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Dear Peter

## FINANCIAL REPORTING BILL POSSIBLE AMENDMENTS

Thank you for your letter of 16 October 2021 seeking the Department's view on whether it would support any of the following possible amendments to the Financial Reporting (Departments and Public Bodies) Bill.

### Amendment 1

The Department can make a direction of accruing resources by minute **and shall set out the source and quantity of all accruing resources and shall include particularly European Union funding, developer contributions etc. and all such resources in excess of £100k.**

DoF's view is that the amendment is not appropriate. The details of accruing resources are already set out in detail in the Estimates document, and the purpose of the accruing resources minute is to implement the decision already taken by the Assembly when passing the Estimates and Budget Bill. It is not clear why examples of EU funded receipts, developer contributions etc. would be set in legislation. Nor is it clear why the figure of £100k has been chosen, and taken with amendment 3 below, would result in the Assembly seeing greater detail on receipts being received by departments, than on the expenditure they are undertaking.

### Amendment 2

**An Estimates memorandum published with the Estimates and which shall set out the source and quantity of all accruing resources and shall include particularly European Union funding, developer contributions etc. and all such resources in excess of £100k.**

DoF's view is that this amendment is not appropriate. It seems to conflate the role of an Estimates memorandum and Accruing Resource Minute, which serve very different purposes. The comments provided against amendment 1 above would also apply to this also.

### Amendment 3

**Any estimate for a Northern Ireland department for approval by the Assembly in respect of a financial year shall be accompanied by an Estimates Memorandum which Departments will share with the relevant statutory committee of the Assembly at the time of the publication of the estimate**

**The Estimates Memorandum shall set out each budget line showing the actual or expected expenditure for the previous 3 years and the forecast expenditure for the following 3 years with a granularity of £1m**

**The Estimates Memorandum will identify and explain expenditure for which the authority is provided solely by the Budget Act The format of the Estimates Memorandum shall be agreed and shall be subject to revision only by resolution of the Assembly**

The Department agrees that there may be merit in the idea of each Department providing their respective Committee with a memorandum or equivalent document to assist the Committee in its scrutiny of that department's Estimates, and this is something that DoF would be happy to explore. However DoF's view is that this amendment is not appropriate. A significant amount of the information which would be required to be put into the Estimates Memorandum required by this amendment is already set out in the Estimates document itself, e.g. previous years' expenditure against function lines, and expenditure under the sole authority of the Budget Act.

Other information would not be possible to include, particularly forecast expenditure for the future three years, which could not be provided in the absence of an agreed Executive Budget, making it impossible to comply with this, where it to be enshrined in legislation.

Assembly Committees already have considerable powers to request information from departments, and if Committees find it helpful then a format of memorandum could be agreed to provide additional information to assist in their scrutiny role and could be tailored to each individual Committee's needs. The amendment's provision that a "one size fits all" format must be set by resolution of the Assembly would be cumbersome and may actually obstruct Committees from being provided information that they require.

### Amendment 4

**The Department shall provide information in respect of all fiscal factors to the Fiscal Council for Northern Ireland and as required by that body.**

**For the purposes of (1) a "fiscal factor" is anything which Executive Departments use to ascertain the amount of resources likely to be available for the purposes of sections 1 to 8 of the GRAANI Act.**

**The Fiscal Council for Northern Ireland has a right of access at reasonable times to any relevant information in respect of fiscal factors may require any person who holds or is accountable for relevant information to provide at reasonable**

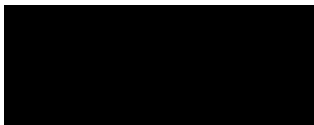
**times any assistance or explanation that the Council may reasonably require for the purpose of exercising the right conferred by paragraph.**

DoF's view is that the amendment is not appropriate. A separate Bill is being prepared by DoF to give legislative status to the Fiscal Councils, and the appropriate mechanism to set out the powers of the Council and the requirement by departments to provide it with information will be through that Bill, not through the Financial Reporting (Departments and Public Bodies) Bill, which is focussed on the implementation of the Review of Financial Process.

Accruing Resources Minute

The Committee also asked whether the current Accruing Resources Minute which is required under the Government Resources and Accounts Act (NI) 2001, could be replaced by more detail being provided in the estimates document. The Estimates document already contains more detail regarding accruing resources than is contained in the Accruing Resource Minute. The Minute laid after the Estimates and Budget Bill have been approved by the Assembly, and is simply a mechanism to implement the decision already made by the Assembly. The new format estimates will continue to provide this level of detail regarding income/accruing resources

Yours sincerely



**DEPARTMENTAL ASSEMBLY LIAISON OFFICER**