2023. The 2022-23 Holiday Pay provision has been estimated by HR and covers the period from November 1998 to 31 March 2020. There are still some significant elements of uncertainty around this estimate for a number of reasons:

- (a) Outstanding legal advice now required following the Supreme Court judgment;
- (b) Lack of accessible data for years previous to 2011; and
- (c) Ongoing negotiations with Trade Unions.

15 Contingent liabilities

The Group has entered into the following unquantifiable contingent liabilities.

15.1 Statutory Guarantees: NI Community Relations Council Pension Liability

The Group has entered into a guarantee agreement with the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) in respect of Community Relations Council (CRC).

The Department has guaranteed any and all obligations in respect of pension liabilities, if CRC ceases to exist, or are otherwise unable to discharge their liabilities under the Local Government Pension Scheme Regulations (Northern Ireland) 2002.

The Community Relations Council participates in a defined benefit pension scheme administered by NILGOSC for all permanent staff. The employer makes a contribution to the NILGOSC pension scheme. The employee does not have to join this scheme. Further details can be found on <http://www.nilgosc.org.uk> and in the CRC annual report at: <https://www.community-relations.org.uk/publications>.

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 at or over pension age. The NILGOSC pension age is 65. As an ALB of TEO, any CRC pension related liability is effectively guaranteed by TEO. Potential liabilities estimated at the year end are:

TEO Guarantee of NICRC Accrued Pension Liability		
	2022-23	2021-22
	£000s	£000s
Net defined benefit pension liability at the beginning of the year	2,386	3,213
Current service cost	230	286
Employer contributions	(104)	(111)
Interest on the net defined benefit liability	63	67
Actuarial gains/(losses)	(2,769)	(1,069)
Net defined benefit pension liability at the end of the year	(194)	2,386

15.2 Contingent Liabilities Relating to the Victims' Payments Scheme for Permanent Disablement, the Truth Recovery Programme and the Historical Institutional Abuse Inquiry

Other contingent liabilities disclosed under IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) relate to:

i) Victims' Payments Scheme

Potential estimated future payments range from £652m - £1.3bn over the lifetime of the Scheme, with a central estimate of £910m. This is only for payments to victims and does not include administration costs. Presently there is uncertainty over the number and quantum of claims that may be received.

To date £14.4m has been paid to applicants, of which £14.3m was paid during 2022-23.

ii) Truth Recovery Programme

On 15 November 2021, the deputy First Minister made a statement to the Assembly that committed to implementing the recommendations of the Truth Recovery Design Panel's Report in full. These include recommendations for making payments for redress, reparation and compensation. These actions will require legislation in the new mandate. This work substantially relates to the development of an Independent Panel, Public Inquiry and Redress scheme. The cost cannot be measured reliably at this early stage of the Programme.

15.5 Other Miscellaneous Potential Liabilities

The core Department or Group has not entered into any quantifiable guarantees, indemnities or provided letters of comfort.

16 Leases

16.1 Quantitative disclosures around right-of-use assets

The Executive Office has assessed the impact that the application of IFRS 16 has had on the comprehensive net expenditure for the financial year ending 31 March 2023 and on the statement of financial position at that date. The figures below are for existing leases as at 31 March 2023.

Consolidated 2022-23

	Buildings	Plant & Machinery	Total
	£000	£000	£000
Right-of-use assets			
As at 1 April 2022	7,083	10	7,093
Depreciation Expense	(1,347)	(3)	(1,350)
As 31 March 2023	5,736	7	5,743

16.2 Quantitative disclosures around lease liabilities

Maturity analysis

	2022-23 £000 Core Department	2022-23 £000 Departmental Group
Not later than one year	602	1,252
Later than one year and not later than five years	1,767	3,392
Later than five years	1,411	1,411
Less interest element	(157)	(191)
Total Present Value of obligations	3,623	5,864

	2022-23 £000 Core Department	2022-23 £000 Departmental Group
Current portion	565	1,208
Non-current portion	3,058	4,656

16.3 Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure

	2022-23 £000		2021-22 £000	
	Core Department	Departmental Group	Core Department	Departmental Group
Variable lease payments not included in lease liabilities	3	3	-	-

No entities within the Departmental Group have disclosed any lease payments that are material to the group.

