INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2016

An account of the Public Income and Expenditure of Northern Ireland in the year ended 31 March 2016, together with the balance in the Consolidated Fund on 1 April 2015, the receipts and payments (not being public income and expenditure) in the year ended 31 March 2016, 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

28 September 2016

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 Financial Provisions (Northern Ireland) Order 1998.
2. The Northern Ireland Consofidated Fund (NICF) is primarily 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 sen.'ices directly charged by Statute and finance NICF borrowings, mainly from the National Loans Fund (NLF).
4. During 2015-2016 expenditure on Supply services amounted to E14,927ml transfers to district councils in respect of district rates amounted to E571m and interest payments from the NICF amounted to E76m. Expenditure was financed by regional and district rates of E 1,216m, interest and other receipts E171mt and grant under the Northern Ireland Act of E 13,979m.
5. The NICF makes advances for capital expenditure to district councils and other public bodies. Total amounts outstanding at 31 March are shown at Notes 10 and 11. Notes 2 and 3 provide an analysis of miscellaneous receipts into the Fund. Note 14 details any 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, DCAL and DFP Pensions. All repaid the advances (E65m) in full during the year.
7. The account is audited by the Comptroller and Auditor General for Northem Ireland and his certificate and report appears on pages 5 to 6.

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

Under Section 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 (formerly Department of Finance and Personnel) is responsible for the preparation and transmission to the Comptroller and Auditor General, on or before the 30 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 are set out in Managing Public Money Northern Ireland issued by the Department of Finance.

GOVERNANCE STATEMENT

Context

As set out in the Statement of Responsibilities the Department of Finance (DOF) (formerly Department of Finance and Personnel (DFP) is responsible for the management of the Northern Ireland Consolidated Fund (NICF) and the preparation of the Public Income and Expenditure Account.

The Permanent Secretaty as Departmental Accounting Officer is responsible for the proper handling and use of public money under the main principtes set out in Managing Public Money NI and for establishing and maintaining a sound system of internal control for the management of resources under his control.

The NICF is managed within the DoF's overall risk and governance framework as set out in the Annual Report and Accounts 2015-16, details of which can be found at

Government Accounts Branch within the Public Spending Directorate in DOF is responsible for the day to day running of the NICF.

Risk and Control Framework

The Head of Government Accounts Branch has overall responsibility on a day to day basis for risk management of these funds managed by GAB. Members of the team are responsible for ensuring that the tasks in their areas are compliant with operational policies and procedures and legislation. Significant risk issues are recorded in a risk register and are assessed by likelihood and impact. The risk register is reviewed on a regular basis.

Risks are considered in conjunction with the departmental risk register as part of the DOF corporate performance report. The Key risk in managing the NICF is irregularity of transactions, including fraudulent or erroneous payments. Controls include clear separation of duties, enforced by appropriate user permissions and payment approval panels. Policy and procedures manuals, including job instructions are readily available to all staff. Net Supply issued to departments to finance expenditure is approved by the Assembly in the relevant Budget Act. GAB input these limits onto the accounting system, which ensures the limits are adhered to. Separately the Comptroller and Audit General, via the Central Services Branch, approves NICF payments in advance and reconciles NICF transactions on a daily basis.

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 and from comments made by external auditors in their management letter and other reports.

During the year Internal Audit carried out a review of GAB. The purpose of the review was to provide the Accounting Officer, via divisional management, with an opinion on the adequacy and effectiveness of the system of internal control. established by management, to facilitate the achievement of business objectives.

The scope of the audit encompassed a review of the following activities:

  Cash Supply;

* Investments;
* Paymaster General Account and NI Consolidated Fund;
* Government Lending System; and
* Review of Risk and Control Frameworks for all system areas.

The final report was published on 30 June 2016 and a satisfactory audit opinion was received.

Internal Control Issues

No significant internal control issues, including data related issues, have been identified in 2015-16.

Conclusion

Taking into account the arrangements set out in the DOF governance statement and this governance statement, I conclude there are appropriate governance structures and systems of internal.

