

## COMMITTEE FOR FINANCE AND PERSONNEL

### REPORT ON THE FINANCIAL PROVISIONS BILL

TOGETHER WITH THE MINUTES OF PROCEEDINGS OF THE COMMITTEE  
RELATING TO THE REPORT, MEMORANDA AND THE MINUTES OF EVIDENCE

Ordered by The Committee for Finance and Personnel to be printed 6 May 2009

Report: 31/08/09R (Committee for Finance and Personnel)

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Tel: 028 9052 1078

## Committee for Finance and Personnel Membership and Powers

### Powers

The Committee for Finance and Personnel is a Statutory Departmental Committee established in accordance with paragraphs 8 and 9 of the Belfast Agreement, Section 29 of the Northern Ireland Act 1998 and under Assembly Standing Order 48. The Committee has a scrutiny, policy development and consultation role with respect to the Department of Finance and Personnel and has a role in the initiation of legislation.

The Committee has the power to:

- consider and advise on Departmental budgets and annual plans in the context of the overall budget allocation;
- approve relevant secondary legislation and take the Committee Stage of primary legislation;
- call for persons and papers;
- initiate inquiries and make reports; and
- consider and advise on matters brought to the Committee by the Minister of Finance and Personnel.

### Membership

The Committee has eleven members, including a Chairperson and Deputy Chairperson, with a quorum of five members.

The membership of the Committee since its establishment on 9 May 2007 has been as follows:

Mr Mitchel McLaughlin (Chairperson)  
Mr Simon Hamilton (Deputy Chairperson)

Dr Stephen Farry	Mr Fra McCann
Ms Jennifer McCann	Mr David McNarry**
Mr Adrian McQuillan	Mr Declan O'Loan
Mr Ian Paisley Jnr*	Ms Dawn Purvis
Mr Peter Weir	

\* Mr Ian Paisley Jnr replaced Mr Mervyn Storey on the Committee on 30 June 2008.

\*\* Mr David McNarry replaced Mr Roy Beggs on 29 September 2008.

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## **List of Abbreviations and Acronyms used in the Report**

C&AG Comptroller and Auditor General

CFP Committee for Finance and Personnel

DETI Department for Enterprise, Trade and Investment

DFP Department of Finance and Personnel

MLA Member of the Legislative Assembly

NI Northern Ireland

NIAO Northern Ireland Audit Office

PAC Public Accounts Committee

# Executive Summary

Financial provisions legislation is normally required at intervals of every two or three years to tidy up routine financial matters, including adjustments to statutory limits and various technical and non-controversial issues.

The Financial Provisions Bill, which was introduced to the Assembly by the Minister of Finance and Personnel on 23 February 2009, comprises 6 clauses and a schedule. Following its Second Stage in the Assembly on 3 March 2009, the Bill was referred to the Committee for Finance and Personnel for Committee Stage. Given that some of the provisions in the Bill related to the remits of several other Assembly scrutiny committees, including the Committee for Enterprise, Trade and Investment, the Audit Committee and the Public Accounts Committee, the Committee for Finance and Personnel agreed to canvass the views of these committees. In addition, the Committee issued a public call for evidence on the Bill and received oral briefings from Department of Finance and Personnel officials.

During the evidence from the Departmental officials, the Committee sought clarification around the provision in clause 5 to repeal the requirement to prepare Finance Accounts. The Department provided a detailed response to which the Committee was content. The other relevant Assembly committees confirmed that they were content with the provisions falling within their respective remits. Moreover, no responses were received from the Committee's public consultation. The responses provided by the other Assembly committees and by the Department are included in the appendices to this report.

To conclude, there were no comments or concerns raised during Committee Stage with any of the provisions in the Bill and the Committee is content with the Bill as drafted.

## Introduction

### Background

1. The Financial Provisions Bill was introduced to the Assembly by the Minister of Finance and Personnel on 23 February 2009 and completed Second Stage on 3 March 2009, when it was subsequently referred to the Committee for Finance and Personnel (the Committee) for Committee Stage. The Bill has 6 clauses and a schedule. The provisions in each clause are explained in the Explanatory and Financial Memorandum.<sup>[1]</sup>

2. The purpose of financial provisions legislation is to cover routine financial matters, such as minor amendments to governing legislation or to regularise an existing practice. Such legislation is normally required at intervals of every two or three years, to adjust statutory limits and handle various non-controversial issues, and is regarded as a means of tidying up.

### The Committee's Approach

3. The Committee received an initial briefing from Department of Finance and Personnel (DFP) officials on 4 February 2009, prior to the introduction of the Bill to the Assembly. A public notice was placed in the main provincial newspapers on 5 March 2009, following commencement of Committee Stage, inviting written evidence on the provisions of the Bill.

4. The Committee was advised by DFP that the provisions in the Bill would be a matter of interest to the following other Assembly committees:

- the Committee for Enterprise, Trade and Investment,
- the Audit Committee; and
- the Public Accounts Committee.

As such, the Bill papers were subsequently referred to these committees for scrutiny, and on reply, there were no issues raised in relation to the Bill.

5. The Committee received no written evidence during the public consultation.

6. Following the oral evidence from the Department, the Committee sought further background information on the provisions in clause 5 which repeal the requirement to prepare Finance Accounts. In response, DFP provided a detailed written explanation to the Committee and members were content that the issue had been adequately addressed.

7. During the Second Stage debate on 3 March, a few points were raised by individual members. These included: the issue of whether the protection offered by the absolute privilege applying to the Comptroller and Auditor General (C&AG) reports under clause 1 would apply to someone who copies or reports on such C&AG reports; and the question of whether other departments require legislative cover for expenditure relating to social economy enterprises, similar to that provided for the Department of Enterprise, Trade and Investment in clause 3. These issues did not subsequently arise during the Committee's consideration of the provisions in the Bill.

8. The Committee carried out a clause-by-clause scrutiny of the Bill on 22 April 2009. At its meeting on 6 May 2009, the Committee agreed that its report on the Bill would be printed.

9. The Minutes of Proceedings relating to the Committee's deliberations on the Bill are included at Appendix 1. Copies of the Official Reports of the oral evidence sessions are at Appendix 2 and the written responses received from other Assembly committees are at Appendix 3. A pre-introduction briefing paper and background information from DFP on the provisions to repeal the requirement to prepare Finance Accounts are at Appendix 4. Finally, Appendix 5 includes the research paper provided by the Assembly Research and Library Services to assist the Committee's deliberations.

## **Consideration of the Provisions in the Bill**

10. During its clause-by-clause scrutiny of the Bill, the Committee agreed all the clauses and the Schedule of Repeals without the need to propose amendments. The Committee agreed clause 1, which makes provision for absolute privilege for reports of the Comptroller and Auditor General, mindful that neither the Audit Committee nor the Public Accounts Committee had raised any concerns with the provisions therein. Likewise, the Committee agreed clauses 2 and 3, which relate to expenditure for consumer purposes and on social economy enterprises respectively, in the knowledge that the Committee for Enterprise, Trade and Investment, within whose remit scrutiny of these policy areas fall, had raised no concerns with the provisions.

