Titan gate pt. 1

PUBLIC INCOME AND EXPENDITURE

ACCOUNT

For the year ended 31 March 2015

An account of the Public Income and Expenditure of Northern Ireland in the year ended 31 March 2015, together with the balance in the Consolidated Fund on 1 April 2014, the receipts and payments (not being public income and expenditure) in the year ended 31 March 2015, and the balance in the Consolidated Fund on that day.

Laid before the Northern Ireland Assembly by the Department of Finance and Personnel under Section 2(2) of the Exchequer and Financial Provisions Act (Northern Ireland) 1950, as amended by Article 3 of the Financial Provisions (Northern Ireland) Order 1998

30 September 2015

Foreword

1. This account is prepared under Section 2(1) of the Exchequer and Financial Provisions Act (Northern Ireland) 1950, as amended by Article 3 of the financiaf Provisions (Northern Ireland) Order 1998.
2. The Northern Ireland Consolidated Fund (NICF) is primarlty concerned with cash movements therefore these accounts are prepared on a receipts and payments rather than an accruals basis. This information is supplemented by the inclusion of a balance sheet.
3. Issues are made to finance Supply services, meet standing services directly charged by Statute and finance NICF borrowings, mainly from the National Loans Fund (NLF).
4. During 2014-2015 expenditure on Supply services amounted to 214,768m, transfers to district councils In respect of district rates amounted to E540m and interest payments from the NICF amounted to E77m. Expenditure was financed by regional and district rates of El, 175m, interest and other receipts E89mt and grant under the Notthern Ireland Act of El 3,963m.
5. The NICF makes advances for capitat expendlture to district councils and other public bodies. Total amounts outstanding at 31 March are shown at Notes 10 and Il. Notes 2 and 3 provide an analysis of miscellaneous receipts into the Fund. Note 14 details the outstanding liabilities which may give rise to a charge on the Fund.
6. The NICF made advances from the Consolidated Fund in respect of Civil Contingencies during the year to OFMDFM. OFMDFM repaid the advances (E38.4m) in full during the year,
7. The account is audited by the Comptroller and Auditor General for Northern Ireland and his certificate and report appears on pages 13 to 14.

# PUBLIC

ENDING

Statement of Responsibilities of the Department of Finance and Personnel and the Accounting Officer

Under Sect(on 2(1) of the Exchequer and Financial Provisions Act (Northern Ireland) 1950 as amended by Article 3 of the Financial Provisions (Northern Ireland) Order 1998, the Department of Finance and Personnel is responsible for the preparation and transmission to the Comptroller and Auditor General, on or before the 30th June after the expiration of every financial year, of accounts showing, by reference to the actual receipt and issue of monies into and out of the account of the Exchequer at the Exchequer bank during that financial year:

 all public income and expenditure; and  the balance to the credit of the Exchequer at the end of that financial year,

The relevant responsibilities of the Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in Managing Public Money Northern Ireland issued by the Department of Finance and Personnel.

# GOVERNANCE STATEMENT

The Department of Finance and Personnel Is one of twelve Northern Ireland departments created as pan of the Northern Ireland Executive by the Northern treland Act 1998, the Departments (Northem Ireland) Order 1999 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. The Department is governed under a model with the following responsibilities:

 the Minister for Finance and Personnel reports to the Northern Ireland Executive on all of the functions of the Department;  the Permanent Secretary has responsibility to the 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 Department; and  the Departmental Board (the Board) provides collective leadership, strategic direction and has responsibility for operational delivery of the functions of the Department.

This Governance Statement, which has been agreed by the Board, sets out how these responsibilities have been discharged during 2014-15.

Context

The context in which the Department's governance arrangements are required to operate is set out in the DFP Corporate Plan 2012-15 which contains the strategic priorities for DFP over the period. The DFP Business Plan 2014-15 sets out the Departmentts vision, objectives and targets and how the Department will work to deliver its Departmental level objectives. This plan has been published on the Department's intemet site and can be downloaded at www.dfpni.gov.uk.

As the Department with responsibility for securing and allocating the resources available to Northem Ireland through the block grant, DFP plays a key role in fulfilling the Northern Ireland Executive's aim of rebalancing and rebuilding the NI economy and is taking forward a number of key commitments within Proaramme for Government 2011 - 2015 in this regard, namely:

 continuing to work with the UK government to examine the administrative arrangements and full financial consequences for devolution of the powers to vary the rate of Corporation Tax;  elimlnating Ar Passenger Duty on long haul flights from Northem treland; and  implementing proposals for the rating of commercial properties which includes enhancements to the Small Business Rates Relief scheme and the Introduction of a Large Retail Levy.

In addition to these important economic measures, DFP is also taking forward further commitments in relation to:

 providing guidance to Departments on the inclusion of social ctauses in procurement contracts for supplies, services and construction;  further reductions in the levels of sickness absence across the Northern Ireland Civil Service; and  improving online access to government services by the citizen.

The Department of Finance and Personnel's operational business plan for 2015-16 is a one-year stand-atone plan that draws on the existing Programma for Government

commitments and the strategic objectives set in our 2012-15 Corporate Plan. It will be followed by a multi-year corporate plan in line with the next PfG.

