**PUBLIC INCOME AND EXPENDITURE**

**ACCOUNT**

**For the year ended 31 March 2021**

An account of the Public Income and Expenditure of Northern Ireland in the year ended 31 March 2021, together with the balance in the Consolidated Fund on 1 April 2020, the receipts and payments (not being public income and expenditure) in the year ended 31 March 2021, and the balance in the Consolidated Fund on that day.

*Laid before the Northern Ireland Assembly by the Department of Finance 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*

*29 September 2021*



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Any enquiries regarding this document should be sent to us at

GovernmentAccounts@Finance-ni.gov.uk

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### Contents

[**Performance Report** 2](#_Toc64202)

[Overview 2](#_Toc64203)

[Performance Analysis 4](#_Toc64204)

[**Accountability Report** 8](#_Toc64205)

[Corporate Governance Report 8](#_Toc64206)

[Statement of Responsibilities of the Department of Finance and the Accounting](#_Toc64207)

[Officer 9](#_Toc64208)

[Governance Statement 10](#_Toc64209)

[Assembly Accountability and Audit Report 12](#_Toc64210)

[**The Certificate Of The Comptroller And Auditor General To The Northern Ireland Assembly** 13](#_Toc64211)

[**Public Income And Expenditure** 17](#_Toc64212)

[**Capital Receipts And Issues** 18](#_Toc64213)

[**Balance Sheet** 19](#_Toc64214)

[**Notes To The Account** 20](#_Toc64215)

# Performance Report

## Overview

The overview section provides background information on the Northern Ireland Consolidated Fund (NICF) and the format of the account**.**

The financial mechanism under which the NICF is operated is governed by the Government Resources and Accounts Act (Northern Ireland) 2001. The NICF is the Northern Ireland Executive’s current account (operating on a receipts and payments basis). All payments out of the NICF must have legislative authority and may be charged to it directly by statute (known as Standing Services) or voted by the Northern Ireland Assembly (the Assembly) each year in the Budget Acts (known as Supply Services). Government Accounts Branch (GAB) within the Department of Finance (DoF) is responsible for the day to day running of the NICF with all payments subject to the authorisation of the Northern Ireland Comptroller and Auditor General (C&AG).

Payments **into** the NICF include:

* **Receipts from the UK Government:** this is funding from the Northern

Ireland Office which has been voted by the UK parliament for this purpose;

* **Regional and district rates revenue:** this revenue is billed and collected on each property in Northern Ireland by Land and Property Services and paid into the NICF;
* **Interest and other miscellaneous receipts**: this includes interest received on loans issued from the NICF, income payable into the NICF under statute and income that departments do not have the authority to retain; and
* **Capital Receipts:** this includes repayment of principal on loans and advances made from the NICF and any borrowings made by the NICF. It also includes the return of temporary cash surpluses placed on the shortterm money market.

Payments **out** of the NICF include:

* **Supply to departments:** these are payments to departments to finance their net expenditure. Normally the expenditure is voted by the Assembly for a particular financial year. Statutory authority for the necessary payments from the NICF is given by the relevant Budget Acts for the year. The departments then use the cash for the purposes approved by the Assembly.
* **Transfer of district rates to local councils:** this is the transfer of the district rates collected by Land and Property Services to the local councils.
* **Interest and other services:** this includes interest payable on loans from the National Loans Fund (NLF) and other borrowings and payments in relation to standing services such as the salaries of the judiciary, the C&AG and the Public Services Ombudsman and pensions of previous officeholders.

* **Temporary Investments and other capital payments:** this includes the issue of loans to district councils, repayment of debt to the NLF and others and the investment of temporary cash surpluses on the short-term money market.

The Assembly passed the Budget Act (Northern Ireland) 2021 in March 2021 which authorised the cash and use of resources for all departments for the 2020-21 year, based on the Executive’s final expenditure plans for the year. The Budget Act (Northern Ireland) 2021 also authorised a Vote on Account to authorise departments’ access to cash and use of resources for the early months of the 2021-22 financial year. This was followed by the 2021-22 Main Estimates and the associated Budget (No. 2) Bill which authorised the cash and resource balance to complete for the remainder of

2021-22 based on the Executive’s 2021-22 Final Budget.

The key issues and risks facing the NICF are considered in the Governance Statement on pages 10 to 11.

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. As the NICF is primarily concerned with cash movements 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. The notional fee for the audit of the account is £15,000 (2019-20: £13,000). As this is a cash account the fee is accounted for in the DoF Resource Accounts.

