

**Northern Ireland Assembly  
Resource Accounts  
For the year ended 31 March 2010**

*The Accounting Officer authorised these  
financial statements for issue*

*on*

*25 June 2010*

*Laid before the Northern Ireland Assembly by the  
Department of Finance and Personnel under  
section 10(4) of the Government Resources  
and Accounts Act (Northern Ireland) 2001*

*02 July 2010*

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# Annual Report and Accounts for the period ended 31 March 2010

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## **Foreword by the Speaker**

It gives me great pleasure to present the Annual Report and Accounts for the Northern Ireland Assembly for the financial year 2009-2010. This report fulfils the Assembly's requirement to prepare and present an annual report and accounts under the Government Resources and Accounts Act (Northern Ireland) 2001.

The Northern Ireland Assembly has faced another challenging year. The Assembly Commission achieved its objective of having a fully resourced independent Assembly Secretariat and a special event was held to mark this achievement during March 2010. As the Assembly moves towards the end of its mandate it is dealing with an increasing volume of legislation through Plenary sittings and its Committees.

The ongoing implementation of the Engagement Strategy continues to play an important role in providing opportunities for the Assembly to engage with the citizens that it serves. An exciting development this year was the launch of plans for a Youth Assembly. It is envisaged that this will give young people the chance to make a real difference and have a stronger voice in issues that concern them.

This Annual Report and Accounts provides facts and figures about the Assembly. As in previous years the Assembly Commission will also produce a report, dealing in greater detail with the work that the Assembly undertakes on behalf of the citizens of Northern Ireland.

I trust that these two documents will provide an insight into the work of the Assembly and how it plans and manages its resources.

William Hay MLA

## **Annual Report for the year ended 31 March 2010**

### **Executive Summary**

The Northern Ireland Assembly presents its Annual Report and Accounts for the financial year ended 31 March 2010.

#### *History and statutory background of the Northern Ireland Assembly*

The Northern Ireland Assembly was established as a result of the Belfast Agreement on Friday, 10 April 1998.

The electorate of Northern Ireland endorsed the Belfast Agreement in a referendum held on 22 May 1998, which paved the way for the subsequent legislation, the Northern Ireland Act 1998.

The United Kingdom Parliament devolved powers of government to the Northern Ireland Assembly at midnight on 1 December 1999. The Assembly was then able to govern Northern Ireland in respect of transferred matters; and also reserved matters with the Secretary of State's consent. Excepted matters remained the responsibility of the United Kingdom Parliament.

The Northern Ireland Assembly however was suspended from 14 Oct 2002. During this period of suspension the United Kingdom Government remained committed to trying to achieve a full restoration of devolution. The Northern Ireland Act 2006 established an interim Assembly on 15 May 2006. The Northern Ireland (St Andrews Agreement) Act 2006 established a Transitional Assembly on 24 November 2006 and set the date for elections to a new Northern Ireland Assembly. The Transitional Assembly's purpose was to take part in preparations for the restoration of devolved government in Northern Ireland in accordance with the St Andrews Agreement. The Northern Ireland (St Andrews Agreement) Act 2006 envisaged a restoration date for the Northern Ireland Assembly of 26 March 2007. Restoration occurred on 8 May 2007. Since that date the Northern Ireland Assembly has sought to make progress in securing the devolution of the final reserved matters – i.e. policing and criminal law. Significant progress was made on these matters and devolution occurred on 12 April 2010. The remaining excepted matters include:

- defence, taxation and foreign policy, i.e. matters that are considered as matters of national importance.

#### *The Assembly Commission and the Accounting Officer*

Under section 40 of the Northern Ireland Act 1998 the Assembly elects a Commission, which has responsibility for providing the Assembly with the property, staff and services to carry out its business. The Commission is chaired by the Presiding Officer (known under Standing Orders as the “Speaker”) and has five other members who are tasked with representing the interest of the Assembly and its 108 elected Members. During suspension, the Assembly Commission was unable to meet and its responsibilities were assumed by the Secretary of State for Northern Ireland. On restoration of the Assembly on 8 May 2007, an Assembly Commission was elected under the chairmanship of the

Presiding Officer, William Hay MLA.

Mr Trevor Reaney was appointed as Clerk to the Assembly on 19 August 2008 and is the principal adviser to the Presiding Officer. As well as advising the Presiding Officer on all procedural and organisational matters he also undertakes the role of Director General of the Assembly Secretariat and is the Accounting Officer for all the Assembly's expenditure.

### *The Assembly Secretariat*

The Assembly Secretariat staff are employed by the Assembly Commission to provide the Assembly with the supporting services required for the Assembly's purposes. This year marked the establishment of a fully independent resourced secretariat.

The Secretariat Management Group, which was established in August 2008 has responsibility for ensuring effective corporate governance of the Secretariat, ensuring the Secretariat is equipped to fulfil its role in supporting the Members in carrying out their Assembly duties. The membership of the Secretariat Management Group can be found in the Management Commentary – Corporate Governance Report on page 9

The Assembly Commission continues to guide and direct the activities of the Assembly Secretariat through its Vision:

*“An Assembly that strengthens democracy and engages the people in creating a better future for all”.*

The Strategic Priorities established by the Commission drive the work of the Assembly Secretariat and inform its Corporate Planning process. These were revised during 2009 to:-

1. Supporting Assembly Business – undertaking the effective delivery of continuous improvement of support for Members in their work in Plenary sittings, Committees, constituencies and as Office Holders;
2. Engaging the Public – undertaking the implementation of a dynamic and responsive strategy for outreach and public engagement;
3. Supporting and developing our staff – having a dedicated, professional and motivated group of staff to meet the needs of the Assembly;
4. Ensuring the effective governance of the Secretariat;
5. Accommodating the Assembly – providing accommodation which meets the needs of the Assembly, its staff and visitors.