APPROVED AND SIGNED

DAVID ENI-ING

Accounting Officer

Department of Finance

2-2. September 2016

Public Income and Expenditure Account 2015-16

THE CERTIFICATE 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 2016 under the Exchequer and Financial Provisions Act (Northern Ireland) 1950 as amended by Article 3 of the Financial Provisions (Northern Ireland) Order 1998. The financial statements 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 Department of Finance (formerly Department of Finance and Personnel), Accounting Officer and auditor

As explained more fully in the Statement of Responsibilities of the Department of Finance (formerly DFP) and the Accounting Officer, they are responsible for the preparation of the flnanclal statements and for being satisfied that they properly present the receipts and payments during the year. My responsibility is to audit and express an opinion 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 (Northern Ireland) 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 for 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 guidance is appropriate to the Public Income and Expenditure's circumstances and have been consistently applied and adequately disclosed; and the overall presentation of the financial statements. In addition I read all the financial and nonfinancial information in the Foreword to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtaEn evidence sufficient 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 recorded in the financial statements conform to the authoritles 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 2016 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 (Northern Ireland) 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 I report to you if, in my opinion:

  adequate accounting records have not been kept; or

0 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 require for my audit; or  the Governance Statement does not reflect compliance with Department of Finance's (formerly DFP) guidance.



Northern Ireland Au 't Office

106 University Street

Belfast

BT7 IEU

September 2016

# PUBLIC INCOME AND EXPENDITURE

EOOO PUBLIC INCOME

Receipts from the United Kingdom Government

 Regional and District Rates Received 1 2215,927 

|  |  |  |  |
| --- | --- | --- | --- |
| Interest Received | 1 | 57,091 | 621545 |
| Other Central Receipts | 2 |  | 1,879 |
| Other Departmental Receipts | 3 | 101,196 | 24,327 |

 TOTAL PUBLIC INCOME 

PUBLIC EXPENDITURE

|  |  |  |  |
| --- | --- | --- | --- |
| Payment of Supply to Departments (a) |  |  | 14,768,393 |
| Transfer of District Rates to Local Councils |  | 570,787 | 539,937 |
| Interest Paid on Public Debt | 4 | 75,518 | 761754 |
| Other Services | 5 | 9,233 | 8,921 |

 TOTAL PUBLIC EXPENDITURE 

EXCESS OF PUBLIC EXPENDITURE OVER

 PUBLIC INCOME (216,627) (167,120)

(a) Of this E28.8m relates to prior year supply monies (31 March 2015: El 7.9m). At 31 March 2016, the balance of grants for Supply services remaining unissued from the Consolidated Fund was E872m (31 March 2015: E896m).

## CAPITAL RECEIPTS AND ISSUES

|  |  |  |  |
| --- | --- | --- | --- |
| CAPITAL RECEIPTS |  | EOOO |  |
| Public Debt - Sums Borrowed | 6 | 323,079 | 285,058 |
| Loan Repayments ReceivedAmounts Returned from Temporary InvestmentRepayment of Advances from NI Consolidated | 7 | 84,785 | 85,373 |
|  |  | 65,013 | 38,475 |

Fund

TOTAL CAPITAL RECEIPTS

CAPITAL ISSUES

|  |  |
| --- | --- |
| Public Debt — Sums Repaid | 8 |
| Issue of Government Loans | 9 |

Amounts Placed on Temporary Investment

|  |  |
| --- | --- |
| 2,769,877 |  |
| 159,03131,75865,013216,627 | 15466448187438,475167,120 |
|  |  |
|  |  |
| 448 | (227) |

Issue of Advances from the NI Consolidated

Excess of Public Expenditure over Public

Income

TOTAL CAPITAL ISSUES

EXCESS OF CAPITAL RECEIPTS OVER

CAPITAL ISSUES 1 (EXCESS OF CAPITAL

ISSUES OVER CAPITAL RECEIPTS)

|  |  |
| --- | --- |
| 813,738 | 866,317 |
| 2,073,394 |  |
| 2,073,394 |  |
|  |  |
|  |  |
| (1,043,029)(216,627) | (875,909)(167,120) |
|  |  |

## BALANCE SHEET

|  |  |  |  |
| --- | --- | --- | --- |
| ASSETS |  | eooo |  |
| Outstanding Loans | 10 | 813,052 | 866,079 |
| Balance in the Consolidated Fund | 12 | 686 | 238 |