17 Capital and other commitments

17.1 Capital Commitments

17.1 Capital Commitments

	2022-23 £000		2021-22 £000	
	Core Department	Departmental Group	Core Department	Departmental Group
Contracted capital commitments at 31 March not otherwise included in these financial statements	1,078	1,078	1,069	1,069
Property, Plant and equipment				
Total	1,078	1,078	1,069	1,069

17.2 Other financial commitments

	2022-23 £000		2021-22 £000	
	Core Department	Departmental Group	Core Department	Departmental Group
Not later than one year	463	463	84	84
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	463	463	84	84

The Department has entered into the following non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements), relating to grant payments and amounts committed in relation to contracted services.

£379k relates to Homes for Ukraine Scheme and £84k relates to NILT 2023.

18 Related-party transactions

The Executive Office is the sponsor of its non-departmental public bodies and companies limited by guarantee, as referred to in the Annual Report. These bodies are regarded as related parties with which the Department has had a number of material transactions during the year.

Maze Long Kesh Development Corporation (MLKDC) and Strategic Investment Board are NDPBs of TEO. TEO is regarded as a related party. During the year MLKDC and SIB has had various material transactions with TEO. Please refer to the individual accounts of each TEO NDPB for details of the related party transactions of that entity. Outside normal grant-in-aid funding, none of these are material on a group basis, apart from the Financial Transactions Capital investments disclosed in Note 9.

In addition, the Departmental Group has had various material transactions with other Government Departments and other central government bodies, for example in allocating UK Government funding for the Homes for Ukraine to other NI departments.

No minister, board member, key manager or other related parties has undertaken any material transactions with the Departmental Group during the year.

19 Third-party assets

The Group has no third-party assets.

20 Entities within the departmental boundary

The entities within the boundary during 2022-23 were as follows:

- Supply financed agencies None
- Other entities North/South Ministerial Council
(www.northsouthministerialcouncil.org)
Office of the Commissioner for Public Appointments
for Northern Ireland
(www.publicappointmentsni.org)
Office of the Attorney General for Northern Ireland
(www.attorneygeneralni.gov.uk)
Historical Institutional Abuse Redress Board
(www.hiaredressni.uk)
Victims' Payments Board
(www.victimspaymentsboard.org.uk)
- Non Departmental
(Arms' Length) Bodies Community Relations Council
www.community-relations.org.uk
Commission for Victims and Survivors for NI
www.cvsni.org
Equality Commission for NI
www.equalityni.org
Maze/Long Kesh Development Corporation
www.mazelongkesh.com
Northern Ireland Judicial Appointments
Commission
www.nijac.gov.uk
Strategic Investment Board Limited
www.sibni.org
The Commissioner for Survivors of Institutional
Childhood Abuse
www.cosica-ni.org
Victims and Survivors Service Limited
www.victimsservice.org

21 Events after the Reporting Period

There have been no significant events since the Balance Sheet date that would affect these accounts.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 31 October 2023.

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Financial Transactions Capital