The account is audited by the Comptroller and Auditor General for Northern Ireland and his certificate appears on pages 13 to 16.

## Performance Analysis

Details of the amounts paid into and out of the NICF during 2020-21 compared to the previous year’s sums in brackets are shown at Figure 1 and Figure 2.

##### Figure 1. Payments into the NICF: 2020-21 (2019-20)

NICF Receipts

£27,144m

)

£20,473m

(

Receipts from

the UK

Government

£19,627m

(

£16,117m

)

Regional and

District Rate

Revenue

£1,057m

)

£1,373m

(

Interest and

misc. income

£295m

(

£141m

)

Capital

Receipts

£6,165m

£2,842m

)

(

Total income for the year increased by £6,671m from £20,473m in 2019-20 to £27,144m in 2020-21. Income from the UK Government increased by £3,510m primarily due to additional funding for COVID-19 measures. Capital receipts, as disclosed, also increased by £3,323m to £6,165m. However it should be noted that this was not additional funding, but was primarily the return of temporary cash surpluses placed overnight with the Debt Management Office and the repayment of cash advances made to departments in year to meet shortfalls until the approval of the relevant Budget Acts. Other capital income remained at levels similar to the previous year. See further details at notes 8 and 9. Interest and other miscellaneous receipts increased by £154m from £141m to £295m. Further details can be found at notes 2, 3 and 4. Revenue from the collection of regional and district rates decreased by £316m to £1,057m as a result of holiday periods and rebates to certain business sectors impacted by the pandemic.

##### Figure 2. Payments out of the NICF: 2020-21 (2019-20)

NICF Payments

£27,104m

£20,347m)

(

Supply to

departments

£20,211m

(

£16,790m

)

Transfer of

District Rates to

local councils

£665m

(

£647m

)

Interest and other

services

£63m

(

£68m

)

Temporary

Investments and

other Capital

payments

£6,165m

(

£2,842m

)

Total payments for the year increased by £6,757m from £20,347m in 2019-20 to £27,104m in 2020-21. Supply payments to government departments increased by £3,421m primarily to fund COVID-19 measures. Note 5 sets out the cash supplied to the various departments during 2020-21. The transfer of district rates to councils increased by £18m to £665m while payments for interest and other services decreased slightly falling from £68m to £63m – see notes 6 and 7 for further details. Temporary investments and other capital payments increased by £3,323m from £2,842m to £6,165m. This was mainly due to the increase in the overnight investment of temporary cash surpluses, as additional funding was held at the start of the pandemic to enable departments to make emergency payments. Advances to departments in year to meet shortfalls until the approval of the relevant Budget Acts also increased. These advances were all repaid before the year end. Further details on other capital payments can be found at notes 10 and 11.

#### Long-term Expenditure Trends

Given the function of the NICF is to account for certain government receipts and make issues to finance supply services and meeting standing services charged directly by statute etc. it has no long-term expenditure trends.

#### Borrowing by the NICF

The Reinvestment and Reform Initiative (RRI) announced in May 2002 provided for a new borrowing power intended to support a substantial infrastructure investment programme in Northern Ireland. The formal RRI borrowing limit is agreed by HM Treasury as part of the Spending Review process and in 2015 was maintained at £200 million per annum. On occasion since 2002 the Executive has negotiated to increase the limit. However, no increase was required in 2020-21.

There was no RRI borrowing accessed within these controls in 2020-21. Principal repayments on loans totalled £124.1m and interest costs as determined by the National Loans Fund interest rate on the date of issue of the loan totalled £48.5m. Public debt at 31 March 2021 includes £1,556m relating to borrowing under the Reinvestment and Reform Initiative.

#### COVID-19 pandemic

In November 2019 a novel strain of coronavirus was detected and spread rapidly, leading the World Health Organisation to declare a pandemic on 11 March 2020.

Like many business areas, GAB staff had to alter their working arrangements. However, the continued operation of the NICF was not adversely impacted as GAB was able to invoke the contingency arrangements already agreed with our main counterparties, including the Northern Ireland Audit Office, the Northern Ireland Office, Danske Bank, Account NI and the various government departments.

The ongoing disruption caused by the pandemic has created significant economic uncertainty. The decisions taken by the UK Government, the NI Assembly and the activities of the government departments have had and will continue to have an impact on the levels of funding flowing through the NICF. Further disclosures on the impacts of COVID-19 on the NI departments can be found in their individual departmental Annual Reports and Accounts.