The Assembly Commission established three core values for the Assembly Secretariat, namely:

- 1 *Professionalism - reflected by a commitment to excellence; team-working; and a focus on meeting the needs of elected Members and the*

*public whom the Assembly serves;*

- 2 *Integrity - reflected by political impartiality; honesty, discretion and respect for diversity; and*
- 3 *Accountability - reflected by each member of staff taking responsibility for individual, team and corporate performance; and openness and transparency towards the public.*

These core values are fundamental for everything that the Secretariat undertakes to do and the Secretariat Management Group continues to strive to ensure that they are embedded throughout the whole organisation.

### *Statutory Reporting*

The Assembly Commission is required to publish its Annual Report and Accounts, in respect of each financial year. The Annual Report and Accounts provides a comprehensive explanation of the work of the Commission and Assembly Secretariat and provides full details of all Assembly expenditure. As in previous years the Commission will also produce a report on the work of the Assembly, as a legislature. Once the report is published it will be accessible on the Northern Ireland Assembly website: <http://www.niassembly.gov.uk>.

This Annual Report and Accounts covers the work of the Commission and the Assembly Secretariat in support of the legislature and fulfils the requirements of the Government Resources and Accounts Act (Northern Ireland) 2001. The Assembly's accounts are published annually and once they have been audited and laid before the Assembly they are available from the Assembly's website: <http://www.niassembly.gov.uk>. They are also available from The Stationery Office. Details of all sums paid to Members and former Members are published quarterly on the Assembly's web site. The Assembly has participated fully in all public expenditure exercises during the year and details of the Assembly's main and supplementary estimates are available from The Stationery Office.

### *Scope*

The Northern Ireland Assembly does not support any agencies, non-departmental public bodies (NDPBs) or trading funds.

### ***Register of interests***

The Assembly's corporate body is the Assembly Commission. Commission Members are elected by the Assembly from its membership. Northern Ireland Assembly Standing Order 69(1) requires that a Register of Members' interests be established, published and made available for public inspection. Following the restoration of the Northern Ireland Assembly on 8 May 2007, a Register of Members' Interests for the third mandate was established. This Register is continuously updated. The latest version of the Register can be viewed at:

<http://www.niassembly.gov.uk/members/expenses/register2.htm#>

*Pensions liabilities*

Notes 1.15 and 10 to the Accounts and the Remuneration Report on pages 16 to 23 provide details of the pensions liabilities of the Assembly.

*Auditors*

The Assembly's financial statements are audited by the Comptroller and Auditor General, whose certificate appears on page 29 of the Accounts. The notional cost of the work performed by the Northern Ireland Audit Office for 2009-2010 was £40,000 (2008-2009; £33,000) and related solely to audit services. This included the work undertaken to audit the shadow set of accounts for 2008-2009. This was required for the introduction of the International Financial Reporting Standards, which are applicable for the first time in the public sector.

*Disclosure to Auditors*

So far as the Accounting Officer is aware, there is no relevant audit information of which the Assembly's auditors are unaware and, the Accounting Officer has taken all reasonable steps to make himself aware of any relevant audit information and to establish that the Assembly's auditors are aware of that information.



## Management Commentary

### Key Aims and Objectives

The Corporate Planning process implemented in 2008-2009 remained in place during the 2009-2010 year. This process resulted in corporate objectives that are entirely in keeping with the Vision, Purpose and Values expressed by the Assembly Commission. The Aims and Objectives of the organisation remained unchanged during 2009-2010 and are closely aligned to the continuing delivery of a fully functioning legislature, supported by a fully resourced independent Assembly Secretariat. The process has sought to link the strategic objectives with the lower-level, Business Unit objectives and informed the risk management process.

### *Principal Activities*

Unlike an Executive Department, the Northern Ireland Assembly does not develop Public Service Agreement targets against its Key Objectives. The service delivery aspect of the Assembly's work relates to the procedural support, resources and services that it provides to the legislature to enable it to function effectively. Consequently, the outputs reported on in this Management Commentary are those that were developed internally in the Assembly to assist with the assessment of its performance during the year. These outputs were contained in the Assembly's Revised Corporate Plan for 2008-2011.

### *The Corporate Plan*

The planning and delivery of all the services required for a fully functioning legislature, supported by a fully resourced independent Assembly Secretariat were the main determinants of the corporate objectives contained in the Assembly's Corporate Plan for 2008-2009.

The corporate objectives were augmented by including, for each objective, a measure of success and were appropriate a series of actions/initiatives with responsibility for meeting the objective allocated to a specific individual.

### *Delivery of the Corporate Plan*

Responsibility for delivery of the outputs agreed in the Corporate Plan fell to the Assembly's executive management team. Regular updates on performance against each of the supporting targets in the Plan were received from managers across the organisation and presented to the Secretariat Management Group.

Within the Corporate plan there were 23 objectives, with 52 supporting actions/initiatives. During the year, 35 of the supporting actions/initiatives were fully achieved, 10 were partially achieved, 2 were not achieved and 5 were deferred to the following financial year. Table 1 (at Annex A) summarises each objective and each supporting action/initiative.

### *Future developments*

The Vision, Strategic Priorities and Values of the Assembly Commission and the results of the Assembly Secretariat Review informed the subsequent corporate planning process which re-iterated the commitment to the provision of the highest possible standards of service to Members of the Assembly. It also provided a focus for the Assembly's future intentions of preparing for the devolution of Policing and Justice; preparing for the next Assembly mandate; and addressing the accommodation needs of an evolving Assembly that is seeking to achieve a fully resourced independent Assembly Secretariat and to increase the level of engagement and interaction between the Assembly as the legislature for Northern Ireland and the citizens it represents. It is not anticipated that future activities will require significant additional funding beyond the amounts already notified to the Department of Finance and Personnel.