1. Financial Transactions Capital (FTC) is a specific type of capital funding allocated by HM Treasury (HMT) to the NI Executive. The funding is ring-fenced by HMT and can only be used to provide a loan to a private sector entity or to take an equity share in a private entity. FTC is usually used to increase and/or accelerate infrastructure investment in Northern Ireland in support of the Executive's priorities.
2. Two departments, the Department for the Economy and the Department of Finance (DoF), currently use FTC to facilitate making loans to the private sector. However, as neither department has vires to issue loans, the money is channelled through The Executive Office (TEO) and the Strategic Investment Board (SIB) as conduits, as SIB has a generic legal capability to make loans or equity investments.
3. SIB is an Arms' Length Body (ALB) of TEO and, as a result of the implementation of the Review of Financial Process in 2022-23, SIB is now consolidated within the TEO group financial statements.
4. SIB is a company limited by guarantee and as such is required to prepare its financial statements in line with the Companies Act 2006.
5. The FTC loans do not meet the financial asset recognition under the International Financial Reporting Standard (IFRS) 9 – Financial Instruments. SIB do not own or control FTC loans, nor derive any direct economic benefit from them. In addition, SIB do not have the objective of holding FTC loans in order to collect contractual cash flows. On that basis SIB do not recognise assets or liabilities relating to FTC loan transactions in its company accounts as it is considered that the risks and rewards of ownership do not rest with SIB.
6. Furthermore, under the FReM interpretation of IFRS 9, "Any financial instrument that is not held in furtherance of the entity's objectives but is held on behalf of government more generally should be accounted for in a separate Trust Statement...".
7. However, DoF has directed that SIB recognise a financial asset for the FTC loans. Consequently, SIB's company accounts include an appendix to illustrate the financial position if SIB were to comply with DoF's direction in relation to FTC loans. The information contained in this appendix is consolidated within TEO's 2022-23 group accounts.
8. I do not consider that accounting treatment for FTC loans as directed by DOF complies with IFRS and the FReM. Therefore, the inclusion of £297 million worth of FTC loans within TEO's assets as at 31 March 2023 (31 March 2022: £244 million) represents a material error in the accounts. Consequently, I have qualified my opinion audit on TEO's 2022-23 accounts.

9. As indicated on page 85 of the Annual Report and Accounts, this position cannot be resolved until legislation is put in place to provide departments with the necessary legal powers to administer FTC loans.

Expenditure incurred without Department of Finance Approval

10. In addition to forming an opinion on whether the financial statements show a true and fair view, I am required to give an opinion on the regularity of transactions, by considering if the income and expenditure has been applied for the purposes intended by the Assembly and whether the transactions comply with the authorities which govern them. This includes whether any necessary approvals for expenditure had been sought and obtained from DoF.
11. During my audit of TEO's 2022-23 financial statements I noted a number of instances where expenditure had been incurred without the necessary DoF approval.
12. The war in Ukraine and the subsequent refugee crisis required immediate expenditure by the Department during 2022-23. In March 2023, TEO sought approval of the Outline Business Case (OBC) for the Ukraine Family Scheme and Homes for Ukraine Scheme Programme. DoF provided approval of the OBC, including retrospective approval for expenditure of £13.3 million, on 19 July 2023.
13. In March 2023, TEO also sought approval of an OBC in respect of the Victims Payment Scheme for Permanent Disablement. Approval of the OBC was secured from DoF on 28 April 2023, regularising expenditure of £23.4 million incurred in 2021-22 and 2022-23.
14. However, the Department has yet to secure DoF approval for two other programmes with total expenditure of £3.3 million at 31 March 2023. Preparatory work associated with the strategy on Ending Violence Against Women and Girls (EVAWG) accounted for £2.2 million of the total amount and £1.1 million related to the Truth Recovery Programme (TRP).
15. The total cost incurred to 31 March 2023 comprised £2.6 million staff costs and £0.7 million other costs and £0.3 million has been incurred in the 2021-22 financial year.
16. Although a Strategic Outline Case has been submitted to DoF in respect of the EVAWG programme and one is currently being finalised for the TRP, retrospective approval for this expenditure cannot be sought from and provided by DoF until Outline Business Cases are prepared and approved by DoF. Unless and until retrospective approval is granted, this expenditure is irregular.
17. My regularity audit opinion has not been qualified on these issues because:

- expenditure on the Ukraine Family Scheme and Homes for Ukraine Scheme Programme and the Victims Payment Scheme for Permanent Disablement has been regularised following retrospective approval by DoF; and
- expenditure on Ending Violence Against Women and Girls and the Truth Recovery Programme in 2022-23 which is currently irregular is not considered material to my regularity audit opinion.

18. I note that on page 86 of the Annual Report and Accounts, the Department indicates that it has taken steps to prevent a recurrence of these issues, including simplifying and streamlining the internal approvals process. Nevertheless, it is important that the Department follows due process and that approvals are sought from DoF on a timely basis.
19. I will keep these issues under consideration and may carry out a review in the future.



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31 October 2023

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