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Mrs Jo-Anne Dobson MLA
Chair of the Audit Committee
Parliament Buildings
Stormont
Belfast
BT4 3XX

26 February 2016

Dear *Jo-Anne*

NIAO ESTIMATE 2016-17

Please find attached a copy of the Northern Ireland Audit Office's proposed Estimate for 2016-17 for discussion at the next meeting of the Audit Committee on 8 March 2016.

A copy of the Estimate has been sent to the Chair of the Public Accounts Committee and to the Department of Finance and Personnel.

Yours sincerely

KIERAN DONNELLY
Comptroller and Auditor General

NORTHERN IRELAND AUDIT OFFICE - ESTIMATE FOR 2016-17

MEMORANDUM

1. Responsibility for the agreement of the Northern Ireland Audit Office's Estimate lies with the Audit Committee of the Northern Ireland Assembly. Under the Northern Ireland Act 1998, in agreeing the Office's Estimate the Audit Committee must have regard to the advice of the Public Accounts Committee and the Department of Finance and Personnel (DFP).
2. The proposed Estimate, which has been prepared in accordance with current DFP guidance, is attached.
3. The key figures in the Estimate for 2016-17 are:
 - a Resource Budget of £8,193,000;
 - a Net Resource Requirement of £8,006,000;
 - a proposed Capital Expenditure of £40,000; and
 - a Net Cash Requirement of £8,341,000 which is a projection of the cash we need in 2016-17. This figure is based on the Net Resource Requirement and Capital Expenditure, adjusted to remove any non-cash movements.
4. The Resource Budget and Capital Expenditure figures are unchanged from those in the Corporate Plan 2016-17 to 2018-19 considered by the Public Accounts Committee on 13 January 2016 and by the Audit Committee on 2 February 2016.
5. Subsequent to submission of the Corporate Plan we have increased our Consolidated Fund Standing Services figure to accurately reflect the Comptroller and Auditor General's Salary and Pension costs. This impacts upon the Net Resource Requirement, reducing it by £6,000

compared with that disclosed in the Corporate Plan. Reconciliation to the Resource Budget is as follows:

	2016-17 to 2018-19 Corporate Plan £'000	2016-17 Estimate £'000
Net Resource Requirement	8,012	8,006
Add Consolidated Fund Standing Services	191	197
Less Notional Charges	(10)	(10)
Resource Budget Requirement	8,193	8,193

**Northern Ireland Audit Office
26 February 2016**

NORTHERN IRELAND AUDIT OFFICE

Introduction

1. The Northern Ireland Audit Office provides independent assurance on the proper accounting for public expenditure, revenue, assets and liabilities, including compliance with laws and regulations; promotes economy, efficiency and effectiveness in the use of public resources and undertakes exercises to assist in the prevention and detection of fraud.

PART I

	£
RfR A: Providing audit and other assurance services and promoting economy, efficiency and effectiveness in the use of public funds and resources.	
Net Resource Requirement	8,006,000
Net Cash Requirement	8,341,000

Amounts required in the year ending 31 March 2017 for use by the Northern Ireland Audit Office on:

RfR A: Providing audit and other assurance services and promoting economy, efficiency and effectiveness in the use of public funds and resources:

audit and assurance services; promoting economy, efficiency and effectiveness in the use of public funds and resources; conducting exercises to assist in fraud prevention and detection; severance payments; administration; related services and associated non-cash items.

The Comptroller and Auditor General for Northern Ireland will account for this Estimate.

	Net Total	Allocated in Vote on Account	£ Balance to Complete
RfR A:	8,006,000	3,953,000	4,053,000
Net Cash Requirement	8,341,000	4,118,000	4,223,000

Part II Subhead Detail Including Resource to Cash Reconciliation

£'000

2016-17						2015-16	2014-15			
Resources						Capital	Provision	Outturn		
1	2	3	4	5	6	7	8	9	10	
Admin	Other Current	Grants	Gross Total	Accruing Resources	Net Total	Capital	Non-operating Accruing Resources	Net Total Resources	Net Total Resources	
RfR A: Providing audit and other assurance services and promoting economy, efficiency and effectiveness in the use of public funds and resources.										
-	10,613	-	10,613	2,607	8,006	40	-	8,785	7,739	
Departmental Expenditure in DEL:										
A-1: Audit and Assurance Services										
-	10,602	-	10,602	2,607	7,995	40	-	8,774	7,737	
Annually Managed Expenditure (AME):										
A-2: Audit and Assurance Services										
-	1	-	1	-	1	-	-	1	-	
Non-Budget:										
A-3: Notional Charges										
-	10	-	10	-	10	-	-	10	2	
Total:	-	10,613	-	10,613	2,607	8,006	40	-	8,785	7,739