### *Principal risks and uncertainties*

Following the restoration of the Assembly on 8 May 2007, the principal risks and uncertainty relating to the work of the Assembly arose from the ongoing political environment. Although the Assembly has been relatively stable since restoration, political uncertainty or instability still affords the greatest risk to the Assembly. This risk increased notably during the reporting period as preparations were made for the devolution of Policing and Justice.

Internally, the principal risks to the Assembly are identified and managed through a risk management regime. The Secretariat Management Group are responsible for the corporate planning process and Risk Management Policy. During 2009-2010 no significant changes were made to either of these and the Secretariat Management Group identified and managed the risks within the governance framework that was implemented in 2008-2009. The ongoing corporate planning process and the administration of the Risk Management Policy, provides a strong emphasis on the identification and management of risks. Further details on the Assembly's capacity to handle risk, the risk and control framework within which the Assembly operates, and a review of effectiveness of the system of internal control are provided in the Statement on Internal Control on pages 25 to 28

### *Post balance sheet events*

There are no events occurring after the balance sheet date that require disclosure.

### *Equal opportunity policy (including employment of persons with a disability)*

The Northern Ireland Assembly Commission is an equal opportunities employer. It does not discriminate against staff or eligible applicants on the grounds of gender, marital status, race, colour, nationality, ethnic origin, religion, disabilities, age or sexual orientation. Every possible step will be taken to ensure that staff are treated equally and fairly and that decisions on recruitment, selection, training, promotion and career management are based solely on objective and job-related criteria. It will actively pursue arrangements for flexible working patterns and is committed to creating a culture in which individual differences are valued and respected. The Northern Ireland Assembly Commission does not tolerate any form of discrimination, harassment or victimisation. It is committed to providing a working environment where no one is disadvantaged.

### *Sickness Absence*

There was an average absence rate of 3.4% during 2009-2010. The absence rate is the percentage of available working days which were lost due to sickness absence.

### *Personal Data Incidents*

During 2009-2010 there was an apparent unauthorised release of Members' expenses data to the media. This information was released prior to the publication on the Northern Ireland Assembly's website. However as this information may have contained sensitive personal data, as defined by the Data Protection Act 1998, the Information Commissioner's office was informed and a full investigation was undertaken by the Northern Ireland Assembly Secretariat's Internal Audit team. This investigation is discussed in more detail in the Statement on Internal Control on page 25.

### *Consultation with employees*

The Assembly Commission and senior management make every effort to ensure that all staff are kept informed of the organisation's plans and developments. The main channels of communication include formal industrial relations processes (through the work of the Employee Relations Group and the Employee Relations Board), the intranet, office circulars, e-mail and regular team briefings. In addition, an Internal Communications Working Group provided advice and guidance on internal communications in the Assembly Secretariat, with the aim of ensuring that internal communications are of a high and appropriate standard. The Chair of the group reported to the Secretariat Management Group six times during 2009-2010.

The Secretariat Management Group is committed to delivering a Core Brief to all employees five times a year. This outlines developments and issues across the whole organisation. Delivery of the Core Brief is a formal and systematic process that ensures communication takes place between management and staff. Delivery of the Core Brief, if used well, is an effective tool for two way communication throughout the organisation. It is delivered to all staff within 72 hours of being published and a framework for formal feedback and addressing questions that arise from the delivery has been implemented.

A quarterly magazine called "Life on the Hill" is produced, providing a light hearted look at the work of the Assembly and the achievements of the Secretariat. This has been a year of great change within the Assembly, particularly with respect to staffing, as the target of becoming a fully resourced independent Secretariat was achieved. The Clerk to the Assembly / Director General has undertaken a series of briefings for the whole organisation, providing a forum for staff to ask questions regarding crucial staffing matters and to hear about relevant issues as they have arisen or as decisions have been made.

### *Policy on payment of suppliers*

The Northern Ireland Assembly Commission's policy is to comply with the Confederation of British Industry's Prompt Payers' Code. In addition the Assembly Commission sought to comply with the initiative that was introduced in 2008-2009 by the Department of

Finance and Personnel to pay all supplier payments within a suggested target of 10 days. During the year, 98.7% of all invoices (2008-2009; 98.3%) were paid within 30 days and 96.1% of all invoices were paid within 10 days of being received. The Assembly made no payment of interest under the Late Payment of Commercial Debts (Interest) Act 1988 during the year ended 31 March 2010.

*Charitable donations*

The Assembly has not made any charitable donations in the year.

## ***Corporate Governance Report***

In September 2005, the Department of Finance and Personnel issued HM Treasury's publication "Corporate governance in central government departments: Code of good practice". Even though the Northern Ireland Assembly is not a government department, many of the provisions contained in the guidance are relevant to, and could readily be applied to, the Assembly. In December 2006, further explanatory guidance on corporate governance reporting was issued by the Department of Finance and Personnel. This Corporate Governance Report has been prepared in accordance with this guidance.

### *The Management Board*

The Northern Ireland Assembly has a two-tier management arrangement. The Assembly Commission has the legislative authority to provide the Assembly with the wide range of services needed by a modern legislature, but the day to day delivery of those services is vested through delegation to Clerk to the Assembly / Director General and through further delegations from him, in an executive management team. For the purposes of this Report, the corporate governance arrangements have been applied to the management team charged with the delivery of the services on behalf of the Assembly Commission with relevant disclosures made regarding the delegated authority given to that management team.

From August 2008 the Secretariat Management Group has responsibility for the delivery of the work of the Assembly Secretariat. The Group comprises the Clerk to the Assembly/Director General, the Director Clerking and Reporting, the Director of Resources, the Director of Engagement, the Director of Properties.

The Secretariat Management Group meets bi-weekly and has responsibility for determining the strategic direction of the Assembly Secretariat. It reviews progress on important organisational issues including performance management, finance and personnel matters, issues relating to audit and accountability and also to review and administrate the Risk Management Policy.