#### UK’s withdrawal from the EU

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. On 31 January 2020, the Withdrawal Agreement between the UK and the EU became legally binding and the UK left the EU. The future relationship between the EU and the UK was determined by negotiations taking place during a transition period which ended on 31 December 2020.

While the UK’s withdrawal from the EU did not affect the NICF operationally, the preparation and delivery of the EU Exit by departments may have impacted the levels of funding flowing through the NICF. Further disclosures on the impacts of the UK’s EU Exit on the NI departments can be found in the individual departmental Annual Reports and Accounts.

#### APPROVED AND SIGNED



#### COLUM BOYLE

*Interim Accounting Officer*

Department of Finance

**21 September 2021**

# Accountability Report

The Accountability Report contains a corporate governance report and an Assembly accountability and audit report. The purpose of the corporate governance report is to explain the composition and organisation of the NICF’s governance structures and how they support the achievement of the NICF’s objectives. It includes the Statement of Accounting Officer’s responsibilities and the Governance Statement. The Assembly accountability and audit report includes Assembly accountability information on regularity of expenditure and remote contingent liabilities as well as the Certificate of the Comptroller and Auditor General to the NI Assembly.

## Corporate Governance Report

#### Directors’ Report

Operationally, the NICF is part of the DoF and its staff are employees of the DoF. The NICF makes funding available for certain salaries and pensions but is not an employer. The NICF itself therefore has no employees of its own.

#### Directors’ Conflicts of Interest

In 2020-21, no material conflicts of interest have been noted by the senior management overseeing the NICF.

**Personal Data-related Incidents**

The NICF had no personal data-related incidents during 2020-21 (2019-20 nil).

## 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 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 the 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.

The Accounting Officer confirms that, as far as he is aware, there is no relevant audit information of which the NICF’s auditors are unaware, and that he has taken all the steps that he ought to have taken as Accounting Officer to make himself aware of any relevant audit information and to establish that the NICF’s auditors are aware of that information.

The Accounting Officer confirms 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 judgments required for determining that it is fair, balanced and understandable.

## Governance Statement

#### Context

As set out in the Statement of Responsibilities the DoF is responsible for the management of the NICF and the preparation of the Public Income and Expenditure Account.

The Permanent Secretary as Departmental Accounting Officer is responsible for the proper handling and use of public money under the main principles 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 2020-21, due for publication after 31 October 2021. Once published the accounts will be available at [https://www.finance-ni.gov.uk,](https://www.finance-ni.gov.uk/) 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 those funds, including business continuity resilience, 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 risks in managing the NICF are as follows:

* **Irregularity of transactions, including fraudulent or erroneous payment:** 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 in the relevant Budget Act. GAB input these limits onto the Excel-based ledger accounting system, which is manually monitored on a daily basis to ensure the limits are adhered to. Separately the Comptroller and Auditor General, via the Corporate Services Branch, approves NICF payments in advance and reconciles NICF transactions on a daily basis. This is not part of the internal control environment but provides additional assurance as to the regularity of payments made.

* **Failure to provide effective service in adverse circumstances:** Staff within GAB are trained in all the various aspects of the services offered and roles are rotated on a regular basis. This experience means that cover can be provided for times when other staff members are unavailable. Detailed procedures are also documented. A detailed business continuity plan has been put in place and agreed with the NIAO’s Corporate Services Branch to facilitate the normal payment approval process in the event of disruption to enable the essential payments business to continue. Arrangements are also in place with key

### Governance Statement (continued)

counterparties including the Northern Ireland Office, Danske Bank, Account NI and the various NI departments to ensure funding continues for essential services. The arrangements are regularly reviewed.

 **Information risk:** Data and information risks are managed in accordance with DoF policies.

As a result of the COVID-19 pandemic, GAB formally invoked its business continuity arrangements on 18 March 2020. During 2020-21 staff continued to work remotely. The operation of the NICF has not been adversely impacted during this period and all funding requirements have been delivered.

#### 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 Report to Those Charged with Governance and other reports.

In December 2015 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 2020-21. The activation of business continuity arrangements, such as the use of electronic sign off and ensuring all supporting documentation held electronically, ensured that the internal controls were not adversely affected by COVID-19.

#### 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 control in place which have operated effectively during 202021.

## Assembly Accountability and Audit Report

#### Regularity of Payments (Audited)

The receipts and payments of the NICF were applied to the purposes intended by the NI Assembly.