11. As part of the evidence from DFP officials, the Committee examined the provisions in both clause 4, which relate to the costs of district rates collection, and clause 5, which repeal the requirement to prepare Finance Accounts. The scrutiny of these policy areas falls clearly within the Committee's own remit. As described below, during the oral evidence from DFP officials, further information was sought by the Committee to clarify the provision in clause 5.

12. The Committee's consideration of the responses received from the Committee for Enterprise, Trade and Investment, the Audit Committee and the Public Accounts Committee, together with its formal clause-by-clause scrutiny, is detailed in the Official Reports at Appendix 2.

## **Clause 5 – Repeal of requirement to prepare Finance Accounts**

13. As part of its deliberations the Committee sought further clarification from the Department on the repeal of the requirement to prepare Finance Accounts. The Department provided a detailed explanation which included: background information on the proposed repeal of certain provisions relating to accounts of the Consolidated Fund; clarification on the types of accounts produced; and the rationale for removing the need to produce separate Finance Accounts. This clarification from DFP is included at Appendix 4. The Committee was subsequently content that the issue had been adequately addressed.

[1][http://archive.niassembly.gov.uk/legislation/primary/2008/niabill6\\_08\\_efm.htm](http://archive.niassembly.gov.uk/legislation/primary/2008/niabill6_08_efm.htm)

## **Appendix 1**

### **Minutes of Proceedings (Extracts)**

#### **Wednesday, 10 December 2008 Room 152, Parliament Buildings**

Present: Mitchel McLaughlin MLA (Chairperson)

Dr Stephen Farry MLA

Fra McCann MLA

Jennifer McCann MLA

David McNarry MLA

Adrian McQuillan MLA

Declan O'Loan MLA

Ian Paisley Jnr MLA

Dawn Purvis MLA

Peter Weir MLA

In Attendance: Shane McAteer (Assembly Clerk)

Colin Jones (Assistant Assembly Clerk)

Vivien Ireland (Assistant Assembly Clerk)

Paula Sandford (Clerical Supervisor)

Chris McCreery (Clerical Officer)

Apologies: Simon Hamilton MLA (Deputy Chairperson)

The meeting commenced at 10.04 am in open session.

### **8. Committee Work Programme from January 2009**

Members noted correspondence from DFP on the Financial Provisions Bill, which included a copy of the Bill together with the accompanying Policy Memorandum and Explanatory and Financial Memorandum. The Committee was advised that the provisions of the Bill will be a matter of interest to the Committee for Enterprise, Trade and Investment, the Audit Committee and the Public Accounts Committee.

Agreed: that the information on the Financial Provisions Bill will be copied to the relevant committees for comment.

Agreed: that a pre-introductory briefing on the Financial Provisions Bill will be scheduled into the Committee's work programme.

## **Wednesday, 4 February 2009**

### **Room 152, Parliament Buildings**

Present: Mitchel McLaughlin MLA (Chairperson)  
Simon Hamilton MLA (Deputy Chairperson)  
Dr Stephen Farry MLA  
Fra McCann MLA  
Jennifer McCann MLA  
David McNarry MLA  
Adrian McQuillan MLA  
Declan O'Loan MLA  
Ian Paisley Jnr MLA  
Dawn Purvis MLA  
Peter Weir MLA

In Attendance: Shane McAteer (Assembly Clerk)  
Vivien Ireland (Assistant Assembly Clerk)  
Colin Jones (Assistant Assembly Clerk)  
Paula Sandford (Clerical Supervisor)  
Chris McCreery (Clerical Officer)

Apologies: None

The meeting commenced at 10.01 am in open session.

#### **4. Pre-Introduction Briefing on Financial Provisions Bill: Evidence from DFP**

The Committee took evidence from the following DFP officials: David Thomson, Treasury Officer Head of Accounts, Central Finance Group; Michael Daly, Head of Central Expenditure Division, Central Finance Group and Deborah McNeilly, Head of Finance Branch, Corporate Services Group. The session was recorded by Hansard.

Members noted that copies of the Draft Bill had been sent to the Committee for Enterprise, Trade and Investment; the Public Accounts Committee and the Audit Committee for scrutiny, as there were clauses in the Bill within their respective remits.

Members noted the responses from the respective committees, stating that they had no issues to raise in relation to the Bill.

Mr Hamilton declared an interest as a member of Ards Borough Council.

Agreed: that DFP officials will add further explanation to the Explanatory and Financial Memorandum relating to the Bill to clarify Clause 5 – the Repeal of requirement to prepare Finance Accounts.

## **Wednesday, 4 March 2009**

### **Room 152, Parliament Buildings**

Present: Mitchel McLaughlin MLA (Chairperson)  
Simon Hamilton MLA (Deputy Chairperson)  
Dr Stephen Farry MLA  
Fra McCann MLA  
David McNarry MLA  
Adrian McQuillan MLA  
Declan O'Loan MLA  
Ian Paisley Jnr MLA  
Peter Weir MLA

In Attendance: Stephen Graham (Assembly Clerk)  
Vivien Ireland (Assistant Assembly Clerk)  
Colin Jones (Assistant Assembly Clerk)  
Heather Galbraith (Clerical Officer)  
Chris McCreery (Clerical Officer)

Apologies: Dawn Purvis MLA  
Jennifer McCann MLA

The meeting commenced at 10.03 am in open session.

#### **6. Committee Stage of the Financial Provisions Bill**

Members noted an Assembly Research paper on the Financial Provisions Bill.

Agreed: a provisional timetable for the Committee Stage of the Bill.

Agreed: a public notice for publication in the appropriate newspapers.

Agreed: that the Bill will be copied to the Committee for Enterprise, Trade and Investment, the Public Accounts Committee and the Audit Committee for consideration.

## **Wednesday, 1 April 2009**

### **Room 152, Parliament Buildings**

Present: Mitchel McLaughlin MLA (Chairperson)  
Simon Hamilton MLA (Deputy Chairperson)  
Dr Stephen Farry MLA  
Fra McCann MLA  
Declan O'Loan MLA  
Ian Paisley Jnr MLA  
Peter Weir MLA

In Attendance: Stephen Graham (Assembly Clerk)  
Vivien Ireland (Assistant Assembly Clerk)  
Colin Jones (Assistant Assembly Clerk)  
David McKee (Clerical Supervisor)  
Chris McCreery (Clerical Officer)



Apologies: Jennifer McCann MLA  
David McNarry MLA  
Adrian McQuillan MLA  
Dawn Purvis MLA

The meeting commenced at 10.03 am in open session.

## **6. Financial Provisions Bill Committee Stage: Evidence from DFP**

The Committee noted that it had previously been briefed by DFP officials on 4 February 2009, prior to the introduction of the Financial Provisions Bill to the Assembly.

Members noted that CETI, PAC and the Audit Committee had no issues to raise in relation to the Bill and that no responses had been received to date to the Committee's public consultation on the Bill.

The Committee took evidence from the following DFP officials: David Thomson, Treasury Officer of Accounts; Michael Daly, Central Finance Group and Brenda Shearer, Central Expenditure Division. The session was recorded by Hansard.