The Secretariat Management Group members are:

Trevor Reaney	Clerk to the Assembly / Director General
John Stewart	Director of Clerking & Reporting
Richard Stewart	Director of Resources
Gareth McGrath	Director of Engagement
Stephen Welch	Director of Properties

The Director of Legal Services while not formally appointed to the Secretariat Management Group attends the bi-weekly meetings:-

Mr Hugh Widdis      Director of Legal Services

All the Secretariat Management Group members were full-time employees of the Northern Ireland Assembly.

A letter, delegating authority to the Director General from the Commission was given on 19 August 2008, formalising the relationship between the Commission and Secretariat. As part of the ongoing and proactive corporate governance arrangements of the Secretariat this was reviewed during 2009-2010 and the revised letter of delegation is attached at Annex B. Further letters of sub-delegation have been issued to all Secretariat Management Group members.

#### *Audit Committee Structure*

The Secretariat Audit and Risk Committee met on a quarterly basis to monitor progress against the audit plan, to consider issues raised by both internal and external audit and advise the Accounting Officer on matters which may impact the overall level of assurance. The current committee was formed in March 2009 and the presence of an independent chair and independent member forms a robust challenge to the corporate governance regime within the Assembly.

The members of the Secretariat Audit and Risk Committee during 2009-2010 were:

Mr Alan McQuillan	Chair
Mr Colm McKenna	Independent Member
Mr Alban Maginness	MLA (from 1 April 2009 to 26 June 2009)
Mrs Carmel Hanna	MLA (from 2 December 2009 to 17 January 2010)
Mr Stephen Moutray	MLA (from 3 February 2010)

Brian Moreland (Head of Internal Audit – Assembly Secretariat) and a Northern Ireland Audit Office representative were regular attendees at the Committee's meetings. Trevor Reaney (as Clerk to the Assembly) and Richard Stewart (Director of Resources) and Paula McClintock (Head of Finance) also attended the meetings as appropriate.

During the year, the Committee considered a wide range of issues relating to governance, internal control and accountability. These included the review of internal audit reports and plans, consideration of the assurance provided to the Accounting Officer through the Statement on Internal Control, consideration on an exception basis of issues (including risk management issues) arising from stewardship statements, review of the audit strategy for the external audit of annual accounts and consideration of the Report to those Charged With Governance following the external audit of the accounts. During 2009-2010 they also considered an additional Report to those Charged with Governance, which was prepared after the completion of the IFRS Shadow 2008-2009 accounts.

#### *Financial Review*

The Assembly's budget for 2009-2010 was originally allocated in the 2007 spending review (SR2007) and confirmed in the Main Estimates for the 2009-2010 financial year. Throughout the year, the Assembly engaged in a number of budget reviews commissioned by the Department of Finance and Personnel. These exercises in conjunction with the participation in the quarterly monitoring rounds and the internal management reporting cycle meant the Assembly closely monitored its resource and cash requirements. Throughout the year the number of directly recruited staff increased. This was to achieve the objective of becoming a fully resourced independent Secretariat and to facilitate the servicing of a fully functioning Assembly while continuing to develop a greater level of

engagement with the citizens it represents. The requirement for resources increased. The actual Request for Resources increased during the year by £7.9 million to £55.6 million in the Spring Supplementary Estimates with the Net Cash Requirement increased by £2.0 million to £41.7 million. However it should be noted that £5.5 million of the additional Request for Resources was solely attributable to the increased Annually Managed Expenditure (AME) provision for the liabilities of the Members' Pension Scheme.

The most significant item of expenditure, totalling £15.34 million, related to Assembly Secretariat staffing costs. During the year, the Assembly Secretariat employed 391 members of staff (on average) up from 377 in 2008-2009.

Members' salaries continued to be paid at the level that existed immediately following the restoration of the Assembly in 2007. The full range of Officeholders' salaries also remained unchanged. These included salaries, social security and pension costs for Executive Ministers. The total wage bill for Members and Officeholders was £6.93 million, up from £6.84 million in 2008-2009.

Members' Office Cost Allowance (OCA) totalling £7.53 million was paid during 2009-2010. The equivalent figure for 2008-2009 was £7.5 million. The current provision for OCA is made under the Northern Ireland Assembly (Members' Allowances) Determination 2000. This Determination allows the maximum amount available to each Member to be uplifted annually in line with the average annual percentage increase in RPI. During 2009-2010 there was no uplift applied as there was no equivalent percentage increase in the RPI. However there was a slight increase in the amount claimed compared to the previous period. OCA is intended to meet the expenses incurred on secretarial, clerical and administrative assistance (including the provision of any equipment, facilities or services) required by a Member in connection with the carrying out of his or her Assembly duties. As the Determination allows for a maximum amount that can be claimed in relation to such expenditure the Northern Ireland Assembly has to allow for the full amount of budget cover in the Estimate. The impact of this is that in any given year if Members do not utilise the entirety of the Allowance an underspend may occur. This year the underspend in this area was £0.3 million.

Note 5 of the accounts shows a surplus Net Resource Outturn of £4.75 million and a surplus Net Cash Requirement of £2.35 million against the Spring Supplementary Estimate position. The net resource underspend of £4.75 million represents 8.5% of the Spring Supplementary Estimate. The most significant area of underspend is in Non-cash items of expenditure. There is an overall underspend in this area alone of £3.29 million which represents 5.92% of the Spring Supplementary Estimate the remaining £1.46 million (2.63%) is across a number of expenditure categories mainly within Secretariat administration costs.