#### Losses and Special Payments (Audited)

During the current year, the NICF had no losses or special payments totalling over £250,000 (2019-20: nil).

#### Fees and Charges (Audited)

The NICF does not have any income from fees or charges. However, the DoF charges an administration fee on the issue of loans from the NICF. The income is reflected in the DoF accounts.

#### Remote Contingent Liabilities (Audited)

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

#### APPROVED AND SIGNED



#### COLUM BOYLE

*Interim Accounting Officer*

Department of Finance

**21 September 2021**

# 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 Public Income and Expenditure Account for the year ended 31 March 2021 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 Public Income and Expenditure Account, Capital Receipts and Issues, Balance Sheet and the related notes. These financial statements have been prepared on a cash basis.

In my opinion the financial statements:

* properly present the receipts and payments of the Public Income and Expenditure Account for the year then ended and the balances as held at 31 March 2021; and
* 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 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 recorded in the financial statements conform to the authorities which govern them.

#### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs)

(UK), applicable law and Practice Note 10 ‘Audit of Financial Statements of Public Sector Entities in the United Kingdom’. My responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Public Income and Expenditure Account in accordance with the ethical requirements of the

Financial Reporting Council’s Revised Ethical Standard 2019, 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 Public Income and Expenditure Account’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 Public Income and Expenditure Account's ability to continue as a going **THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE**

#### NORTHERN IRELAND ASSEMBLY (continued)

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 Public Income and Expenditure Account is adopted in the preparation of the financial statements where it is anticipated that the services which it provides 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 Performance Report and Accountability Report other than the financial statements, the parts of the Accountability Report described in the report as having been audited and my audit certificate. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

**Opinion on other matters** In my opinion:

 the information given in the Performance Report and 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 Public Income and Expenditure Account and its 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 parts of the Accountability Report to be audited are not in agreement with the accounting records; or

#### THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

* 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 Department of Finance and the Accounting Officer for the financial statements

As explained more fully in the Statement of Responsibilities of the Department of Finance 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;
* such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
* assessing the Public Income and Expenditure Account’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern where the Accounting Officer anticipates that the services provided will not continue to be provided in the future.

#### Auditor’s responsibilities for the audit of the financial statements

My responsibility is to certify 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.

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 Public Income and Expenditure Account through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Exchequer and Financial Provisions Act (Northern Ireland) 1950 as amended by Article 3 of the Financial Provisions (Northern Ireland) Order 1998;

#### THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

* making enquires of management and those charged with governance on the Public Income and Expenditure Account’s compliance with laws and

regulations;

* making enquiries of internal audit, management and those charged with governance as to 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 Public Income and Expenditure Account’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;
* 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;
* 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; 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.](http://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 receipts and payments 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.



*KJ Donnelly*

*Comptroller and Auditor General*

*Northern Ireland Audit Office*

*1 Bradford Court*

*Upper Galwally*

*BELFAST*

*BT8 6RB*

*27 September 2021*

# PUBLIC INCOME AND EXPENDITURE

#### PUBLIC INCOME

Receipts from the United Kingdom Government 19,627,000 16,117,000

Regional and District Rates Received 1,057,056 1,373,252

|  |  |  |  |
| --- | --- | --- | --- |
| Interest Received  | 2  | 36,882 | 40,042 |
|   |   |  |  |
| Other Central Receipts  | 3  | 8,695 | 5,249 |
|   |   |  |  |
| Other Departmental Receipts  | 4  | 249,698 | 95,403 |

|  |  |
| --- | --- |
| **20,979,331**  | **17,630,946** |
| 20,210,556 | 16,790,361 |
| 664,734 | 647,208 |
| 53,654 | 58,736 |
| 9,429 | 9,222 |
| **20,938,373** | **17,505,527** |
|  |  |
|  **40,958**  | **125,419** |