## **Wednesday, 22 April 2009 Room 152, Parliament Buildings**

Present: Mitchel McLaughlin MLA (Chairperson)  
Simon Hamilton MLA (Deputy Chairperson)  
Dr Stephen Farry MLA  
Fra McCann MLA  
Jennifer McCann MLA  
Adrian McQuillan MLA  
Declan O'Loan MLA  
Ian Paisley Jnr MLA  
Dawn Purvis MLAPeter Weir MLA

In Attendance: Shane McAteer (Assembly Clerk)  
Vivien Ireland (Assistant Assembly Clerk)  
Colin Jones (Assistant Assembly Clerk)  
David McKee (Clerical Supervisor)  
Chris McCreery (Clerical Officer)  
Dr Robert Barry (Assembly Research)

Apologies: David McNarry MLA

The meeting commenced at 10.08 am in open session.

## **5. Financial Provisions Bill Committee Stage: Consideration of Issues Arising from Evidence/ Clause by Clause Scrutiny**

The Committee noted that, following advice from DFP that the provisions in the Bill would be of interest to the Committee for Enterprise, Trade and Investment; the Audit Committee and the Public Accounts Committee, the Bill papers were subsequently referred to these committees for scrutiny and the respective responses received had raised no issues in relation to the Bill.

Members noted that no written evidence had been received during the Committee's public consultation on the Bill.

The Committee undertook its formal clause-by-clause scrutiny of the Financial Provisions Bill. The following DFP officials were in attendance: David Thomson, Treasury Officer of Accounts; Michael Daly, Central Finance Group and Brenda Shearer, Central Expenditure Division. The session was recorded by Hansard.

Clause 1 – Absolute privilege for reports of Comptroller and Auditor General

Question: That the Committee is content with clause 1 of the Bill, mindful that neither the Audit Committee nor the Public Accounts Committee have any concerns with the provisions in this clause, put and agreed to.

Clause 2 – Expenditure for consumer purposes

Clause 3 – Expenditure relating to social economy enterprises

Question: That the Committee is content with clauses 2 and 3 of the Bill, mindful that the Committee for Enterprise, Trade and Investment has no concerns with the provisions in these clauses, put and agreed to.

Clause 4 – Costs of district rates collection

Clause 5 – Repeal of requirement to prepare Finance Accounts

Clause 6 – Short title

Question: That the Committee is content with clauses 4 to 6, put and agreed to.

Schedule – Repeals

Question: That the Committee is content with the Schedule of Repeals, put and agreed to.

Agreed: that a draft report will be prepared for the Committee's consideration at an upcoming meeting, prior to the end of the Committee Stage on 13 May 2009.

## **Wednesday, 6 May 2009**

### **Room 152, Parliament Buildings**

Unapproved Minutes of Proceedings

Present: Simon Hamilton MLA (Deputy Chairperson)  
Dr Stephen Farry MLA  
Fra McCann MLA  
David McNarry MLA  
Adrian McQuillan MLA  
Declan O'Loan MLA  
Ian Paisley Jnr MLA  
Peter Weir MLA

In Attendance: Shane McAteer (Assembly Clerk)  
Vivien Ireland (Assistant Assembly Clerk)  
Colin Jones (Assistant Assembly Clerk)  
David McKee (Clerical Supervisor)  
Chris McCreery (Clerical Officer)

Apologies: Mitchel McLaughlin MLA (Chairperson)  
Jennifer McCann MLA  
Dawn Purvis MLA

The meeting commenced at 10.04 am in open session.

## **7. Financial Provisions Bill Committee Stage: Consideration of Draft Report**

Members considered the Committee's draft report on a paragraph-by-paragraph basis, as follows:

Agreed: that paragraphs 1-2 stand part of the Report.

Agreed: that paragraphs 3-9 stand part of the Report.

Agreed: that paragraphs 10-13 stand part of the Report.

Agreed: that the draft Executive Summary stands part of the report.

Mr McCann returned to the meeting at 11.30 am.

Agreed: that the appendices stand part of the Report.

Agreed: that the Report be the Fifth Report of the Committee for Finance and Personnel to the Assembly for session 2008/09.

Agreed: that the Report be printed.

Members noted that a typescript copy of the Report will issue to DFP by the end of the week, in line with normal protocol. The Report will be published next week and copies issued to all MLAs.

Agreed: that the relevant extract from the draft minutes of today's proceedings will be checked by the Chairperson and included in the Committee's Report as 'unapproved' minutes of proceedings.

## **Appendix 2**

### **Minutes of Evidence**

**4 February 2009**

Members present for all or part of the proceedings:  
Mr Mitchel McLaughlin (Chairperson)  
Mr Simon Hamilton (Deputy Chairperson)  
Dr Stephen Farry  
Mr Fra McCann

Ms Jennifer McCann  
Mr David McNarry  
Mr Adrian McQuillan  
Mr Declan O'Loan  
Mr Ian Paisley Jnr  
Ms Dawn Purvis  
Mr Peter Weir

Witnesses:

Mr Michael Daly  
Ms Deborah McNeilly  
Mr David Thomson

Department of Finance  
and Personnel

1. The Chairperson (Mr McLaughlin): I welcome officials from the Department of Finance and Personnel. We are joined by David Thomson, treasury officer of accounts; Michael Daly, head of central expenditure division, and Deborah McNeilly, head of finance and information services division.
2. You have been before the Committee on a number of occasions previously. As you are aware, this briefing has been scheduled in order to inform The Committee about the financial provisions Bill prior to its introduction to the Assembly, which is scheduled for 23 February 2009. The Committee Stage of the Bill will begin in late March.
3. As requested by DFP, the Committee has sought the views of other Committees with an interest in the Bill's provision. Responses from the Audit Committee and the Public Accounts Committee have been included in members' papers with responses from the Enterprise, Trade and Investment Committee. None of those Committees have raised any issues. The explanatory and financial memorandum provided by DFP is also included in members' papers.
4. Mr Michael Daly (Department of Finance and Personnel): This is an introductory briefing before the Bill is introduced to the House and ultimately goes to Committee Stage. As has been said, that process will start on 23 February 2009.
5. The Committee has already received the policy memorandum, the Bill, and the explanatory and financial memorandum. The papers were sent to the Committee before Christmas, and the drafts have moved on slightly since then. Members may have spotted some typographical errors in the explanatory and financial memorandum, and a change to some paragraph numbers. The version of the Bill that members have refers to the Department; the Bill itself will refer to the Minister. Other than that, the substance of the legislation has not changed.
6. This is the first financial provisions Bill to come before the Committee: I assure you that it will not be the last. Financial provisions legislation is routine and comes every two or three years. The last one was the Financial Provisions (Northern Ireland) Order 2004, which was taken forward during direct rule. The purpose of these pieces of legislation is to cover routine financial matters. They adjust statutory limits and handle various non-controversial issues. They are a means of tidying up.
7. The Department invited contributions for the Bill in December 2007. As a result of that exercise, five items were considered for inclusion. As members will have seen, those items comprise the following: privilege for reports of the Comptroller and Auditor General and two contributions from DETI — one that deals with expenditure for consumer purposes and another that deals with expenditure relating to social economy enterprises. Although the intention of

those particular clauses is to legislate in those two particular areas of expenditure, they also provide wider powers for that Department should it decide to do something in addition in future. The remaining two clauses relate to DFP: the first deals with the collection of rates, and the second is a repeal of the requirement to prepare finance accounts.