Accounting Officer

The Permanent Secretary as Departmental Accounting Officer is responsible to the Minister and to the Assembly for the proper handling and reporting of the use of public money by the Department under the main principles set out in Managing Public Money N! and for establishing and maintaining a sound system of internal control for the management of resources under his control.

At the beginning of the financial year, the Accounting Officer delegated responsibility to each of his Directors and Chief Executives for the management of budgets within their respective business areas. He receives formal assurances twice yearly from each Director and Chief Executive on risk management, governance, financial management and delegations within their respective areas of responsibility in the format of stewardship statements. Key issues emanating from those statements are reflected in this Governance Statement.

Departmental Board

The Accounting Officer chairs the Board which In 2014-15 met on 11 occasions. In addition to the Permanent Secretary, the Board comprises the Departmental Solicitor, Directors and Chief Executives who head the Depanment's directorates and agency, including the Director of Finance and the Director of Corporate Services. The Board is further strengthened by the inclusion of two independent members who bring a wide range of skills, experience and external challenge to the work of the Depaflment, Minutes of all Board meetings are published on the departmental website.

During 2014-15 the Board held regular discussions on finance and HR issues, performance against business plan objectives, fraud and whistlebtowing, management of departmental risks and articles for the Staff Brief. In addition, the Board also considered and discussed papers fn relation to, for example:

 Budget Savings;

 Internal Review actions;

 Customer Survey Report;

* Well Being at Work Survey 2014 — Stress Report and Action Plan;  Energy Efficiency/Carbon Reduction Plan 2014-17;
* Northem Ireland Digital Transformation Programme;
* Cyber Security;

 Innovation Lab on Procurement;

* Formation of a DFP Casework Committee;
* Information Assurance;
* LPS rate collection;
* Community Planning;

 NICS Live; and

* Staff Innovation Scheme.

It is envisaged that the Board will discuss similar issues covering the breadth of the Department's areas of responsibility during 2015-16, including the impact of the Voluntary Exit Scheme and future budget reductions.

The Board is fully committed to the highest standards of corporate governance and complies to the relevant extent with the best practice set out in "Corporate govemance in central government departments: Code of good practice 2013" issued under DAO (DFP) 06/13 in April 2013.

Attendance of non-executive and executive members at Board meetings during 2014-15:

Number of Meetings attended

Non-executive members

Stephen Hodkinson

Dolores O'Reilly

Executive members

Stephen Peover

David Sterling

Des Armstrong

Colum Boyle

Anne Breen

MichaeE Brennan

Norman Caven

Colin Lewis

Oswyn Paulin Colin Sullivan

Paul Wickens

John Wilkinson

Brigitte Worth

A formal review of the Board's effectiveness, including a review of the quality of data receivedl was conducted In March 2014 by the Corporate Improvement Centre. An Improvement Plan was drawn up and agreed by the Board and this ts currently being implemented.

Declarations of Interest

Departmental HR maintains a "Register of Interests" for members of the Senior Civil Service, including both Executive and non-Executive Directors on the DFP Board. Declarations include anything which may give rise to conflict with the position of Board member, including:

 Private occupations, such as sitting on the boards of other public bodies;  Payment for private work;

* Retationships with suppliers and/or consultants with whom DFP does business;
* Gifts or benefits received in connection with work in DFP;  Membership of professional institutes and/or committees; and  Any other interests that could have a conflict.

For 2014-15, the Accounting Officer has been provided with assurance that no Board members have declared any conflict of interest with the business of the Department.

Relationships with Agencies and Other Bodies

The Permanent Secretaty has designated the Chief Executive of the Northern Ireland Statistics and Research Agency (NISRA) as Agency Accounting Officer with responsibility for the propriety and regularity of Agency expenditure.

The Department also has joint responsibility for one North/South body, Special European 'Union Programmes Body (SEUPB). SEUPB is a grant aided body and expenditure is accounted for in the Departmental accounts via the issue of a grant.

The Chief Executive Officer of SEUPB Is the Accountable Person responsible for the efficient and effective administration of the Body. The responsibilities of the Chief Executive are set out in the Financial Memorandum and include ensuring that appropfiate financial and other management controls are in place to safeguard public funds and conform to the requirements of propriety. regularity and financial management. The Chief Executive Officer fs responsible for signing the SEUPB accounts and ensuring they are prepared in accordance with relevant guidance.

Departmental Audit and Risk Committee

The Departmental Audit and Risk Committee (DARC) supports the Accounting Officer and the Board on issues of risk, control and governance. In addition, DARC provides assurances and advice to the Accounting Officer on the adequacy of audit coverage both internal and external. DARC is chaired by one of the independent members and operates under the best practice guidance contained within the Audit and Risk Assurance Committee Handbook (N!) issued under DAO (DFP) 05/14 in March 2014.

The Committee met on 4 occasions during the course of 2014-15. The Corporate Risk Register was provided to all meetings and the Committee reviewed in detail departmentat level risks in relation to:

* Departmental budgets and managing the risk of over and under spends;  Levels of collection and debt recovery in relation to domestic and nondomestic rates;

 Managing sickness absence within both the NICS and DFP;  Implementation of the interim rate rebate scheme;

 Levels of assurance in relation to information risk within NICS:

 Public Sector Refom;

* Reform of Public Service Pension Schemes;

 Peace IV and Interreg VA Programmes;

* Regularity of payments in relation to EU Programmes 2007-13 for which DFP is the Accountable Department; and  Equal Pay vulnerabilities.