##### TOTAL PUBLIC INCOME

#### PUBLIC EXPENDITURE

Payment of Supply to Departments 5

Transfer of District Rates to Local Councils

Interest Paid on Public Debt 6

Other Services 7

**TOTAL PUBLIC EXPENDITURE**

**EXCESS OF PUBLIC INCOME OVER PUBLIC EXPENDITURE**

# CAPITAL RECEIPTS AND ISSUES

|  |  |  |  |
| --- | --- | --- | --- |
| **CAPITAL RECEIPTS**  |  |  |  |
|  |  |  |  |
| Public Debt - Sums Borrowed  | 8  | 39,046 | 37,519 |
|   |   |  |  |
| Loan Repayments Received  | 9  |  67,899 |  71,370 |
|   |   |  |  |
| Amounts Returned from Temporary Investment  |   | 5,764,000 | 2,588,000 |
|   |   |  |  |
| Repayment of Advances from the NI Consolidated Fund  |   | 252,631 | 19,717 |
|   |   |   |   |
| Excess of Public Income over Public Expenditure  |   | 40,958 | 125,419 |

|  |  |
| --- | --- |
| **6,164,534**  | **2,842,025** |
| 174,058 | 168,389 |
| 17,000 | 65,669 |
|  5,764,000  | 2,588,000 |
| 210,296 | 19,717 |
| **6,165,354** | **2,841,775** |
|  |  |
|  **(820)** | **250** |

#### TOTAL CAPITAL RECEIPTS

#### CAPITAL ISSUES

Public Debt – Sums Repaid 10

Issue of Government Loans 11

Amounts Placed on Temporary Investment

Issue of Advances from the NI Consolidated

Fund

**TOTAL CAPITAL ISSUES**

**(EXCESS OF CAPITAL ISSUES OVER CAPITAL RECEIPTS) / EXCESS OF CAPITAL RECEIPTS OVER CAPITAL ISSUES**

# BALANCE SHEET

#### ASSETS

|  |  |  |  |
| --- | --- | --- | --- |
| Outstanding Loans  | 12  | 646,394 | 739,627 |
|   |   |  |  |
| Balance in the Consolidated Fund  | 14  | 598 | 1,418 |

|  |  |
| --- | --- |
| **646,992** | **741,045** |
| 1,679,759 | 1,814,770 |
| **1,679,759** | **1,814,770** |
|  |  |
| **(1,032,767)** | **(1,073,725)** |
| (1,073,725) | (1,199,144) |
| 40,958 | 125,419 |
| **(1,032,767)** | **(1,073,725)** |

#### TOTAL ASSETS

**LIABILITIES**

Public Debt 15

**TOTAL LIABILITIES**

#### NET LIABILITIES

Net Liabilities at 1 April

Excess of Public Income over Public

Expenditure

#### NET LIABILITIES AT 31 MARCH



#### COLUM BOYLE

*Interim Accounting Officer*

Department of Finance

**21 September 2021**

# NOTES TO THE ACCOUNT

#### 1. STATEMENT OF ACCOUNTING POLICIES

This account is prepared on a cash basis 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. This information is supplemented by the inclusion of a balance sheet.

There are no accounting standards in issue that are not yet effective that would impact on the preparation of the Public Income and Expenditure Account.

All notes are stated in thousands (£’000) of pound sterling.

#### 2. ANALYSIS OF INTEREST RECEIVED

|  |  |  |
| --- | --- | --- |
|  | **2020-21** | **2019-20** |
|  |  | **£000** |  | **£000** |
| **Interest Received on Loans from the Consolidated Fund**  |  |  |  |  |
| Northern Ireland Housing Executive  |  | 13,305 |  | 15,423 |
| Former New Towns Commissions  |  | 897 |  | 948 |
| Temporary Investments  |  | 12 |  | 96 |

|  |  |
| --- | --- |
| **14,214** | **16,467** |
| 20,089 | 20,725 |
| 181 | 242 |
| 2,098 | 2,324 |
| 300 | 284 |
| **22,668** | **23,575** |
|  |  |
| **36,882** | **40,042** |
| **2020-21** | **2019-20** |
| 6,697 | 3,470 |
| - | 24 |
| 14 | 65 |
| 1,984 | 1,690 |
| **8,695** | **5,249** |