8. The Bill does not incur any expenditure as such. Expenditure associated with the clauses is already included in budgets, so there is nothing additional there. Section 75 issues have been considered by DFP in consultation with other Departments, and the initial screening screened out the issues for a full equality impact assessment, which was published on the DFP website. I am happy to take any questions.

9. The Chairperson: That was very short and to the point, Michael. Thank you. Are there any questions?

10. Mr Hamilton: Clause 4, which deals with the cost of district rates collection, authorises the issue of money from the Consolidated Fund to DFP to cover the cost of rates collection. That has happened previously. How did it happen before, and what is the necessity of this clause?

11. Ms Deborah McNeilly (Department of Finance and Personnel): The Department is unable to recognise the income from the cost of collection in its accounts because there is no cash transaction involved. We cannot get the cash issued from the Consolidated Fund. Therefore, to allow alignment of our accounts with our budgeting position, which now includes this income in our budget, we require a change to the legislation to allow cash to be issued from the Consolidated Fund to the Department. The change is technical.

12. Mr Hamilton: I declare an interest as a member of a local council. Does the change have any effect — negative or positive — on councils, or is it simply an accounting movement?

13. Ms McNeilly: The change is necessary to allow the issue of cash. It will not have any impact on the actual calculation of the charge to the councils or how that is deducted from the councils.

14. Mr Hamilton: Secondly, as regards the clause 5, which deals with a repeal of what is referred to as a redundant statutory obligation to prepare finance accounts; will that information be available elsewhere, or will we have to look at individual departmental accounts for this type of information?

15. Mr David Thomson (Department of Finance and Personnel): I have started looking at some of the historical accounts that have been put into statute many generations ago and that have not been reviewed. This provision deals with the account of the Consolidated Fund; in other words, the money that comes from the Treasury and the rates and funds which go back out to Departments.

16. It was only this year that I noticed that we are duplicating. We have the public income and expenditure account, which is audited by the Audit Office. We then, as a statutory requirement, produce finance accounts, which are identical to the public income and expenditure accounts — virtually word for word. This is an efficiency measure, and a first step. The finance accounts are not great accounts, and I want to make them more meaningful — if Government accounting could ever be more meaningful. Nevertheless, that is the objective. There is nothing in one document that is not in the other, and that is why we want to get rid of the finance accounts.

17. Mr McNarry: I accept what Mr Thomson says. Will what he has explained — the repeal of requirement to prepared finance accounts — be in writing somewhere?

18. Mr Daly: Sorry?

19. Mr McNarry: I understand the explanation; however, will there be something in writing to explain it to the wider audience?

20. Mr Daly: The Department could undertake to include an explanatory note.

21. Mr Thomson: I could explain it if more detail is required.

22. Mr McNarry: I think it would be useful for the wider audience. I accept the explanation.

23. The Chairperson: Thank you, Michael and Deborah. That was quick, efficient and to the point.

## 1 April 2009

Members present for all or part of the proceedings:

Mr Mitchel McLaughlin (Chairperson)

Mr Simon Hamilton (Deputy Chairperson)

Mr Fra McCann

Mr Declan O'Loan

Mr Ian Paisley Jnr

Mr Peter Weir

Witnesses:

Mr Michael Daly  
Ms Brenda Shearer  
Mr David Thomson

Department of Finance  
and Personnel

24. The Chairperson (Mr McLaughlin): The Department gave the Committee a pre-introduction briefing on the Financial Provisions Bill on 4 February. At that briefing, the Committee requested further information on the proposal to remove the need to produce separate finance accounts. The response from the Department is in members' information packs.

25. The Bill was subsequently introduced in the Assembly, and has reached its Committee Stage. The Committee sought the views of the Committee for Enterprise, Trade and Investment, the Public Accounts Committee and the Audit Committee, as the scope of the Bill is within their remit, too. Their responses indicated that they had no issues to raise.

26. The Committee's public consultation on the Bill ends at close of play today, and no responses have been received to date. So, we are overwhelmed. [Laughter.]

27. Mr Weir: Overwhelmed with apathy.

28. The Chairperson: Nonetheless, I invite Michael to make some introductory comments, and then we will open the meeting to members.

29. Mr Michael Daly (Department of Finance and Personnel): I do not have an awful lot to add to what the Chairperson said. The Second Stage debate on the Bill covered a number of issues that Members raised. The Minister replied to some of them during the debate, and wrote to Members

about others. However, there may be other issues that Committee members might want to raise now.

30. The Chairperson: Thank you. Members, have we ?

31. Mr Hamilton: Any holiday plans?

32. The Chairperson: Is that a question? I am overwhelmed by the responses from the Committee, too. So, Michael, may I just wish you well, and keep up the good work. Obviously, you are satisfying opinion around this table.

33. Mr Hamilton: Declan, could you not even ask something about social housing to take the bad look off us?

34. Mr O'Loan: Just so that we have something to write in the report.

35. The Chairperson: No, but I will make sure that the ?

36. Mr Weir: There is something coming through from David McNarry. [Laughter.]

37. The Chairperson: It is quite evident from the members who sent their apologies that they are the people who have the real interest in this subject. So, I can only apologise to those colleagues who attended today.

## **22 April 2009**

Members present for all or part of the proceedings:

Mr Mitchel McLaughlin (Chairperson)

Mr Simon Hamilton (Deputy Chairperson)

Dr Stephen Farry

Mr Fra McCann

Ms Jennifer McCann

Mr Adrian McQuillan

Mr Declan O'Loan

Ms Dawn Purvis

Mr Peter Weir

Witnesses:

Mr David Thomson Treasury Officer of Accounts

Mr Michael Daly Department of Finance and Personnel

Ms Brenda Shearer

38. The Chairperson (Mr McLaughlin): We turn to the Committee Stage of the Financial Provisions Bill. We are joined by our colleagues from Hansard. Please ensure that all mobile phones are switched off, because they can interfere with the audio recording.

39. We are joined by David Thomson, Michael Daly and Brenda Shearer. I hope that you are all fit and well after the Easter break and that you are ready for action. I shall ask the Committee Clerk to introduce the briefing paper, which is quite short. Members should refer to their copies of the Financial Provisions Bill, and we will begin its clause-by-clause consideration in conjunction with the respective explanatory passages in the Committee secretariat's briefing paper.

40. The Committee Clerk: The Committee secretariat's paper highlights the fact that no issues were raised in respect of the clauses and provisions of the Bill as a result of the Committee's liaison with other relevant Committees — the Public Accounts Committee, the Audit Committee and the Committee for Enterprise, Trade and Investment — or our recent public notice and consultation. However, the paper indicates that, during the Bill's Second Stage, some issues were raised by individual Members.