The risk profde for the Department has also been reviewed regularly by the Board and DARC, and during the course of the year new controls and management actions have been put in place to mitigate the risks and to minimlse the impact should they materialise. This has resulted in the re-grading of risk status, and the inclusion and removal of risks at departmental level as necessary.

The Departmental Board has agreed a Risk Appetite Statement which articulates the amount of risk the Department is prepared to accept, tolerate or be exposed. to in pursuit of its strategic objectives or from other inherent issues which although not

directly linked to the strategic objectives have an impact on the risk profile of the Department.

In addition to the risk register, the DARC considered papers in relation to a range of corporate governance and internal control issues, including, for example:

 Progress against internal audit plans and development of future plans;

 Progress against internal audit recommendations;

 Departmental Resource Accounts;

 Stewardship Statements provided by all Business Area Directors;

 Reports to Those Charged with Governance and Value for Money reports provided by Nt Audit Office;

 Accountability Grids in relation to Public Accounts Committee recommendations; and

 Fraud and whistleblowing,

The Chair of the DARC presents the minutes of each DARC meeting to the Departmental Board, and prepares an annual report outlining the work undettaken by the Committee and providing assurance on the systems of internal control in operation across DFP.

A review of DARC effectiveness was undertaken in February 2015 and an Action Plan was drawn up and agreed by the DARC and is currently being implemented.

All meetings of DARC are attended by representatives from the Northern Ireland Audit Office (NIAO) and the Chair of the Committee holds independent meetings separately with the NIAO and Head of Internat Audit to discuss any particular issues of concern.

Financial Management

Financial Management reporting to the Board plays a significant part in the effective monitoring and management of the Department's financial performance. The Board regularly reviews actual income and expenditure against budgets to form the basis of collective Board decisions about the allocation and use of resources and to ensure that the Department's financial management target of avoiding overspend and managing underspend within a tolerance of 1.5% is met.

The Finance Director provides monthly financial management reports to the Board and provides advice and recommendations on the allocation of departmental resources. This is supported by business areas providing actual and forecast information and analysis of variance against budgets which enables the Board to assess the extent to which corrective action is needed to address the Department's financial position.

As a result of a recommendation highlighted in the March 2014 review of Board Effectiveness, the Board established a process whereby business cases involving significant expenditure are reviewed by a "casework committee" comprising of 3 Departmental Board members who are independent of the business area proposing the project prior to approval being granted. This process commenced in November 2014 and reviewed 7 projects in the period to 31 March 2015.

Governance and Control Framework

The Department's Governance and Control Framework is the system by which the work of the Department is directed and controlled. This includes how the Depattment plans, sets and monitors achievement of its corporate objectives, how the risks to the achievement of those corporate objectives are identified and managed and what controls are in place to provide assurance that the Board is in control of the risks to achieving the stated objectives.

The Governance and Control Framework contains advice and guidance to business areas on corporate governance and financial management including the approvals necessary for various types of expenditure. It also contains sources of information on the departmental approach to issues such as anti-fraud measurest charging, information security, procurement and whistleblowing arrangements.

A key element of the Governance and Control Framework is the DFP Policy and Framework for Risk Management which sets out the approach to the identification and management of risk at all levels across the Department, The Departmental Board regularly reviews and manages depattmental risks on the Corporate Risk Register, by evaluating each risk to determine the likelihood and impact of the risk occurring, and ensuring that controls and mitigating actions are in place. The Corporate Risk Register is supported by further risk registers at Directorate and Agency level.

Departmental Performance

The DFP Operational Plan 2014-15 sets out the targets and objectives for the year against which performance is reported and monitored. Progress has been reported quarterly to the Board as patt of the Corporate Performance Report using a RAG status assessment of each target and narrative on the actions taken to deliver the expected outcomes.

As part Of the Corporate Performance Reports, the Board also receives, thoroughly reviews and seeks improvements to information on key departmental statistics In relation to performance in responding to Assembly Questions, FOI and Data Protection requests, prompt payment to suppliers, workforce planning, resourcing and absence management, compliance with performance management framework, procurement and contract activity and expenditure on areas of interest such as external consultancy and hospitality.

Progress against targets in the Operational Plan is also reported twice yearly to the Minister and scrutinised by the Committee for Finance and Personnel at oral evidence sessions with the Permanent Secretary. Other key senior officials also attend evidence sessions on specific areas of depattmentat business as requested by the Committee.

The Department's Programme for Govemment commitments have been reported on a quarterly basis to the Office of the First Minister and Deputy First Minister (OFMDFM), and where necessaryt further information has been provided of the mitigating actions being taken to minimise the risk of failure to deliver the desired outcomes.

The Operational Plan is supported by lower level plans at Directorate, Agency and Divisional level and is cascaded further into individual staff Personal Performance Agreements.