#### Interest Received on Government Loans

Local Councils

Port & Harbour Authorities

Northern Ireland Housing Executive

Schools

**Total Interest Received**

#### 3. ANALYSIS OF OTHER CENTRAL RECEIPTS

OFCOM / DCMS

Northern Ireland Housing Executive

Miscellaneous

Continental shelf

**Total Central Receipts**

#### 4. ANALYSIS OF OTHER DEPARTMENTAL RECEIPTS

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Department**  | **Miscellaneous Non-EU**  | **Excess** **Accruing** **Resources**  | **Miscellaneous EU**  |  **Total** **2020-21**  | **Total** **2019-20**  |
|  | **£000**  | **£000**  | **£000**  | **£000**  | **£000**  |
| Agriculture, Environment & Rural Affairs  | -  | -  | -  | -  | -  |
|  Education  | 2,714  | -  | -  | 2,714  | 1,479  |
|  Economy  | -  | -  | -  | -  | 14,064  |
|  Finance  | 53  | -  | -  | 53  | 65  |
|  Health  | 166,622  | -  | -  | 166,622  | 55,755  |
|  Infrastructure  | 325  | 60,867  | 325  | 61,517  | 6,067  |
|  Communities  | 948  | -  | -  | 948  | 1,727  |
|  Northern Ireland Assembly  | 7  | -  | -  | 7  | 31  |
|  Northern Ireland Audit Office  | -  | -  | -  | -  | 60  |
| Northern Ireland Authority for Utility Regulation  | 1,414  | -  | -  | 1,414  | 2,443  |
|  The Executive Office  | 10,242  | 45  | 650  | 10,937  | 6,585  |
| Northern Ireland Public Service Ombudsman  | 2  | -  | -  | 2  | -  |
|  Justice  | 5,067  | 15  | -  | 5,082  | 7,127  |
|  Public Prosecution Service  | -  | 402  | -  | 402  | -  |
| **Total Departmental Receipts**  | **187,394**  | **61,329**  | **975**  | **249,698**  | **95,403**  |

**NOTES TO THE ACCOUNT (CONTINUED)**

#### 5. SUPPLY ISSUED TO DEPARTMENTS

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **2020-21**  | **2020-21**  | **2020-21**  | **2019-20**  | **2019-20**  | **2019-20**  |
|  | **£000**  | **£000**  | **£000**  | **£000**  | **£000**  | **£000**  |
|  | **Current Year**  | **Prior** **Years** **(a)**  | **Total** **Supply Issued**  | **Current Year**  | **Prior Years**  | **Total** **Supply Issued**  |
| **Department**  |  |  |  |  |  |  |
| Agriculture Environment & Rural Affairs  | 646,999  | 1,333  | **648,332**  | 279,800  | 851  | **280,651**  |
| Education (inc Pension Fund)  | 2,662,581  | 2,079  | **2,664,660**  | 2,434,678  | 1,734  | **2,436,412**  |
| Economy  | 1,553,960  | 4,845  | **1,558,805**  | 1,195,706  | 4,759  | **1,200,465**  |
| Finance (inc Pension Fund  | 476,417  | 8,208  | **484,625**  | 274,676  | -  | **274,676**  |
| Health  | 6,570,012  | 4,835  | **6,574,847**  | 5,550,933  | -  | **5,550,933**  |
| Infrastructure  | 1,224,210  | 76,307  | **1,300,517**  | 911,197  | 18,266  | **929,463**  |
| Communities  | 5,323,107  | -  | **5,323,107**  | 4,592,514  | -  | **4,592,514**  |
| Justice  | 1,314,880  | -  | **1,314,880**  | 1,304,124  | 4,371  | **1,308,495**  |
| The Executive Office  | 202,312  | 41,788  | **244,100**  | 126,093  | 3,214  | **129,307**  |
| Northern Ireland Assembly  | 39,250  | -  | **39,250**  | 31,750  | -  | **31,750**  |
| Northern Ireland Audit Office  | 7,700  | -  | **7,700**  | 6,974  | -  | **6,974**  |
| Food Standards Agency  | 9,818  | -  | **9,818**  | 9,882  | -  | **9,882**  |
| Northern Ireland Authority for Utility Regulation  | 330  | 755  | **1,085**  | 300  | -  | **300**  |
| Northern Ireland Public Services Ombudsman  | 3,060  | -  | **3,060**  | 3,395  | -  | **3,395**  |
| Public Prosecution Service  | 34,100  | 1,670  | **35,770**  | 34,943  | 201  | **35,144**  |
| **Total Supply Issued**  | **20,068,736**  | **141,820**  | **20,210,556**  | **16,756,965**  | **33,396**  | **16,790,361**  |

Details of how the Supply has been spent can be found in each of the departmental Annual Reports and Accounts.

At 31 March 2021, the balance of grants for Supply services remaining unissued from the NICF was £2,119m (31 March 2020: £734m).