41. In addition, the paper highlights the fact that if any issues cannot be resolved and remain outstanding after today's session, as a precaution, the Committee should seek an extension to the 13 May 2009 deadline. If an extension is required, today is the last opportunity for the Committee to agree such a motion. However, to date, the Committee's intention has been to complete the Committee Stage within the normal 30-working-day deadline, which expires on 13 May 2009.

42. The Chairperson: We shall begin the clause-by-clause consideration, and I invite members to ask questions or seek clarification. Department of Finance and Personnel officials are here to assist. If members are content, we will formally move and agree individual clauses.

Clause 1 (Absolute privilege for reports of Comptroller and Auditor General)

43. The Chairperson: No issues were raised in the evidence to the Committee. Neither the Audit Committee nor the Public Accounts Committee have any concerns with the provisions of the clause.

Question, That the Committee is content with the clause, put and agreed to.

Clause 1 agreed to.

Clause 2 (Expenditure for consumer purposes)

44. The Chairperson: No issues were raised in the evidence to the Committee, and the Committee for Enterprise, Trade and Investment has no concerns with the provisions of the clause.

Question, That the Committee is content with the clause, put and agreed to.

Clause 2 agreed to.

Clause 3 (Expenditure relating to social economy enterprises)

45. The Chairperson: No issues were raised in the evidence to the Committee, and the Committee for Enterprise, Trade and Investment has no concerns with the provisions of the clause.

Question, That the Committee is content with the clause, put and agreed to.

Clause 3 agreed to.

Clause 4 agreed to.

Clause 5 (Repeal of requirement to prepare Finance Accounts)



46. The Chairperson: No issues were raised in the evidence to the Committee, and the Committee was content with the clarification provided by the Department of Finance and Personnel on the provisions in this clause.

Question, That the Committee is content with the clause, put and agreed to.

Clause 5 agreed to.

Clause 6 agreed to.

Schedule agreed to.

47. The Chairperson: A draft report will be prepared for the consideration of the Committee at a forthcoming meeting. In accordance with the timetable for the Bill's Committee Stage, the Committee is required to report to the Assembly by 13 May 2009 at the latest — which is a short run-in.

48. No issues were raised today, so perhaps the contingency in relation to extension does not need to be considered further. The secretariat will prepare the response and the report on that basis.

49. That concludes this item of Committee business.

## **Appendix 3**

### **Written Responses from other Assembly Committees**

#### **Public Accounts Committee Response on Financial Provisions Bill**



Public Accounts Committee  
Room 371  
Parliament Buildings  
Tel: +44 (0) 28 9052 1208  
Fax: +44 (0) 28 90520366

To: Shane Mcateer; Clerk To Committee For Finance And Personnel  
From: Alison Ross, Clerk To The Committee  
Date: 16 January 2009

#### **Subject: Financial Provisions Bill 2009**

In your minute of 11 December 2008 you refer the above Bill to the Public Accounts Committee for comment requesting a response by 30 January 2009.

The Committee considered the information provided at their meeting of 15 January 2009 and have instructed me to inform you that they have no objection to the content of the Bill.

**Alison Ross**

Xtn 21208

## **Audit Committee Response on Financial Provisions Bill**



Robin Newton  
Chairperson, Audit Committee  
Room 414,  
Parliament Buildings,  
Stormont, Belfast,  
BT4 3XX  
Telephone: (028) 9052 0336  
Fax: (028) 9052 1882  
E-mail: [committee.audit@niassembly.gov.uk](mailto:committee.audit@niassembly.gov.uk)

29th January 2009

Mr Mitchel McLaughlin MLA  
Chairperson  
Committee for Finance and Personnel

Dear

### **Financial Provisions Bill**

Thank you for your recent correspondence referring the Audit Committee to clause 1 of the proposed Financial Provisions Bill.

At the January meeting of the Audit Committee, members discussed clause 1, which provides absolute privilege for reports of the Comptroller and Auditor General that are required under any statutory provision.

After a briefing from Mr John Dowdall, Comptroller and Auditor General for Northern Ireland, and supporting officials, members considered the clause and agreed to approve it.

Yours sincerely,

**Robin Newton MLA**  
Chairperson, Audit Committee  
Audit Committee

## **Committee for Enterprise, Trade and Investment Response on Financial Provisions Bill**



## **Committee for Enterprise, Trade and Investment Follow Up Response on Financial Provisions Bill**

Committee for Enterprise, Trade  
and Investment  
Room 424  
Parliament Buildings  
Tel: +44 (0) 28 9052 21230  
Fax: +44 (0) 28 90521355

To: Shane McAteer

From: Jim McManus, Committee Clerk

Date: 18th March 2009

Subject: Financial Provisions Bill

At its meeting on 12th March 2009, the Committee for Enterprise, Trade & Investment considered the Financial Provisions Bill Committee Stage. Committee Members were content with the Bill and had no further comments to make.

Jim McManus  
Committee Clerk



## **Public Accounts Committee Follow Up Response on Financial Provisions Bill**

Public Accounts Committee  
Room 371  
Parliament Buildings  
Tel: +44 (0) 28 9052 1208  
Fax: +44 (0) 28 90520366

To: Shane McAteer; Clerk to Committee for Finance and Personnel

From: Alison Ross, Clerk to the Committee

Date: 19 March 2009

**Subject: Financial Provisions Bill 2009**

Your minute of 5 March 2009 re the Financial Provisions Bill refers.

The Committee considered the information provided at their meeting of 19 March and have instructed me to inform you that they have no further comment to make on the contents of your memorandum.

Alison Ross

Xtn 21208



**Audit Committee Follow Up Response on Financial Provisions Bill**

To: Shane McAteer, Clerk, Committee for Finance and Personnel

From: John Devlin, Assistant Clerk, Audit Committee

Date: 26th March 2009

**Financial Provisions Bill**

1. The Audit Committee originally considered the Financial Provisions Bill on 6 January 2009.
2. I can confirm that members of the Committee have raised no subsequent issues to the Bill.

Kind regards,

John Devlin  
Assistant Clerk  
Audit Committee

Appendix 4

**Memoranda and Papers from Department of Finance and Personnel**

**Pre-introduction briefing**

Craigtantlet Buildings  
Stormont  
BT4 3SX

Tel No: 02890 529147  
Fax No: 02890 529148  
email: [Norman.Irwin@dfpni.gov.uk](mailto:Norman.Irwin@dfpni.gov.uk)

Mr Shane McAteer  
Clerk  
Committee for Finance and Personnel  
Room 419  
Parliament Buildings  
Stormont

4 December 2008

Dear Shane

## **Financial Provisions Bill 2009: Policy Memorandum, Bill and Explanatory and Financial Memorandum**

### Background

A Financial Provisions Bill is normally required at intervals of every two to three years to deal with routine financial matters including any minor and/or non-controversial amendments to governing legislation. The last piece of legislation in this area - the Financial Provisions (Northern Ireland) Order 2004 was done in direct rule and came into effect 1 April 2005.