Level of Assurance

The Accounting Officer is responsible for reviewing the effectiveness of the system of internal control. This review is informed by the information provided in stewardship statements from Directors bi-annually. These stewardship statements are based on assurances provided by managers within business areas on risk management, financial management, compliance with approvals and delegations and on the implementation of Internal Audit recommendations. Further assurance is provided by the Head of Internal Audit on compliance with the controls and actions recommended in audit assignments which have been conducted.

The Department's intemal audit function has conducted a programme of work during 2014-15 which has enabled the provision of opinions on the systems of internal control in operation across the Department, The reports by internal audit to senior managers provide an objective and independent assessment of the systems of internal control in operation across DFP together with prioritised recommendations to strengthen controls and implement further improvements.

tn his Annual Assurance Repon, the Head of Internal Audit provided an overall satisfactory opinion on the governance, risk management and control arrangements across DFP. A synopsis of the main findings from each audit was provided to DARC, and the majority of audits were provided with a satisfactory, and in some cases, a substantial audit opinion.

However, limited opinions were provided in the following areas:

* Accounts Payable; The issues identified in Accounts Payable were the controls over the recording of cheques in the Valuables Log and handover to Bill to Cash, no easily accessible central record of manual payment requests, no check on lift-off requests and the unavailability and/or adequacy of procedural guidance. Account Nt management has taken positive steps to address the issues identified.

 Properties Division -Estate Management unit; The main areas of concern were non-retention of Fire Safety Work Progress Monitoring Forms and no evidence of the forms being sent to the Fire Officer and Property Management Branch (PMB) Job Officer, non-retention of Business Case Approvals for requests exceeding El ,500 nor is there a record of submission and approval of the Business Case, no project evaluation upon project completion, TRIM containers with agreements and correspondence in relation to leases not appropriately restricted and the Properties Division Cyclical Maintenance List was inaccurate and not up to date. Properties Division developed an action plan to monitor the implementation of recommendations made and arrangements have been made for Intemal Audit to carry out a follow up Audit commencing In June 2015.

 Central Procurement Directorate (CPD) — Direct Award Contracts; CPD's processes and quality management system are designed for competitive tendering. Procurement Guidance Note (PGN) 03/11 (Award of a contract without a competition) introduced new processes for the treatment of Direct

Award Contracts (DACs) including the requirement for Accounting Officer approval before CPD formalise the contract. The internal audit on DACs was carried out against the processes designed for competitive tendering and therefore a number of non compliances were found (e.g. absence of business case approval, absence of tender documents, incomplete quality plans, a lack of formal acceptance of the contractual terms and conditions by both the client and the contractor). Following the audit CPD developed a new quality plan for DACs more applicable to a process which did not involve a tendering procedure and recognising that not all of the issues identified were totally within the control of CPD. Internal Audit conducted a follow up on this review and is satisfied with the positive action taken by management and as such the limited opinion no longer applies.

* DSO Litigation; The main issues identified were the lack of guidance for use of the Civil Panel List, use of a fees account with Northem Ireland Coutt and Tribunal Service (NICTS) and the timeliness and authorisation of billing amounts, the absence of SeNice Level Agreements (SLAs) with clients, inadequate documentation of quality review of cases, plaintiff's professional fees for High Court cases not agreed to detailed supporting documentation, clients not being Invoiced on a timely basis, use of retrospective purchase orders and file storage capacity at Centre House. Internal Audit conducted a follow up on this report and although only three recommendations had been fully implemented Internal Audit were satisfied that a timetable for implementation had been developed and wilt be monitored by DSO senior management.

Internal Audit conducted follow-ups in those areas where a limited audit opinions had been provided in 2013-14, namely ESS HRConnect — Recruitment, CPD Strategic IT Management, CPD Supplies and Service, HRConnect Information Management, NISRA — Economtc Labour Market Survey, NISRA — Corporate Services HR and NISRA — Regional Reporting and since most recommendations have been implemented the limited opinions are no longer applicable. Internal Audit also conducted a follow-up in Properties Division — Minor Works, which had received a limited opinion in 2013-14, and reported that management has fully implemented three recommendations, paNialIy implemented six recommendations whilst nine recommendations had not been implemented. However, Intemal Audit has met with Properties Division since the follow up and is satlsfied that very positive progress is being made towards full implementation.

DSO — Commercial and Property Division received a limited audit opinion in 2012-13. Internal Audit conducted a follow-up review to this report but management had only partially implemented two of the seven recommendations made. Internal Audit has since conducted another full audit and many of the same recommendations remain outstanding. The report is stilt in draft but Internal Audit considers a limited opinion is still appropriate.

Internal Audit also conducted a follow-up to the reports on DSO — Advisory 1-4, DSO Corporate Services and CPD — Business Support Unit where an unacceptable audit opinion had been provided. Many recommendations in the DSO audits have not yet been implemented and so a 'Emited audit opinion now prevails but Internal Audit was satisfied that a satisfactory audit opinion is now appropriate for the Business Support DARC was provided with further assurances from the heads of the respective business areas of DSO, NISRA, CPD and ESS that action plans were in place to implement the majority of Internal Audit recommendations made durang these audits.

Management was agreed that these audits did not contain control weaknesses which were significant enough to affect the overall audit opinion for DFP.

The Head of Internat Audit reported that he is generalty satisfied that senior management has taken action to implement the recommendations made by internal audit to address any control weaknesses identified.