#### 5. SUPPLY ISSUED TO DEPARTMENTS (continued)

**a)** As well as funding due to departments in relation to expenditure incurred in 201920, the Prior Years figure for 2020-21 also includes the payment of excess sums granted for 2016-17 in the Budget (No.3) Act (Northern Ireland) 2020. The amounts granted to individual departments are set out below. Additional information on the excess votes incurred in 2016-17 and the approval of further funding to regularise the expenditure can be found in the Northern Ireland Assembly Public Accounts Committee Report on Excess Votes (Northern Ireland) 2016-17 [report-on-excessvotes-northern-ireland-2016-17](http://www.niassembly.gov.uk/globalassets/documents/committees/2017-2022/pac/reports/excess-votes-2016-2017/report-on-excess-votes-northern-ireland-2016-17.pdf)

|  |  |  |
| --- | --- | --- |
|  | **2020-21** | **2019-20** |
| **Excess sums granted for 2016-17**  | **£000** | **£000** |
| Department of Finance  | 8,208 | - |
| Department of Health  | 4,835 | - |
| Department for Infrastructure  | 63,267 | - |
| The Executive Office  | 34,166 | - |
| Public Prosecution Service  | 1,386 | - |
| Northern Ireland Authority for Utility Regulation  | 755 |  |

|  |  |
| --- | --- |
| **112,617** | **-** |
| **2020-21** | **2019-20** |
| **£000** | **£000** |
| 5,162 | 6,850 |
| 48,476 | 51,661 |
| **53,638** | **58,511** |
| 2 | 23 |
| 14 | 202 |
| **16** | **225** |
|  |  |
| **53,654** | **58,736** |

**6. ANALYSIS OF INTEREST PAID**

#### National Loans Fund

Advances From National Loans Fund

Advances From National Loans Fund in respect of the

Reinvestment and Reform Initiative (RRI)

#### Other

Ulster Savings Certificates

Internal Departmental Funds

**Total Interest Paid**

#### 7. ANALYSIS OF OTHER SERVICES

Payment of Statutory Salaries 9,020 9,078 Pensions and Other Allowances 219 130

Thiepval War Memorial Fund

Local Government Boundaries’ Commissioner

Repayment of Fines in Court

**Total Other Services**

#### 8. ANALYSIS OF SUMS BORROWED IN THE YEAR

|  |  |
| --- | --- |
| **9,239** | **9,208** |
| 7 | 14 |
| 92 | - |
| 91 | - |
| **9,429** | **9,222** |
| **2020-21** | **2019-20** |
| **£000** | **£000** |
| - | 9,587 |
| 39,046 | 27,932 |
| **39,046** | **37,519** |
| **2020-21** | **2019-20** |
| **£000** | **£000** |
| 22,552 | 28,179 |
| 637 | 586 |
| **23,189** | **28,765** |
| 40,177 | 37,821 |
| 3,315 | 3,246 |
| 438 | 390 |
| 780 | 1,148 |
| **44,710** | **42,605** |
|  |  |
| **67,899** | **71,370** |

National Loans Fund in respect of the Reinvestment and

Reform Initiative (RRI)

Internal Departmental Funds

**Total Sums Borrowed**

**9. ANALYSIS OF LOAN REPAYMENTS RECEIVED**

#### Repayment of Consolidated Fund Loans

Northern Ireland Housing Executive

Former New Towns Commissions

#### Repayment of Government Loans

Local Councils

Northern Ireland Housing Executive

Schools

Port and Harbour Authorities

**Total Loan Repayments Received**

**10 ANALYSIS OF LOANS REPAID**

#### National Loans Fund

National Loans Fund 20,760 25,700

National Loans Fund in respect of the Reinvestment and 124,101 120,299

Reform Initiative (RRI)

|  |  |
| --- | --- |
|  **144,861** | **145,999** |
| 1 | 13 |
| 29,196 | 22,377 |
| **29,197** | **22,390** |
|  |  |
| **174,058** | **168,389** |

#### Other

Ulster Savings Certificates

Internal Departmental Funds

**Total Loans Repaid**

#### 11. ANALYSIS OF GOVERNMENT LOANS ISSUED IN THE YEAR

|  |  |  |
| --- | --- | --- |
|  | **2020-21** | **2019-20** |
|  | **£000** | **£000** |
| Local Councils  | 17,000 | 64,459 |
| Schools   | - | 1,210 |
| **Total Government Loans Issued**  | **17,000** | **65,669** |