During December 2007, DFP indicated its intention to compile a Financial Provisions Bill during 2008. The main purpose of which is to adjust statutory limits and handle other routine financial matters. Departments commissioned non-controversial items for inclusion in the Bill, a total of five items were considered suitable for inclusion in the Bill and instructions were forward to Counsel on 20 June 2008 to enable the drafting of the Bill. DFP are the lead Department and on this occasion Departments identified the following requirements for inclusion in the Bill:-

- To confer absolute privilege to certain reports of the Comptroller and Auditor General for Northern Ireland; (NIAO)
- To enable the Department of Enterprise, Trade and Investment (DETI) to incur expenditure for consumer purposes and purposes relating to social economy enterprises; (DETI Consumer Affairs and Social Economy Branch)
- To provide for the costs of district rates collection to be charged on and issued out of the Consolidated Fund to the Department of Finance and Personnel; (DFP, Finance Branch) and

- To repeal the requirement on DFP to prepare Finance Accounts; (DFP, Government Accounts Branch).

The provisions within the Bill will be a matter of interest for the Committees for Enterprise, Trade and Investment, the Audit Committee and the Public Accounts Committee. I attach the policy memorandum, Bill and Explanatory and Financial Memorandum and would be grateful if you could draw these to the attention of the Committee and let me know if it would wish to have a pre-introductory briefing on the Bill.

I would be grateful if you could co-ordinate the comments of the other three Committees and come back to me asap.

These proposals are scheduled to be considered by the Executive on Thursday 11 December.

Yours sincerely,



Norman Irwin

## Response to Oral Evidence Session on 4 February 2009



Assembly Section  
Craigantlet Buildings  
Stormont  
BT4 3SX

Tel No: 02890 529147  
Fax No: 02890 529148

email: [Norman.Irwin@dfpni.gov.uk](mailto:Norman.Irwin@dfpni.gov.uk)

Mr Shane McAteer  
Clerk  
Committee for Finance and Personnel  
Room 419  
Parliament Buildings  
Stormont

17 February 2009

Dear Shane

## **FINANCIAL PROVISIONS ORDER**

At its meeting on 4th February 2009 the Committee asked for some further background information on the proposed repeal, contained in the draft Financial Provisions Order, of certain provisions relating to accounts of the Consolidated Fund.

The accounts of Consolidated Fund reflect how the income for public services is received (primarily the NI block grant and rates income) and then appropriated by Act of the Assembly to NI departments. The main accounting arrangements are set out in the Exchequer and Financial Provisions Act (NI) 1950, and relevant extracts are attached.

The Northern Ireland Act 1998, setting up the devolution arrangements, confirmed the existence of the Consolidated Fund. Section 60 of the NI Act provides for the Assembly to make provision (unless a provision already exists) for DFP to prepare an account of payments into and out of the Fund. DFP considers that the 1950 Act already does this, but is proposing a tidy up exercise through the proposed Financial Provisions Order, as explained below.

### **Public Income and Expenditure Accounts**

Section 2 of 1950 Act requires DFP to prepare a Public Income and Expenditure Account and send this to the C&AG for audit, before laying it in the Assembly. The account is to show the income and expenditure, on a cash basis, of the Consolidated Fund.

Other sections of the Act define what is covered by the terms public income and expenditure, set out the difference between capital and other receipts and payments, and require that the account shows a declared surplus or deficit.

### **Finance Accounts**

In 1950, when this legislation was passed, all public sector accounts, including those of departments and public bodies, were compiled on a simple cash basis. It would appear that there was a recognition that some further information would be desirable, and so section 10 requires DFP to prepare an additional set of financial statements, termed Finance Accounts.

These Finance Accounts were not required to be audited and the legislation gives a longer time period for them to be completed.

It is not entirely clear as to what the purpose of some of the requirements in Section 10 of the Act means. Sub sections 10 (a) and 10 (b) state that the Finance Accounts should show "the nature of public income and other receipts" and "the nature of public expenditure and other issues". The term "the nature of" is not one which is normally used in the context of financial statements. In practice, over the years, this has been interpreted as the actual income and expenditure, but this duplicates the information contained in the Public Income and Expenditure Account.

The other clauses in Section 10 require the disclosure of other balances (which would not normally appear in a cash based income and expenditure account such as the Public Income and Expenditure Account) and also provide a power for DFP to determine what other details need to be recorded.

### **Discussion**

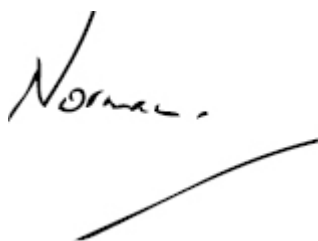
The ambiguity over the meaning of the term "the nature of" is, in itself, one reason for re-looking at the legislation. DFP considers that, however it is interpreted, the information is probably contained elsewhere.

If the term is interpreted on a narrow basis (as DFP currently does), then it would appear to duplicate the information contained in the Public Income and Expenditure Account. If the term is taken to mean a more wide ranging description, then this information is now contained in Budget documents going to the Assembly and in the very detailed resource accounts prepared by departments. The other items required in section 10 have also been included in the Public Income and Expenditure Account. The information therefore is appearing twice, in each of these sets of accounts.

### **Recommendation**

The Public Income and Expenditure Account was clearly intended to be the main account and this is the account which is audited. DFP considers therefore that, both in order to reduce duplication and to eliminate the confusion over meanings of terms, the need to produce separate Finance Accounts is removed. The Public Income and Expenditure Account can, as it currently does, reflect both income and payments and also the other balances and information.

Yours sincerely

A handwritten signature in black ink, appearing to read "Norman", with a long, sweeping horizontal stroke underneath it.

NORMAN IRWIN

**Annex A**

## **Extracts from Exchequer and Financial Provisions Act (NI) 1950**

### **PART I**

#### **Exchequer Receipts and Issues**

#### **Public income and expenditure**

1. (1) For the purposes of this Act or of any other enactment -

(a) the public income of Northern Ireland for any financial year shall be deemed to comprise all moneys received in the [F1Consolidated Fund] in that year, other than sums which are in the nature of capital receipts as defined by section four of this Act, or by virtue of a determination made by the Ministry of Finance (in this Act referred to as "the Ministry") in accordance with paragraph (j) of that section;

(b) the public expenditure of Northern Ireland for any financial year shall be deemed to comprise

-



(i) ll sums issued from the [F1Consolidated Fund] in that year, other than issues made for capital purposes F1... as defined by sub-section (1) of section five of this Act; and

(ii) such issues for capital purposes as the Ministry may determine to be public expenditure by virtue of the next succeeding sub-section of this section; and the expression "the public income and expenditure" means the public income of Northern Ireland and the public expenditure of Northern Ireland.

(2) Issues made from the Consolidated Fund in any financial year for capital purposes F1... as defined by section five of this Act may, if and so far as the Ministry so determine, be deemed to be part of the public expenditure for that year, so however that the powers conferred by this sub-section shall be exercised before the end of any financial year with respect to any such issues made during that year.