The DARC receives a summary position of the Recommendations Register, which details all agreed Internal Audit Recommendations, at each meeting. This supports DARC in identifying those recommendations which are past due or which require further discussion at DARC level,

The Departmentat Security Officer ensures that the risks in relation to personal, physical and IT security are effectively managed and has conducted routine inspections of building and office security, reporting any breaches to senior management for appropriate action.

The Senior Information Risk Owner (SIRO) is a Board member and has clearly defined reporting responsibilities in providing an annual assessment of information risk performance to the Accounting Officer. An Information Risk Register is now operational in the Department and is designed to provide the Board and the SIRO with an oversight of corporate and operational information risks, including risks associated with both the manual and electronic processing of personal and sensitive data.

The Department has an Information Assurance (IA) Framework in place which supports sound govemance arrangements, The Department has also adopted the HMG Information Assurance Maturity Model (IAMM) and the Security Policy Framework in developing a strategic approach to IA. The Departmental Board instigated a review in 2014 with the objective that each Business Area achieves Level 3 compliance with the IAMM.

Internal Control Issues

In September 2007 an administrative error in the Lands Register occurred when a caseworker cancelled an existing Lenders mortgage entry relating to a Lands Folio in the Land Register, when a discharged mortgage entry should have been cancelled. This resulted in a case being brought against DFP by a Lender to recoup losses. At the request of management, DFP Internal Audit undertook a review of LPS' processes for the Registration and Release of Mortgages and Charges on the Land Register. LPS Registration Directorate has conducted a review of cases dating back a number of years, including examining five thousand 2014 completed charge cases, a review of charges relating to companies from the period 2005 to 2014 and the isolation and review of incoming correspondence from Solicitors. In addition, LPS Registration Directorate has introduced a Quality Assurance process for current registcatlons to mitigate any associated risk. Training arrangements and Quality Assurance updates to staff through team briefs remain a priority. Internal Audit considers that the exercises undertaken provide assurance that the historical risk of potential error within the Registration and Release of Mortgages and Charges on the Land Register is minimal. Furthermore the introduction of a dedicated Quality Assurance team and the associated processes that have been developed should ensure that the level of error in ongoing and new cases will be further reduced.

The Department has entered into a number of legal settlements during the year, some of which have included confidentiality clauses. During the Department's yearend audit processes it has been recognised that all such clauses should be subject to Accounting Officer and DFP Supply approval following a commitment made to the PAC in 2010-11. DFP is consulting with the NIAO on this issue as it has become clear that further guidance to alt departments is necessary to ensure that there is clarity and consistency around the requirements in this area. In the meantime the Department will take steps to ensure that all further agreements are sublect in advance to approval by the Accounting Officer and DFP Supply.

Fraud prevention and awareness

The DFP Fraud Working Group continued to meet and correspond during 2014-15 to consider issues in relation to fraud, raise awareness of anti-fraud measures and disseminate information pertinent to the prevention and detection of fraud. Actions taken during 2014-15 include the update of business area fraud risk assessments and the departmental Fraud Risk Register, the update of the DFP Anti Fraud Policy and Fraud Response Plan, and the commencement of the National Fraud Initiative 2014.

The Department takes a zero tolerance approach to fraud, reporting instances of fraud to the police as necessary. The Department also participates fully in •the National Fraud Initiative by investigating matches in relation to payroll, pensions, trade creditors, rates and housing benefit data.

Whistleblowing arrangements are in place end can be used to raise concems about alleged impropriety, wrongdoing, corruption, fraud or malpractice.

NtAO Value for Money Reports

The Northern Ireland Audit Office presented no value for money studies within DFP during 2014-15.

Conclusion

Taking into account ali of the arrangements set out in this Governance Statement, the Depanment has effective corporate govemance structures In place and has satisfactory systems of internal contror which have operated effectively during 201415.

APPROVED AND SIGNED



DAVID STERLING

Accounting Officer

Department of Finance and Personnel

23 September 2015

Public income and Expenditure Account 2014-15

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

I certify that I have audited the financial statements of the Public Income and Expenditure account for the year ended 31 March 2015 under the Exchequer and Financial Provistons Act (Northern Ireland) 1950 as amended by Article 3 of the Financial Provisions (N') Order 1998. These comprise the statements of Public Income and Expenditure, Capital Receipts and Issues, Balance Sheet and the related notes. These financial statements have been prepared on a cash basis.

Respective responsibilities of Accounting Officer and auditor

As explained more fully in the Statement of Responsibilltles of the Department of Finance and Personnel and the Accounting Officer, they are responsible for the preparation of the financial statements and for being satisfied that they properly present the receipts and payments during the year. My responslbllity is to examine, certify and report on the financial statements in accordance with the Exchequer and Financial Provisions Act (Northern Ireland) 1950 as amended by Article 3 of the Financial Provisions (N!) Order 1998. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards far Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures In the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Public Income and Expenditure's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Department of Finance and Personnel and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Foreword to identify material inconsistencies with the audited financial statements, If I become aware of any apparent material misstatements or Inconslstencies I consider the implications for my certificate.