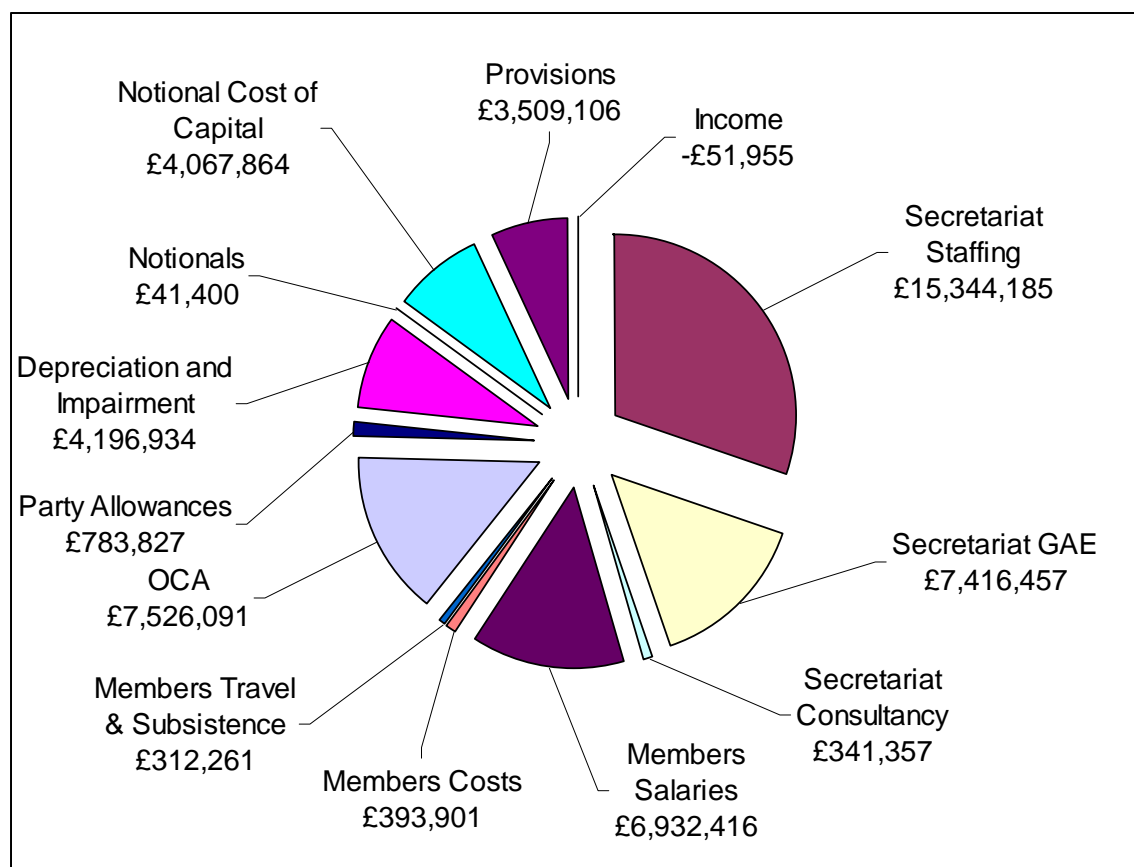
The main determinant of the underspend in Non-cash was an underspend of £2.1 million arising from a lower than anticipated movement on provisions for Members' pension costs. This underspend alone represents 3.76% of the Spring Supplementary Estimate position. The budget for this category of expenditure had been prepared giving consideration to the continuing economic climate and information provided by the Government Actuary's Department in March 2010. However favourable changes in the discount rates used to calculate future liabilities of the Members' pension scheme meant that expenditure on this item was less than originally anticipated. Other non-cash costs

differences netted to a further underspend of £1.1 million (1.98%) for depreciation, impairment and cost of capital. This was mainly due to a slippage in capital projects during the period and the lower than anticipated value of net assets – due to the continuing decrease in the value of land and buildings.

The remaining underspend of £1.55 million (2.79%) arose across a number of different cost categories. As discussed above, Members' Office Costs Allowance showed an underspend of £0.3 million and a further £0.1 million underspend occurred on Members' Payroll costs. As in previous years an amount had been included in the budget for the recommendations contained within the Senior Salaries Review Body report which was published in November 2008. However as these recommendations were not agreed by the Assembly, an underspend has arisen.

The remaining underspend of £1.15 million can mainly be attributed to Secretariat General Administrative Expenditure (GAE) and Consultancy costs. This arose from a variety of factors including less than anticipated expenditure on building repairs and maintenance during the financial year. The Assembly is endeavouring to find the most prudent solution to the ongoing accommodation needs of the entire Secretariat. As these considerations continue there has been a delay in some of the repairs and maintenance programmes. There has also been less expenditure on the costs associated with the work of the Assembly's Committees (for example, on the use of specialist advisers to Committees) and consultancy costs on projects. Expenditure on training and development was also less than anticipated arising from ongoing recruitment campaigns. With such a high level of recruits, training and development programmes were based on various aspects of induction into the organisation and as such most of the training was achieved through in house training, offered by the Training and Development team. A new training and development provider has been appointed for the Assembly and an in depth training and development needs analysis will provide a strong base for the budget in this area for the 2010-2011 period.





*Reconciliation of resource expenditure between Estimates, Accounts and Budgets*

	2009-10	2008-09
	£'000	Restated £'000
<b>Net Resource Outturn (Estimates)</b>	<b>50,841</b>	<b>45,088</b>
Adjustments to remove:		
Provision voted for earlier years		
Adjustments to additionally include:		
Non-voted expenditure in the OCS		
Consolidated Fund Extra Receipts in the OCS	(27)	(152)
Other adjustments		
IFRS adjustments	-	(46)
<b>Net Operating Cost (Accounts)</b>	<b>50,814</b>	<b>44,890</b>
Adjustments to remove:		
Voted expenditure outside the budget	40	35
Adjustments to additionally include:		
Other Consolidated Fund Extra Receipts	27	152
<b>Resource Budget Outturn (Budget)</b>	<b>50,801</b>	<b>45,007</b>
<b>of which</b>		
Departmental Expenditure Limits (DEL)	45,251	45,007
Annually Managed Expenditure (AME)	5,550	-

### ***Environmental and Sustainability Report***

The Northern Ireland Assembly Commission recognises that its activities have direct and indirect economic, environmental and social impacts and therefore it aims to act responsibly in everything it does to help reduce these impacts and move towards a more sustainable future.