### **Annual accounts of public income and expenditure and of other Exchequer receipts and payments**

2. (1) The Ministry of Finance shall, [F2on or before 30th June next] after the expiration of every financial year, prepare and transmit to the Comptroller and Auditor General accounts showing, by reference to the actual receipt and issue of moneys into and out of the [F3Consolidated Fund] during that financial year –

(a) the public income and expenditure; and

(b) all other receipts into and payments out of the [F3Consolidated Fund]; and those accounts shall respectively show –

(i) the amount of the surplus of public income over public expenditure or of the excess of public expenditure over public income, as the case may be, for that financial year; and

(ii) the balance to the credit of the [F3Consolidated Fund] at the end of that financial year.

(2) Copies of the said accounts, certified by the Comptroller and Auditor General, shall be laid before the House of Commons [F2on or before 30th September next] after the expiration of the financial year, if that House is then sitting, or if not sitting, within one week after that House next sits after such expiration.

### **Declared surplus or deficit.**

[F43. (1) The amount shown, by the account of the public income and expenditure required under paragraph (a) of sub-section (1) of the last preceding section, as the surplus of public income over public expenditure or as the excess of public expenditure over public income, as the case may be, for any financial year, shall be carried at the end of that year to the account required under paragraph (b) of the said sub-section.

(2) In this Act -

"the declared surplus" means the amount of any such surplus of income over expenditure;

"the declared deficit" means the amount of any such excess of expenditure over income.

### **Capital receipts in the Exchequer**

4. F5For the purposes of this Act or any other enactment "capital receipts", in relation to the Consolidated Fund, includes all moneys received into that Fund –

(a) from borrowings made (whether before or after the passing of this Act) by the Ministry on the security of the Consolidated Fund;

(b) in respect of the declared surplus for any financial year;

(c) in or towards repayment whether from moneys provided by Parliament or otherwise of the principal of loans or advances issued out of the Consolidated Fund, other than loans or advances issued as part of the public expenditure for any year;

(d) from the realisation of any investments made under section nineteen of this ActF6...;

[F6(dd) by virtue of subsection (2) of section twenty-eight of this Act;]

(e) in or towards repayment of sums issued from the Consolidated Fund in fulfilment of guarantees given by the Ministry under any enactment;

(j) which, by virtue of this paragraph are, in cases of doubt, determined by the Ministry, before the end of the financial year in which they are received in the Exchequer, to be of the nature of capital receipts in the Exchequer; and

the Ministry shall have power to make such determination accordingly.

### **Capital purposes of the Exchequer.**

5. (1) [F7For the purposes of this Act "capital purposes" includes -]

(a) the repayment of the principal of any moneys borrowed by the Ministry on the security of the Consolidated Fund F8...

(b) any issue for investment by virtue of section nineteen of this Act;

(c) the discharge pursuant to section seven of this Act of any capital deficit in the [F7Consolidated Fund];

Para. (d) rep. by 1986 NI 19

(e) any other purpose (including capital expenditure or the making of any loan or advance) for which the Ministry has power under any enactment (whether passed before or after this Act, and including this Act) other than [F7a Budget Act], to issue sums out of the Consolidated Fund, and to borrow money for the purpose F9....

(2) The Ministry may temporarily apply for capital purposes during any financial year, any surplus of the public income received in the [F7Consolidated Fund] in that year over public expenditure met or to be met from the [F7Consolidated Fund].

### **Application of capital receipts in the Exchequer**

6. (1) Subject to the provisions of sub-section (3) of this section capital receipts F10... shall be applicable from time to time as the Ministry may think fit –

(a) for all or any of the capital purposes F10... as defined by the last preceding section;

(b) to provide for meeting any temporary deficit of public income over public expenditure.

(2) Any provision of any enactment (whether passed before or after this Act, and including this Act) which empowers the Ministry to borrow moneys in order to provide for the issue of sums out of the Consolidated Fund for capital purposes F10... shall, subject to the provisions of sub-section (3) of this section, be deemed to empower the Ministry to provide for the issue of such sums out of any capital receipts F10... F11....

(3) Notwithstanding anything in the foregoing provisions of this section any capital receipts F10... which are by virtue of any statutory provision to be applied or set aside for specific capital purposes shall be so applied or set aside before the end of the financial year in which they were received [F10into the Consolidated Fund].

(4) The powers conferred by this section shall be in addition to and not in derogation of the powers of the Ministry under sub-section (2) of section one of this Act to determine that any issues for capital purposes in any financial year shall be of the nature of public expenditure for that year.

### **Provision for meeting capital deficits in the Exchequer**

7. (1) The Ministry shall have power to provide in such manner as it thinks fit for the discharge of any capital deficits in the [F12Consolidated Fund] including any such deficit resulting from or which in the opinion of the Ministry is likely to result from –

(a) a declared deficit for any year;

(b) a capital loss on the sale or redemption of [F13any investments made] by virtue of section nineteen of this Act;

(c) a loss on the sale or redemption of securities held by the Ministry for the purpose of repayment of any issues made from the Consolidated Fund for capital purposes F12...;

(d) the borrowing of moneys on the security of the Consolidated Fund by the issue of securities at a discount;

(e) the operation of any enactment under or by virtue of which the repayment of the whole or part of any issue made from the Consolidated Fund for any capital purpose is to be written off or is for any other reason not to be made;

and for the purposes of making such provision the Ministry shall have power to issue sums from the Consolidated Fund, and to borrow money for the purpose of such issues.

Subs. (2), (3) rep. by 1986 NI 19

S. 8 rep. by 2001 c. 6 (NI)

### **Power to make additional capital repayments out of surplus on votes**

8A. Where –

(a) an Act authorises any sum to be issued out of the Consolidated Fund towards making good the supply granted to His Majesty for the service of any year and appropriates that sum by a vote for particular services and purposes as expressed in the Act; and

(b) those services and purposes include a capital repayment, that is to say, the repayment F15... of sums issued out of the Consolidated Fund, under or by virtue of any enactment for capital purposes specified in that enactment F16..... F17;

any surplus arising on that vote by a saving of expenditure on any service or purpose other than a capital repayment may be applied before the end of that year in making such additions to such of the capital repayments included in that vote as the Ministry may direct.]

S. 9 rep. by 1972 NI 10

## **Finance accounts**

10. (1) F18..., the Ministry shall prepare in respect of each financial year statements (which may be called "the Finance Accounts") showing –

(a) the nature of the public income and of other receipts into the [F18Consolidated Fund];

(b) the nature of the public expenditure and other issues made from the [F18Consolidated Fund];

(c) the balances of public income due at the end of the year to the [F18Consolidated Fund] from all public accounts in Northern Ireland;

(d) the balances of grants for supply services made by Parliament and remaining unissued from the [F18Consolidated Fund] at the end of the year;

(e) the public debt of Northern Ireland, reductions thereof made during the year, and the amount outstanding at the end of the year;

(f) contingent liabilities of the Consolidated Fund at the end of the year; and

(g) such other details of [F18Consolidated Fund] transactions as the Ministry may determine.

(2) F19The Ministry shall lay copies of the Finance Accounts before Parliament on or before the thirtieth day of November next after the expiration of each financial year, if Parliament is then sitting, or if not sitting, within [F20one week] after the next meeting of Parliament.