In addition, I am required to obtain evidence suficient to give reasonable assurance that the receipts and payments reported in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them,

Opinion on Regularity

In my opinion, in all material respects the receipts and payments recorded In the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

* the financial statements properly present the receipts and payments of the Public Income and Expenditure account for the year ended 31 March 2015 and the balances at that date; and
* the financial statements have been properly prepared in accordance with the

Exchequer and Financial Provisions Act (Northern Ireland) 1950 as amended by Article 3 of the Financial Provisions (N!) Order 1998.

Opinion on other matters

In my opinion:

 the information given in the Foreword to the Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

* adequate accounting records have not been kept; or
* the financial statements to be audited are not in agreement with the accounting records; 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 Department of Finance and Personnel's guidance.

Report

I have no observations to make on these financial statements.

uditor General

Comptroller

Northern Ireland Audit Office 106 University Street

Belfast

877 IEU

30 September 2015

# PUBLIC INCOME AND EXPENDITURE

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | 2014\*15 | 2013-14 |
| PUBLIC INCOMEReceipts from the United Kingdom GovernmentRegional and District Rates Received | NOTE | EOOO | EOOO |
| Interest Received |  | 621545 | 68,823 |
| Other Central Receipts | 2 |  | 8,972 |
| Other Departmental Receipts | 3 | 24327 | 116,699 |

|  |  |
| --- | --- |
| 15,226,885 |  |
| 147681393539,9377657548,921 | 536,67079,3069,099 |
| 15,394,005 |  |
|  |  |
| (167,120) | (128,669) |

TOTAL PUBLIC INCOME

PUBLIC EXPENDITURE

Payment af Supply to Departments (a)

Transfer of District Rates to Local Councils

 Interest Paid on Public Debt 4

 Other Services 5

TOTAL PUBLIC EXPENDITURE

EXCESS OF PUBLIC INCOME OVER

 PUBLIC EXPENDITURE 1 (PUBLIC

EXPENDITURE OVER PUBLIC INCOME)

(a) Of this E17.9m relates to prior year supply monies (31 March 2014: E48.5m). At 31 March 2015t the balance of grants for Supply services remaining unissued from the Consolidated Fund was 2896m (31 March 20{4: E960m).

## CAPITAL RECEIPTS AND ISSUES

CAPITAL RECEIPTS

Public Debt - Sums Borrowed

Loan Repayments Received

Amounts Returned from Temporary Investment

Repayment of Advances from NI Consolidated Fund

Excess of Public Income over Public Expenditure

TOTAL CAPITAL RECEIPTS

CAPITAL ISSUES

Public Debt — Sums Repaid

Issue of Govemment Loans

Amounts Placed on Temporary Investment

Issue of Advances from the NI Consolidated Fund

Excess of Public Expenditure over Public

Income

TOTAL CAPITAL ISSUES

(EXCESS OF CAPITAL ISSUES OVER CAPITAL RECEIPTS) 1 EXCESS OF

CAPITAL RECEIPTS OVER CAPITAL

### ISSUES

2014-15

NOTE EOOO

1. 285,058
2. 85,373



38,475

1. 154,664
2. 48,874

1 , 799,000

38,475

167,120

(227)

2013-14

EOOO

222,475 89,148



11,683

156,031 26,479

21344000

11,683

128,669

## BALANCE SHEET

 2014-15 2013-14

|  |  |
| --- | --- |
| 866,317 | 903,043 |
|  |  |
|  |  |
|  |  |
| (1 ,043t029) | (875,909) |
| (875,909)(167,120) | (747,240)(128,669) |
|  |  | (875,909) |

 NOTE EOOO EOOO

|  |  |  |  |
| --- | --- | --- | --- |
| ASSETS |  |  |  |
| Outstanding Loans | 10 | 866,079 | 902,578 |
| Balance in the Consolidated Fund | 12 | 238 | 465 |

TOTAL ASSETS

LIABILITIES

Public Debt 13

### TOTAL LIABILITIES

NET

Net Liabilities at April

Excess of Public Income over Public Expenditure / (Excess of Public Expenditure over Public Income)

NET LIABILITIES AT 31 MARCH



DAVID STERLING

Accounting Officer

Department of Finance and Personnel

23 September 2015

NOTES TO THE ACCOUNT

1. ANALYSIS OF INTEREST RECEIVED

 2014-15 2013-14

 EOOO EOOO

Interest Received on Loans from the Consolidated Fund

Northern Ireland Housing Executive 34,469 40,239

Former New Towns Commissions

Temporary Investments 18 28

|  |  |
| --- | --- |
| 35,634 | 41,444 |
| 23, 1461043,323337 | 23,465833,5021328 |
| 26,911 | 27,379 |
|  |  |
| 62,545 | 68,823 |
| 2014-15EOOO3541 ,750 | 2013-14EOOO8541,709 |
| 1,879 | 8,972 |

Interest Received on Government Loans

Local Councils

Port & Harbour Authorities

Northern Ireland Housing Executive

Housing Associations

Schools

Total Interest Received

1. ANALYSIS OF OTHER CENTRAL RECEIPTS

OFCOM

Northem Ireland Housing Executive

Miscellaneous

Continental Shelf

Total Central Receipts

NOTES TO THE ACCOUNT (CONTINUED)