During this reporting period a new business area, Sustainable Development, has been introduced within the Secretariat to drive forward the Sustainable Development agenda within the Assembly.

The key responsibilities of the new business area are:

- To develop a Sustainable Development Strategy for the Northern Ireland Assembly Commission, and
- To develop, implement and manage an environmental management system to reduce Assembly operations' impact on the environment.

A Sustainable Development Policy Statement was introduced in December 2009, which sets out the Commission's aspirations to operate more sustainably.

To support the Policy Statement, a Sustainable Development Strategy has also been developed which sets out how the aspirations detailed within the Policy will be achieved.

The Commission recognises that it must consider its social, economic and environmental impacts in its decisions, and is therefore committed to responsible business practice in the environment, workplace, community and the economy.

With this in mind, the Sustainable Development Strategy has been based on the following key themes:

1. Corporate Governance
2. Community Engagement
3. A Sustainable Workplace
4. Contributing to a Sustainable Economy
5. Environmental Impact Reduction
6. Communicating Sustainable Development

The Strategy has been developed with a three year lifespan, with annual action plans developed and implemented to enhance existing responsible business practice with a view to achieving the aspirations detailed within the Policy Statement and Strategy.

The Northern Ireland Assembly Commission has become a platinum member of Business in the Community Northern Ireland (BITCNI). This level of membership is tailored for organisations that are, or aspire to be, exemplars in terms of sustainable development.

Business in the Community is a leading authority on corporate responsibility/ sustainable development throughout the UK and Ireland. They will provide assistance with the implementation of the initiatives detailed within the Sustainable Development Strategy.

***Environmental and Sustainability Report***

Membership of BITCNI demonstrates the Assembly Commission's commitment to improving its Sustainable Development performance.

The Northern Ireland Assembly Commission seeks to follow best practice in the area of environmental management, and is committed to working towards more sustainable operations.

An initial environmental review has been completed across the Secretariat which has formally identified the Assembly's environmental impacts and the opportunities to reduce those impacts. It has also established a baseline of environmental performance, which will be used to measure improvements going forward.

The completion of the initial environmental review is the first step in the development of an environmental management system for the parliamentary estate.

The environmental management system will allow for a more structured approach to be taken in the management of the Assembly's environmental impacts.

The Assembly continues to focus its efforts on improving its environmental performance by:

- maximising the amount of waste it recycles;
- reducing the energy and water it consumes;
- increasing the amount of more environmentally friendly goods and supplies it uses; and
- contributing to the introduction of initiatives detailed within the Stormont Estate's Workplace Travel Plan to promote sustainable travel amongst staff.



**Trevor Reaney**  
**Accounting Officer / Clerk to the Assembly**

**Date: 25 June 2010**

## Remuneration Report

### *Remuneration Policy*

The pay and pensions of Members of the Legislative Assembly (MLA) are determined by the Northern Ireland Assembly (Members' Salaries) Determination 2000.

The remuneration of senior civil servants is approved by the Minister for Finance and Personnel following independent advice from the Review Body on Senior Salaries. Further information about the work of the Review Body can be found at [www.ome.uk.com](http://www.ome.uk.com).

The Northern Ireland Permanent Secretary Remuneration Committee helps determine pay on entry and the annual review of Northern Ireland Civil Service (NICS) Permanent Secretaries in line with the agreed response to the annual recommendations of the Senior Salaries Review Body.

The pay award for staff in the Northern Ireland Senior Civil Service (SCS) is normally comprised of two elements; a base pay uplift and a non-consolidated bonus. Both elements are based on performance. The senior civil servant pay award in 2009/10 comprised a base pay uplift only, with individuals awards differentiated on the basis of performance and position on the relevant pay band. There were no non-consolidated bonus payments to any civil servants as part of the pay award.

### *Service Contracts*

Civil service appointments are made in accordance with the Civil Service Commissioners for Northern Ireland's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at [www.nicommissioners.org](http://www.nicommissioners.org)

### *Salary and pension entitlements (audited)*

The restoration of the Northern Ireland Assembly on 8 May 2007 allowed for the establishment of an Assembly Commission under section 40 of the Northern Ireland Act 1998. Under s 40(4) of the Act "The Commission shall provide the Assembly, or ensure that the Assembly is provided, with the property, staff and services required for the Assembly's purposes". Therefore, the following sections provide details of the remuneration and pension interests of the Assembly Commission and the most senior officials within the Assembly Secretariat.

*Remuneration (audited)*

Assembly Commission	2009-10		2008-09	
	Salary £	Benefits in kind (to nearest £100)	Salary £	Benefits in kind (to nearest £100)
William Hay, MLA Presiding Officer	37,801	0	37,801	0
Paul Butler, MLA (to 13 September 2009)	5,130	0	11,331	0
Pat Doherty, MLA (from 14 September 2009)	6,201	0	N/A	N/A
Robert Coulter, MLA	11,331	0	11,331	0
Alban Maginness, MLA (to 25 June 2009)	2,675	0	11,331	0
Carmel Hanna, MLA (from 29 June 2009 to 5 January 2010)	6,185	0	N/A	N/A
Alex Attwood, MLA (from 25 January 2010)	2,102	0	N/A	N/A
Stephen Moutray, MLA	11,331	0	11,331	0
Sean Neeson, MLA	11,331	0	11,331	0