TOTAL ASSETS

LIABILITIES

Public Debt 13

TOTAL LIABILITIES

NET LIABILITIES

Net Liabilities at 1 April

Excess of Public Expenditure over Public Income

NET LIABILITIES AT 31 MARCH

DA D STERLING

Accounting Officer

Department of Finance

2016

•f. INTEREST RECEIVED

2015-16

EOOO

Interest Received on Loans from the Consolidated

Fund

|  |  |  |
| --- | --- | --- |
| Northem Ireland Housing Executive Former New Towns Commissions | 29,248 | 34,469 |
| Temporary Investments | 31 | 18 |

|  |  |
| --- | --- |
| 30,392 | 35,634 |
| 23,145903,1391324 | 23,1461043,3231337 |
| 26,699 | 26,911 |
|  |  |
| 57,091 | 62,545 |
| 2015-16EOOO6,7909564, 729 | 2014-15EOOO359041750 |
| 13,191 |  |

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

Northern Ireland Housing Executive

Miscellaneous

Continental Shelf

Transfer of EU Funds held in PMG

Total Central Receipts

1. OTHER DEPARTMENTAL RECEIPTS

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Department | Misc Non- | ExcessAccruingResources | Misc EU | Total2015-16 | Total2014-15 |
|  | EOOO | EOOO | moo | EOOO | EOOO |
| griculture & RuralDevelo ment | 4 |  |  | 43 |  |
| Culture, Arts & Leisure | 31 | 5 |  | 36 | 3 |
| Education | 2,91 |  |  | 2,91 | 2.98 |
| Enterprise, Trade & Investment | 15 |  |  | 154 | 12 |
| Environment | 7 | 827 |  | 897 | 2 |
| Em 10 ment & Learnin | 4 | 2,91 |  | 2,96 | 811 |
| Finance & Personnel | 10 | 6 |  | 174 | 2,41 |
| Health, Social Services & Public Safet | 39,94 | 38 731 |  | 78,67 | 1.96 |
| Re ional Develo ment | 18 |  | 22 | 41 | 401 |
| Social Develo ment |  |  |  |  |  |
| Northern Ireland Assembl | 5 | 11 |  | 65 | 6 |
| Northern Ireland Audit Office |  | 31 |  | 31 | 9 |
| Northern Ireland Authority for Utilit Re ulation |  |  |  | 1.66 |  |
| Office of the First Minister & De ut First Minister | 13 | 197 |  | 332 | 12 |
| ssembly Ombudsman Commissioner forCom laints |  |  |  |  | 1 |
| ustice |  |  |  |  |  |
| Public Prosecution Service |  |  |  |  |  |
| otal DepartmentalRecei ts | 57,72 | 43,24 | 22 |  | 24,32 |

 |

1. INTEREST PAID

EOOO

|  |  |  |
| --- | --- | --- |
| National Loans Fund |  |  |
| Advances From National Loans FundAdvances From National Loans Fund in respect of the | 201369 | 25,636 |
| Reinvestment and Reform Initiative (RRI) | 551077 | 51,038 |

|  |  |
| --- | --- |
| 75,446 | 76,674 |
| 2250 | 4337 |
| 72 | 80 |
|  |  |
| 75,518 | 76,754 |
| 2015-16EOOO8,973214 | 2014-15EOOO211 |
|  | 8,921 |
| 46 |  |
| 46 |  |
|  |  |
| 9,233 | 8,921 |
| 2015-16EOOO294,27628,803 | 2014-15EOOO259,24325,815 |
| 323,079 | 285,058 |

Other

Ulster Savings Certificates

Internal Departmental Funds

Total Interest Paid

1. ANALYSIS OF OTHER SERVICES

Payment of Statutory Salaries

Pensions and Other Allowances

Thiepval 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 2016, undrawn borrowings in respect of RRI amounted to El 00m

(31 March 2015: E67.5m restated due to calculation error in 2014-15)

1. LOAN REPAYMENTS RECEIVED

2015-16

EOOO

Repayment of Consolidated Fund Loans

|  |  |  |
| --- | --- | --- |
| Northern Ireland Housing Executive | 51 ,323 |  57    |
| Former New Towns Commissions | 422 | 388 |

Repayment of Government Loans

Local Councils

Northern Ireland Housing Executive

Housing Associations

Schools

Port and Harbour Authorities

Total Loan Repayments Received

1. ANALYSIS OF LOANS REPAID

National Loans Fund

National Loans Fund

National Loans Fund in respect of the Reinvestment and

Reform Initiative (RRI)