1. ANALYSIS OF OTHER DEPARTMENTAL RECEIPTS

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Department | Misc Non- | ExcessAccruingResources | Misc EU | Total201445 | Total2013-14 |
|  | EOOO | EOOO | EOOO | EOOO | EOOO |
| griculture & RuralDevelo ment |  |  |  |  | 86 |
| Culture. Arts & Leisure | 34 |  |  | 35 | 51 |
| Education | 26 |  |  | 2 98 | 6,55 |
| Enterprise, Trade & Investment | 12 |  |  | 122 | 1 13 |
| Environment | 2 |  |  | 2 | 52 |
| Em 10 ment & Learnin | 54 | 26 |  | 811 | 5,42 |
| inance & Personnel | 38 | 23 | 1.79 | 2.41 |  |
| eafth, Social Services & ublic Safet | 10 | 1.85 |  |  | 62.93 |
| Re ional Develo ment | 401 |  |  | 401 | 1895 |
| Social Develo ment | 6,00 |  |  |  |  |
| Northern Ireland Assembl | 6 |  |  | 6 | 5 |
| Northern Ireland Audit Office | 92 |  |  | 9 | 10 |
| Northern Ireland Authority fo Utili Re ulation | •t ,441 |  |  | ,441 | 271 |
| Office of the First Minister & De ut First Minister |  | 2 |  | 12 | 40 |
| ssembly Ombudsman&Commissfoner forCom faints | 1 |  |  |  | 1 |
| usttce | 7,50 |  |  | 7.53 |  |
| Public Prosecution Service |  |  |  |  |  |
| otal DepartmentalRecei ts | 17,38 |  | 4.52 | 24,32 | 116,69 |

1. INTEREST PAID

2014-15

 2000 eooo

National Loans Fund

Advances From National Loans Fund 25,636 31 ,976

Advances From National Loans Fund in respect of the

Reinvestment and Reform Initiative (RRI) 511038 47,246 76,674 --79,222

|  |  |
| --- | --- |
| 4337 | 5430 |
| 80 | 84 |
|  |  |
| 76,754 | 79,306 |

Other

Ulster Savings Certificates

Internal Depattmental Funds

Total Interest Paid

1. ANALYSIS OF OTHER SERVICES

 2014-15 2013-14

 EOOO EOOO

Payment of Statutory Salaries8,824



Pensions and Other Allowances 211 206

|  |  |
| --- | --- |
| 8,921 | 9,030 |
|  | 69 |
|  | 69 |
|  |  |
| 8,921 | 9,099 |
| 2014-15EOOO259,24325,815 | 2013-14 eooo195,93626,539 |
| 285,058 | 222,475 |

Thiepvat War Memorial Fund

Total Other Services

1. ANALYSIS OF SUMS BORROWED IN THE YEAR

National Loans Fund in respect of the Reinvestment and

Reform Initiative (RRI) (a)

Internal Departmental Funds

Total Sums Borrowed

(a) At 31 March 2015, undrawn borrowings in respect of RRI amounted to El 17.5m (31 March 2014: Ell l,gm)

7. LOAN REPAYMENTS RECEIVED

2014-15

 EOOO Eoao

Repayment of Consolidated Fund Loans

Northern Ireland Housing Executive 57,662 621792

Former New Towns Commissions 388 357

|  |  |
| --- | --- |
| 58,050 | 63,149 |
| 23,7992,77710288449 | 22,6372,81510249288 |
| 27,323 | 25,999 |
|  |  |
| 85,373 | 89,148 |

Repayment of Government Loans

Local Councils

Northern Ireland Housing Executive

Housing Associations

Schools

Port and Harbour Authorities

Total Loan Repayments Received

8, ANALYSIS OF LOANS REPAID

 2014-15 2013-14

 2000 EOOO

National Loans Fund

National Loans Fund 63,625 69,593

National Loans Fund in respect of the Reinvestment and

Reform Initiative (RRI) 69,516 57,615

 133,141 127,2öB

Other

Ulster Savings Certificates 19 20

Internal Departmental Funds 21 ,504 28,803

|  |  |
| --- | --- |
| 21 \*523 | 28,823 |
|  |  |
| 154,664 | 156,031 |

Total Loans Repaid

1. GOVERNMENT LOANS ISSUED IN THE YEAR

|  |  |  |
| --- | --- | --- |
|  | 2014-15 |  |
|  | EOOO | EOOO |
| Local Councils | 48,861 | 24,017 |
| Port and Harbour Authorities |  | 1,700 |
| Schools | 13 | 762 |

|  |  |
| --- | --- |
| 48,874 | 26,479 |
| 2014-15EOOO340,41013,027 | 2013-14EOOO398,07213,415 |
| 353,437 | 411,487 |
| 460,98643,6213,03284,995 | 435,92446,3983,481185,270 |
| 512,642 | 491 ,091 |
|  |  |
| 866,079 | 902,678 |

Total Government Loans Issued

1. ANALYSIS OF LOANS OUTSTANDING

Consolidated Fund Loans

Northem Irefand Housing Executive

Former New Towns Commissions Total Consolidated Fund Loans

Government Loans

Local Councils

Northern Ireland Housing Executive

Port and Harbour Authorities

Housing Associations

Schools

Total Government Loans (Note 11)

Total Loans Outstanding

In addition to the assets listed above a loan from the Consolidated Fund to the Northern Ireland Housing Executive which is treated as public expenditure was outstanding. This amounted to EO.45m at 31 March 2015 (31 March 2014: EO.54m).