Part II Subhead Detail Including Resource to Cash Reconciliation

Resource to Cash Reconciliation	£'000		
	2016-17 Provision	2015-16 Provision	2014-15 Outurn
Total Net Resources	8,006	8,785	7,739
Capital Items			
Capital	40	40	37
Total net capital	40	40	37
Accruals to cash adjustments			
Depreciation, impairments and revaluations	-215	-225	-202
New provisions and adjustments to previous provisions	-1	-1	1
Notional charges	-10	-10	-2
Movement in working capital	500	500	382
Use of provisions	21	64	76
Total accruals to cash adjustments	295	328	255
Net Cash Required	8,341	9,153	8,031

Part III Extra Receipts Payable to the Consolidated Fund**£'000**

In addition to Accruing Resources the following income and receipts relate to the Northern Ireland Audit Office and are payable to the Consolidated Fund (*cash receipts being shown in italics*):

	2016-17 Provision		2015-16 Provision		2014-15 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income and receipts - excess accruing resources	-	-	-	-	31	<i>57</i>
Total:	-	-	-	-	31	<i>57</i>

Statement of Comprehensive Net Expenditure

£'000

	2016-17 Provision	2015-16 Provision	2014-15 Outturn
Net Administration Costs			
Request for Resources A	8,203	8,981	7,902
Total Net Administration Costs	8,203	8,981	7,902
NET OPERATING COST	8,203	8,981	7,902
NET RESOURCE REQUIREMENT	8,006	8,785	7,739
RESOURCE BUDGET	8,193	8,971	7,900

Reconciliation of Resource Expenditure Between Estimates, Accounts and Budgets £'000

	2016-17 Provision	2015-16 Provision	2014-15 Outturn
Net Resource Requirement (Estimates)	8,006	8,785	7,739
<i>Adjustments to include:</i>			
Consolidated Fund Standing Services	197	196	194
Consolidated Fund Extra Receipts (CFERs) in the SoCNE	-	-	-31
Net Operating Cost (Accounts)	8,203	8,981	7,902
<i>Adjustments to remove:</i>			
Notional charges	-10	-10	-2
Resource Budget	8,193	8,971	7,900
<i>Of which:</i>			
Departmental Expenditure Limit (DEL)	8,213	9,034	7,977
Annually Managed Expenditure (AME)	-20	-63	-77

Reconciliation of Capital Expenditure Between Estimates and Budgets

£'000

	2016-17 Provision	2015-16 Provision	2014-15 Outturn
Net Capital (Estimates)	40	40	37
Capital Budget	40	40	37
<i>Of which:</i>			
Departmental Expenditure Limit (DEL)	40	40	37
Annually Managed Expenditure (AME)	-	-	-

Accruing Resources Analysis

£'000

Detail

	2016-17 Provision		2015-16 Provision		2014-15 Outturn	
	Operating ARs	Non - operating ARs	Operating ARs	Non - operating ARs	Operating ARs	Non - operating ARs
RfR A: Providing audit and other assurance services and promoting economy, efficiency and effectiveness in the use of public funds and resources.						
Audit and Assurance Services	2,607	-	2,398	-	2,623	-
Total for RfR A:	*2,607	-	2,398	-	2,623	-

* Amount that may be applied as accruing resources arising from the provision of audit and assurance services; data matching exercises; recoupment of salary and associated costs for seconded staff; recovery of administration costs; related income and sundry receipts.

Notional Charges in Non-Budget

£'000

2016-17										2015-16	2014-15
Resources						Capital		Provision	Outturn		
1	2	3	4	5	6	7	8	9	10		
Admin	Other Current	Grants	Gross Total	Accruing Resources	Net Total	Capital	Non - operating Accruing Resources	Net Total Resources	Net Total Resources		
RfR A: Providing audit and other assurance services and promoting economy, efficiency and effectiveness in the use of public funds and resources.											
Audit and Assurance Services											
-	10	-	10	-	10	-	-	10	2		
Total RfR A:	-	10	-	10	-	10	-	10	2		
Total Notional Charges:											
-	10	-	10	-	10	-	-	10	2		

Detail

	2016-17 Provision	2015-16 Provision	2014-15 Outturn
RfR A: Providing audit and other assurance services and promoting economy, efficiency and effectiveness in the use of public funds and resources.			
Legal services	9	9	2
Property and valuation services	1	1	-
Total RfR A:	10	10	2
Total Notional Charges:			
	10	10	2

Consolidated Fund Extra Receipts (CFERs) Analysis

£'000

Detail

In addition to Accruing Resources the following income and receipts relate to Northern Ireland Audit Office and are payable to the Consolidated Fund (*cash receipts being shown in italics*):

	2016-17 Provision		2015-16 Provision		2014-15 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Excess accruing resources	-	-	-	-	31	57
Total:	-	-	-	-	31	57

Explanation of Accounting Officer Responsibilities

The Department of Finance and Personnel has appointed the Comptroller and Auditor General for Northern Ireland, Mr Kieran Donnelly, as Accounting Officer for the Northern Ireland Audit Office with responsibility for preparing the Office's Estimate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Office's assets, are set out in Managing Public Money Northern Ireland.

Notes to the Estimate:

1. The provision sought for 2016-17 is 8.9% lower than the final net provision for 2015-16.