Other

Ulster Savings Certificates

Internal Departmental Funds

Total Loans Repaid

1. GOVERNMENT LOANS ISSUED IN THE YEAR

|  |  |  |
| --- | --- | --- |
|  | 2015-16 zooo |  |
| Local Councils | 27,723 | 48,861 |
| Port and Harbour Authorities | 3,500 |  |
| Schools | 535 | 13 |

|  |  |
| --- | --- |
| 31,758 | 48,874 |
| 2015-16EOOO289,08612,606 | 2014-15EOOO340,41013,027 |
| 301 ,692 | 353,437 |
| 459,34940,7316,0682 | 460,98643,6213,03284,995 |
| 511,360 | 512,642 |
|  |  |
| 813,052 | 866,079 |

Total Government Loans Issued

1. ANALYSIS OF LOANS OUTSTANDING

Consolidated Fund Loans

Northern Ireland Housing Executive

Former New Towns Commissions Total Consolidated Fund Loans

Govemment 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.36m at 31 March 2016 (31 March 2015: EO.45m).

14

11. GOVERNMENT LOANS OUTSTANDING

|  |  |
| --- | --- |
| 2015-16EOOO |  |
| Local Councils |  |
| Antrim & Newtownabbey Borough Council | 49,549 | 52,946 |
| Ards & North Down Borough Council | 47,861 | 50,292 |
| Armagh, Banbridge & Craigavon District Council | 42,259 | 44,629 |
| Belfast City Council | 34,762 | 27,699 |
| Causeway Coast and Glens District Council | 55,963 | 59,426 |
| Derry City & Strabane District Council | 52279 | 52,732 |
| Fermanagh & Omagh District Council |  | 12,558 |
| Lisbum & Castlereagh City Council | 31 ,577 | 32,762 |
| Mid & East Antrim Borough Council | 642876 | 66,306 |
| Mid Ulster District Council | 10,700 |  |
| Newry, Mourne & Down District Council | 58,052 | 56,417 |

|  |  |
| --- | --- |
| 459,349 | 460,986 |
|  |  |
| 40,731 | 43,621 |
| 3915,677 | 4942,538 |
| 6,068 | 3,032 |
|  |  |
| 2 | 8 |
|  |  |
| 5,210 | 4,995 |
|  |  |
| 511,360 | 512,642 |

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

The Local Government Act (Northern Ireland) 2014 reduced the number of local councils from 26 to 11. The new councils were created under a transfer by absorption of the functions of predecessor councils, functions between new councils as a result of boundary changes and transfer from central govemment on 1 April 2015.

To aid comparison to current year balances, the 2014-15 comparatives have been restated to reflect the position as at 1 April 2015 on the creation of the new councils.

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

 2015-16 2014-15

 EOOO EOOO

Balance in the Consolidated Fund at 1 April 238 465

Excess of Capital Receipts over Capital Issues I

(Excess of Capital Issues over Capital Receipts) 448 (227)

|  |  |
| --- | --- |
| 686 | 238 |
| 2015-16EOOO253,641 | 2014-15EOOO308,85111582208 |
|  | 1,891 ,059 |
| 1 ,6501221,789 | 1 ,6631216,612 |
| 23,451 | 18,287 |
|  |  |
| 2,073,394 |  |

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 2015: E3.4m) 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 2015: EO.09m) of public debt, relating to interest on Intemal Departmental Funds, is liable to be paid as and when landowners reclaim their ground rent payments.

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1. STATEMENT OF CONTINGENT LIABILITIES OF THE NORTHERN IRELAND CONSOLIDATED FUND

The normal convention is for contingent liabilities that would fall to the Northern Ireland Consolidated Fund to be reported in the appropriate departmental Annual Repott and Accounts. The contingent liabilities which fall outside the scope of IAS 37, as the possibility of an outflow of resources is remotel are now also required to be reported in the departmental Annual Report and Accounts in the Other Accountability Disclosures contained in the Accountability Report. As a result there are no further liabilities to report in this account.

1. Related Parties

The Northern Ireland Consolidated Fund has transactions with most Government Departments and other Government bodies. The Department of Finance (formerly DFP) has a custodian role within the NICF which is outside the scope of IAS 24.

Date of Authorisation for Issue of Accounts

The Accounting Officer authorised these financial statements for issue on September 2016.