22

11. GOVERNMENT LOANS OUTSTANDING

|  |  |  |
| --- | --- | --- |
|  | 2014-15 |  |
| Local Councils | EOOO | EOOO |
| Antrim Borough Council | 14,079 |  |
| Ards Borough Council | 4,575 | 51053 |
| Armagh District Council | 24,569 | 26,074 |
| Ballymena Borough Council | 23t682 | 24592 |
| Ballymoney Borough Council | 14778 | 10,486 |
| Banbridge District Council | 18,780 |  |
| Belfast City Council | 23,158 | 23,937 |
| Carrickfergus Borough Council | 21 ,753 |  |
| Castlereagh Borough Council | 19,968 | 18,293 |
| Coleraine Borough Council | 19,931 | 18,493 |
| Cookstown District Council |  | 1,295 |
| Craigavoa Borough Council | 1280 | 1 ,345 |
| Derry City Council | 46,517 | 31,538 |
| Down District Council | 28,663 | 30,370 |
| Dungannon District Council | 4,006 | 4,450 |
| Fermanagh District Council | 21923 |  |
| Lame Borough Council | 20,872 | 19,286 |
| Limavady District Council | 15,021 | 13,155 |
| Lisburn City CouncilMagherafelt District Council | 17,334 | 17,997 |
| Moyle District Council | 9,697 | 8,786 |
| Newry and Mourne District Council | 27,754 |  |
| Newtownabbey District Council | 38,866 |  |
| North Down Borough Council | 45,717 | 47,664 |
| Omagh District Council | 9,636 | 8,758 |
| Strabane District Council |  | 3,120 |

|  |  |
| --- | --- |
| 460,986 | 435,924 |
|  |  |
| 43,621 | 46,398 |
| 4942,538 | 5942,887 |
| 3,032 | 3,481 |
|  |  |
| 8 | 18 |
|  |  |
| 4,995 | 5,270 |
|  |  |
| 512,642 | 49it091 |

Total Local Councils

Northern Ireland Housing Executive

Port and Harbour Authorities

Warrenpoint Harbour Authority

Londonderry Port and Harbour Authority

Total Port and Harbour Authorities

Housing Associations

Schools

Total Government Loans Outstanding

### To

1. RECONCILIATION OF CASH HELD IN THE CONSOLIDATED FUND BANK ACCOUNT

 2014-15 2013-14

 EOOO 2000

Balance in the Consolidated Fund at 1 April 465 21

(Excess of Capital Issues over Capital Receipts) /

Excess of Capital Receipts over Capital Issues (227)

|  |  |
| --- | --- |
| 238 | 465 |
| 2014-15EOOO308,85111582.208 | 201344EOOO372,4751.392A82 |
|  |  |
| 1 ,6631216,612 | 1,6821212,301 |
| 18,287 | 13,995 |

Balance in the Consolidated Fund at 31 March

1. ANALYSIS OF PUBLIC DEBT

National Loans Fund

National Loans Fund

National Loans Fund in respect of the Reinvestment and

Reform Initiative (RRI)

Other

Ulster Savings Certificates (a)

Ulster Development Bonds

Internal Departmental Funds(b)

Total Public Debt 

1. An additional E3.4m (31 March 2014: 23.5m) of public debt, relating to Interest on Ulster Savings Certificates, is liable to be paid as and when certificate holders redeem their savings.
2. An additional EO.09m (31 March 2014: EO.09m) of public debt, relating to interest on Internal Departmental Funds, is liable to be paid as and when landowners reclaim their ground rent payments.

TO

14. STATEMENT OF CONTINGENT LIABILITIES OF THE NORTHERN IRELAND

CONSOLIDATED FUND

This statement summarises actual and contingent !labiltties of the Northern (reiand Consolidated Fund reported by the Northern Ireland Departments, excluding:-

1. cases involving 250,000 or tess
2. cases arising in the normal course of Departmentst business

|  |  |  |  |
| --- | --- | --- | --- |
| Statute | Nature of Liability | AmountOutstanding at  | AmountOutstanding at |
|  |  |  |  |
| Statutory Liabilities Charged Directly on the NI Consolidated Fund |  |  |
|  |  |  |  |
|  |  |  |  |
| Non-Statuto Liabilities Char ed to Votes |  |  |
| s part of the arrangements for the transfer of training entres to Further Education Colleges, the Department f Employment and Learning agreed that, for staff ransferred who become redundant in the future, it ould fund any difference between their redundancy payment and that which they would have received had he remained in the Northern Ireland Civil Service. | Unquantifiabl | Unquantifiabl |
| Department of Culture, Arts and Leisure ContingentLiability relating to potential legal action and winding-up osts of Northern Ireland Events Com an . |  | o. |
| Department of Culture, Arts and Leisure Contingent Liability relating to Northern Ireland Events Company Limited | Unquantifiable | Unquantifiabl |