## **Appendix 5**

### **Northern Ireland Assembly Research Paper**

#### **Research and Library Services**



# **Financial Provisions Bill**

## **Research Paper prepared for the Committee for Finance & Personnel**

**Dr Robert Barry**

The Financial Provisions Bill contains a number of miscellaneous financial provisions as follows:

- Absolute privilege for reports of the Comptroller and Auditor General;
- Expenditure for consumer purposes;
- Expenditure relating to social economy enterprises;
- Costs of district rates collection; and
- Repeal of requirement to prepare financial accounts

The Bill is technical and non-controversial in nature and therefore required no consultation.

Library Research Papers are compiled for the benefit of Members of The Assembly and their personal staff. Authors are available to discuss the contents of these papers with Members and their staff but cannot advise members of the general public.

## **Financial Provisions Bill**

### **Introduction**

The Financial Provisions Bill contains a number of miscellaneous financial provisions. It was introduced to the Assembly on 23 February 2009.[\[1\]](#)

### **Background**

The Department of Finance and Personnel (DFP) invited contributions for the Bill in December 2007 and, as a result, five items were considered for inclusion: privilege for reports of the Comptroller and Auditor General; two contributions from the Department of Enterprise Trade and Investment (DETI) — one that deals with expenditure for consumer purposes and another that deals with expenditure relating to social economy enterprises (although the intention of those particular clauses is to legislate in those two particular areas of expenditure, they also provide wider powers for that Department should it decide to do something in addition in future); and two items relating to DFP – one dealing with the collection of rates and the second involving a repeal of the requirement to prepare finance accounts.[\[2\]](#)

### **Consultation**

The Department considers the Bill to be technical and non-controversial in nature, and did not therefore engage in any consultation.

### **Purpose of the Bill**

Financial provisions legislation is routine and is introduced every two or three years (the last one was the Financial Provisions (Northern Ireland) Order 2004). The purpose of these pieces of

legislation is to cover routine financial matters. They adjust statutory limits and handle various non-controversial issues, and are regarded as a means of tidying up.<sup>[3]</sup>

## **Overview of the Bill**

The Bill contains a number of miscellaneous financial provisions and a repeal of a redundant statutory obligation as follows:

- Absolute privilege for reports of the Comptroller and Auditor General;
- Expenditure for consumer purposes;
- Expenditure relating to social economy enterprises;
- Costs of district rates collection; and
- Repeal of requirement to prepare Finance Accounts.

## **Content of the Bill**

The Bill contains six clauses and one Schedule as follows:<sup>[4]</sup>

### **Clause 1: Absolute privilege for reports of the Comptroller and Auditor General**

Clause 1 protects the Comptroller and Auditor General against any action for defamation when publishing a report in accordance with his statutory duties.

### **Clause 2: Expenditure for consumer purposes**

Clause 2 empowers the Department of Enterprise, Trade and Investment to incur expenditure for activities which the Department considers to be of benefit to consumers in Northern Ireland. This extends to the provision of advice, information, or educational materials and activities relating to consumer matters. It also covers advice or information provided to the Department in the connection with the formulation of policy in respect of consumer matters.

It is intended that this clause be used to provide the statutory power for funding the delivery, by the voluntary advice sector, of specialist advice to consumers on the management of debt.

### **Clause 3: Expenditure relating to social economy enterprises**

Clause 3 empowers the Department of Enterprise, Trade and Investment to incur expenditure for any purpose which the Department considers will benefit the development of the social economy in Northern Ireland. Expenditure may also be incurred for the provision of advice and information, educational materials or policy advice to the Department about the social economy.

It is intended that this clause be used to provide the statutory power to provide funding to the Social Economy Network (NI) Ltd or any other body to represent the interests, and facilitate the development, of social economy enterprises in Northern Ireland.

### **Clause 4: Costs of district rates collection**

Clause 4 authorises the issue of money from the Northern Ireland Consolidated Fund to the Department of Finance and Personnel in order to cover the costs of collecting rates on behalf of

District Councils. This money is already included in the Department's budget, so the clause simply confers the authority to issue it.

### **Clause 5: Repeal of requirement to prepare financial accounts**

Clause 5 repeals a redundant statutory obligation (section 10 of the Exchequer and Financial Provisions Act (NI) 1950) which required the Department of Finance and Personnel to prepare and lay, before the Northern Ireland Assembly, the Finance Accounts of Northern Ireland. The information previously only contained within this Account is now available in other published Departmental Accounts.

This provision deals with the account of the Consolidated Fund; in other words, the money that comes from the Treasury and the rates and funds which go back out to Departments.

The clause will remove duplication by removing the statutory requirement to produce finance accounts, which are identical to the public income and expenditure accounts.<sup>[5]</sup>

### **Clause 6: Short Title**

Clause 6 sets out the title of the Act.

### **Schedule: Repeals**

The Schedule lists provisions to be repealed as a result of this Bill.

### **Costs**

The Bill does not incur any expenditure as such. Expenditure associated with the clauses is already included in budgets. The Department does not consider that the provisions will lead to any new area of government expenditure.

### **Human Rights and Equality Impact Assessment**

The provisions of the Bill are considered by the Department to be compatible with the Human Rights Act 1998.

The individual elements of the Bill have been screened for equality issues and it is considered by the Department that there are no equality issues in relation to the proposals.

### **Conclusions**

This Bill is technical in nature and does not appear to raise any issues for concern.

[1] Financial Provisions Bill -  
[http://archive.niassembly.gov.uk/legislation/primary/2008/niabill6\\_08.pdf](http://archive.niassembly.gov.uk/legislation/primary/2008/niabill6_08.pdf)

[2] Evidence to Committee for Finance and Personnel given by Mr. Michael Daly, Department of Finance and Personnel on 4 February 2009 -  
[http://archive.niassembly.gov.uk/finance/2007mandate/moe/2008/090204\\_financial\\_provisions.htm](http://archive.niassembly.gov.uk/finance/2007mandate/moe/2008/090204_financial_provisions.htm)

[3] Evidence to Committee for Finance and Personnel given by Mr. Michael Daly, Department of Finance and Personnel on 4 February 2009 - [http://archive.niassembly.gov.uk/finance/2007mandate/moe/2008/090204\\_financial\\_provisions.htm](http://archive.niassembly.gov.uk/finance/2007mandate/moe/2008/090204_financial_provisions.htm)

[4] See Explanatory and Financial Memorandum - [http://archive.niassembly.gov.uk/legislation/primary/2008/niabill6\\_08\\_efm.htm](http://archive.niassembly.gov.uk/legislation/primary/2008/niabill6_08_efm.htm)

[5] Evidence to Committee for Finance and Personnel given by Mr. Michael Daly, Department of Finance and Personnel on 4 February 2009 - [http://archive.niassembly.gov.uk/finance/2007mandate/moe/2008/090204\\_financial\\_provisions.htm](http://archive.niassembly.gov.uk/finance/2007mandate/moe/2008/090204_financial_provisions.htm)