**12 ANALYSIS OF LOANS OUTSTANDING**

#### Consolidated Fund Loans

Northern Ireland Housing Executive 118,879 141,431 Former New Towns Commissions 9,887 10,524

|  |  |
| --- | --- |
| **128,766** | **151,955** |
| 477,891 | 501,067 |
| 25,148 | 28,463 |
| 8,928 | 9,708 |
| 5,661 | 6,099 |
| **517,628** | **545,337** |
|  |  |
|  -  |  42,335 |
|  |  |
| **646,394** | **739,627** |

#### Total Consolidated Fund Loans

#### Government Loans

Local Councils

Northern Ireland Housing Executive

Port and Harbour Authorities

Schools

**Total Government Loans (Note 13)**

Advance from the NI Consolidated Fund **(a)**

#### Total Loans Outstanding

**a)** The Northern Ireland Assembly was dissolved in January 2017 and thereforethe process of approving the 2016-17 Spring Supplementary Estimate and associated Budget Bill did not take place. As a result advances from the NICF in respect of Civil

Contingencies totalling £42m were made to Department for Infrastructure, The Executive Office and Public Prosecution Service in 2016-17. The Civil Contingencies could only be repaid when Assembly approval has been given for the Excesses incurred in 2016-17, which is normally the Main Estimates round of the following year but one. However, in the absence of an Executive and sitting Assembly until January 2020 approval was only granted via the Budget (No. 3) Act (Northern Ireland) 2020 in November 2020. All outstanding amounts have now been repaid. All advances made during the current period have also been repaid.

**13 ANALYSIS OF GOVERNMENT LOANS OUTSTANDING**

#### Local Councils

|  |  |  |
| --- | --- | --- |
| Antrim & Newtownabbey Borough Council  | 43,178 | 45,980 |
| Ards & North Down Borough Council  | 62,755 | 66,969 |
| Armagh, Banbridge & Craigavon District Council  | 58,989 | 53,489 |
| Belfast City Council  | 57,032 | 67,707 |
| Causeway Coast & Glens District Council  | 56,677 | 62,127 |
| Derry City & Strabane District Council  | 43,470 | 46,842 |
| Fermanagh & Omagh District Council  | 5,269 | 6,172 |
| Lisburn & Castlereagh City Council  | 24,069 | 25,759 |
| Mid & East Antrim Borough Council  | 52,868 | 56,067 |
| Mid Ulster District Council  | 5,460 | 6,115 |
| Newry, Mourne & Down District Council  | 68,124 | 63,840 |

|  |  |
| --- | --- |
| **477,891** | **501,067** |
|  |  |
| **25,148** | **28,463** |
| 3,381 | 3,597 |
| 5,547 | 6,111 |
| **8,928** | **9,708** |
|  |  |
| **5,661** | **6,099** |
|  |  |
| **517,628** | **545,337** |

#### Total Local Councils

**Northern Ireland Housing Executive**

#### Port and Harbour Authorities

Warrenpoint Harbour Authority

Londonderry Port and Harbour Authority

**Total Port and Harbour Authorities**

**Schools**

**Total Government Loans Outstanding**

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#### 14 RECONCILIATION OF CASH HELD IN THE CONSOLIDATED FUND BANK ACCOUNT

|  |  |  |
| --- | --- | --- |
|  | **2020-21** | **2019-20** |
|  | **£000** | **£000** |
| Balance in the Consolidated Fund at 1 April    | 1,418 | 1,168 |
| (Excess of Capital Issues over Capital Receipts) / Excess of Capital Receipts over Capital Issues  | (820) | 250 |

**Balance in the Consolidated Fund at 31 March**

**15. ANALYSIS OF PUBLIC DEBT**

#### National Loans Fund

National Loans Fund

|  |  |
| --- | --- |
| **598** | **1,418** |
| **2020-21** | **2019-20** |
| **£000** | **£000** |
| 73,893 | 94,653 |
| 1,556,197 | 1,680,298 |
| **1,630,090** | **1,774,951** |
| 1,555 | 1,556 |
| 12 | 12 |
| 48,102 | 38,251 |
| **49,669** | **39,819** |
|  |  |
| **1,679,759** | **1,814,770** |

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 £3.3m (31 March 2020: £3.3m) of public debt, relating to interest on Ulster Savings Certificates, is liable to be paid as and when certificate holders redeem their savings.

1. An additional £0.1m (31 March 2020: £0.1m) of public debt, relating to interest on Internal Departmental Funds, is liable to be paid as and when landowners reclaim their ground rent payments.

#### 16. RELATED PARTIES

The NICF has transactions with most Government Departments and other Government bodies. The DoF 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 27 September 2021.