	2009-10		2008-09	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
<b>Secretariat Officials</b>				
Trevor Reaney <b>Clerk to the Assembly / Director- General</b>	110-115	0	65-70 (110-115 full year equivalent)	0
Hugh Widdis <b>Director of Legal Services</b>	65-70	0	20-25 (65-70 full year equivalent)	0
John Stewart <b>Director of Clerking &amp; Reporting</b>	65-70	0	40-45 (60-65 full year equivalent)	0
Richard Stewart <b>Director of Resources</b>	65-70	0	50-55 (60-65 full year equivalent)	0
Gareth McGrath <b>Director of Engagement</b>	65-70	0	40-45 (60-65 full year equivalent)	0
Stephen Welch <b>Director of Properties</b>	70-75	0	45-50 (65-70 full year equivalent)	0

### *Salary*

‘Salary’ for Secretariat Officials includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

This report is based on payments made by the Assembly and thus recorded in these accounts. In respect of Members of the Assembly Commission, ‘salary’ represents the Office Holder’s Salary payable for being a Member of the Assembly Commission at £11,331 (2008-2009; £11,331) or Presiding Officer (and Chair of the Assembly Commission) of £37,801 (2008-2009; £37,801). The figure does not include the salary for their services as an MLA of £43,101 (2008-2009; £43,101).

### *Benefits in kind*

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue & Customs as a taxable emolument.

*Pensions Benefits (audited)*

Assembly Commission Members	Accrued pension at age 65 as at 31/03/10	Real increase in pension at age 65	CETV at 31/03/10 (or end date)	CETV at 31/03/09 (or start date)	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
William Hay <b>Presiding Officer</b>	0-5	0-2.5	40	24	15
Paul Butler, MLA (to 13 September 2009)	0-5	0-2.5	9	6	3
Pat Doherty, MLA (from 14 September 2009)	0-5	0-2.5	3	0	3
Robert Coulter, MLA <sup>1</sup>	0-5	0	15	14	0.5
Alban Maginness, MLA (to 25 June 2009)	0-5	0-2.5	22	17	4
Carmel Hanna, MLA (from 29 June 2009 to 15 January 2010)	0-5	0-2.5	26	20	5
Alex Attwood, MLA (from 25 January 2010)	0-5	0-2.5	0.5	0	0.5
Stephen Moutray, MLA	0-5	0-2.5	9	5	4
Sean Neeson, MLA	0-5	0-2.5	21	14	6

<sup>1</sup> As the Commission member is aged 75 or over, no additional pension benefits accrue beyond that conferred by annual uprating of existing preserved pension entitlement. A lump sum commutation was paid on 6 April 2006 meaning that no further pension contributions are payable either by the Member or by the Assembly.

*Assembly Commission pensions*

Pension benefits for Commission members are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2008 (AMPS). The scheme is made under s48 of the Northern Ireland Act 1998. As Commission members will be Members of the Legislative Assembly they may also accrue an MLA's pension under the AMPS (details of which are not included in this report). The pension arrangements for Commission members provide benefits on a "contribution factor" basis which takes account of service as a Commission member. The contribution factor is the relationship between the salary as a Commission member and the salary as a Member for each year of service as a Commission member. Pension benefits as a Commission member are based on the accrual rate (1/50th) multiplied by the cumulative contribution factors and the relevant final salary as a Member.

Benefits for Commission members are payable at the same time as MLA's benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Retail Prices Index. Commission members can pay contributions of either 6% of their officeholder's salary (if they opt for the lower accrual rate of 50<sup>th</sup>'s) or of 11.5% of their officeholder's salary (if they do not opt for the lower accrual rate and remain on the higher default rate of 40<sup>th</sup>'s). There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose representing the balance of cost. This is currently 23.3% of the Commission members' salary.

The accrued pension quoted is the pension the Commission member is entitled to receive when they reach 65 or immediately on ceasing to be an active member of the scheme if they are already 65.

*The Cash Equivalent Transfer Value (CETV)*

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total service as an office holder. The figures are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

*The real increase in the value of the CETV*

This is the increase in accrued pension due to the Assembly's contributions to the AMPS, and excludes increases due to inflation and contributions paid by the Commission member and is calculated using common market valuation factors for the start and end of the period.



*Secretariat Pension Entitlements*

Secretariat Officials	Accrued pension at age 60 as at 31/03/10 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/03/10 (or end date)	CETV at 31/03/09 (or start date)	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Trevor Reaney <b>Clerk to the Assembly / Director-General</b>	35-40	0-2.5	603	496	36	0
Hugh Widdis <b>Director of Legal Services</b>	10-15 plus lump sum of 5-10	0-2.5 plus lump sum of 0-2.5	125	95	16	0
John Stewart <b>Director of Clerking &amp; Reporting</b>	0-5	0-2.5	28	12	12	0
Richard Stewart <b>Director of Resources</b>	20-25 plus lump sum of 60-65	0-2.5 plus lump sum of 5-7.5	310	252	25	0
Gareth McGrath <b>Director of Engagement</b>	5-10	2.5-5	111	65	35	0
Stephen Welch <b>Director of Properties</b>	0-5	0-2.5	46	20	21	0

*Secretariat Pension Arrangements*

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based ‘final salary’ defined benefit arrangements (**classic**, **premium**, and **classic plus**). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality ‘money purchase’ stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the **nuvos** arrangement or they can opt for a partnership pension account. **Nuvos** is an ‘earned pension’ arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. Earned pension benefits are increased annually in line with increases in the RPI and attract an annual pension increase. However, in line with RPI for September 2009 being in the negative, there will be no other increase for any public sector pensions in 2010.

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th

of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). **Classic plus** is essentially a variation of **premium**, but with benefits in respect of service before 1 October 2002 calculated broadly as per **classic**.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk) .

### *Cash Equivalent Transfer Values*

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements.

They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

*Real increase in CETV*

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

*Compensation for loss of office*

There was no loss of office recorded for the period under review and therefore no compensation was paid.

A handwritten signature in black ink, appearing to read 'T. Reaney', written in a cursive style.

**Trevor Reaney**  
**Accounting Officer / Clerk to the Assembly**

**Date: 25 June 2010**

## Statement of Accounting Officer’s Responsibilities

Under the Government Resource and Accounts Act (NI) 2001, the Department of Finance and Personnel (DFP) has directed the Northern Ireland Assembly to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Assembly and of its net resource outturn, resources applied to objectives, changes in taxpayer’s equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by DFP, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

DFP has appointed the Clerk to the Assembly, Mr Trevor Reaney, as Accounting Officer of the Northern Ireland Assembly.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Northern Ireland Assembly’s assets, are set out in the Accounting Officers’ Memorandum issued by the DFP and published in *Managing Public Money Northern Ireland*.

## **Statement on Internal Control**

### *Scope of responsibility*

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Northern Ireland Assembly Commission's policies, aims and objectives as set by the Commission whilst safeguarding the public funds and Assembly assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

Under section 40 of the Northern Ireland Act 1998 the Northern Ireland Assembly elects a Commission which has responsibility for providing the Assembly with the property, staff and services to carry out its business. As Accounting Officer, I attend meetings of the Assembly Commission and present major decisions in relation to expenditure, asset management and staffing to the Commission for its consideration and approval.

Since my appointment on 19 August 2008 as Clerk to the Assembly / Director General I have been supported by 4 other members of the Secretariat Management Group:- the Director of Clerking and Reporting, the Director of Engagement, the Director of Properties and the Director of Resources. I have also been supported in this role by the Director of Legal Services.

A formal delegation of functions from the Assembly Commission to the Accounting Officer (see Annex B) is in place. Further delegations of functions and financial responsibilities from the Accounting Officer to the members of the Secretariat Management Group are also in place. These delegations clarify the role and responsibilities of the Assembly Commission, the Accounting Officer and the relevant managers in the organisation.

The Northern Ireland Assembly has no Executive Agencies or Non Departmental Public Bodies.

### *The purpose of the system of internal control*

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Assembly Commission policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Northern Ireland Assembly for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

### *Capacity to Handle Risk*

The current Risk Management Policy was adopted in October 2008 and leadership of the risk management process is provided by the Secretariat Management Group. The Secretariat Management Group has ownership of the Corporate Risk Register. The Secretariat Management Group identifies the key risks to be set out in the Corporate Risk

Register. A scoring framework incorporating factors such as likelihood and impact has been used to assess each corporate level risk. For each Risk the Secretariat Management Group has also identified the risk owner, potential causes of the risk, the controls currently in place to manage the risk and a series of actions that need to be undertaken to strengthen and improve the control of the risk. Ownership of the key risk areas has been assigned to those with responsibility and authority for implementing controls and assigning resources to manage key risks. The Secretariat Management Group provides advice and support to me, as Accounting Officer, when taking major decisions affecting the management of risks within the Assembly. The Risk Management Policy has enabled the Secretariat Management Group to develop a continuing process to identify the principle risks of the Assembly, to evaluate the nature and extent of those risks and to manage the risks efficiently, effectively and economically.

#### *The risk and control framework*

The current diverse risk management framework has removed the narrow focus of previous frameworks, which concentrated on the need to support the restoration of the Northern Ireland Assembly. The Secretariat Management Group, as part of its initial review of the risk management process, identified that corporate information must be acknowledged as an asset, and as such there is a need to protect it and manage it effectively. Information used for operational purposes and reporting purposes needs to be handled appropriately, particularly where it is to be used by third parties or other government departments. In considering information assurance, the Accounting Officer appointed a Senior Information Risk Owner (SIRO), the Director of Resources. The SIRO has overall authority in relation to decisions about protective marking and ensuring information risks are assessed and mitigated at an acceptable level. An extensive Information Management Strategy is under development which will result in a number of key policies regarding Information Security, Information Assurance and Record Retention. This will further enhance the control over the manner in which information is managed.

In managing corporate information the Northern Ireland Assembly ensures that it has sufficient procedures and policies in place to enable it to fulfil its statutory obligation under current legislation, e.g. Freedom of Information Act 2000 and Data Protection Act 1998. The Assembly Publication Scheme ensures that information is made available and accessible to the public. The Accounting Officer and SIRO, has considered Information Assurance for the Assembly.

A series of workshops were arranged during January 2010 and February 2010 to provide Directors and senior managers with training on Fraud Awareness. The purpose of this training was to ensure that staff are aware of their individual responsibility to safeguard the Assembly against the specific risk of fraud. This ensures that the likelihood of this specific risk is minimised and controlled effectively.

In managing the Risk Management Policy the Secretariat Management Group has sought to ensure that a strong risk management culture is embedded across the entire organisation. Under the policy a Risk Register was established and the current framework of management ensures there is regular, ongoing monitoring and reporting of risk, including early warning mechanisms. It also ensures that the Secretariat conducts half yearly reviews of the effectiveness of the system of internal controls that are in place.

The policy allows the risk management process to complement the corporate business planning process.

A Corporate Risk Register is maintained by the Secretariat Management Group and Directorate Risk Registers are also maintained. Directorate risks have been assessed in the same manner as the corporate level risks using the scoring framework. Risk owners and the controls needed to manage the risk have been identified for each of the Directorate level risks.

Stewardship statements, produced by corporate risk owners every six months, identify any changes or developments that impact on each risk and sets out the manner in which they are managed. These statements and the Corporate Risk Register are routinely presented to and reviewed by the Secretariat Audit and Risk Committee.

The corporate planning process continues to set the context for the risk management process. Clear strategic objectives and lower-level, Business Unit objectives have been identified, allowing all areas of the organisation to consider the risks that might impact on the ability to meet specific objectives.

#### Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Audit team and the Secretariat Management Group, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their Report to those charged with Governance and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by each of the Directors, the Secretariat Audit and Risk Committee and Internal Audit and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The effectiveness of the system of internal control has been maintained through meetings of the senior management team and the Secretariat Audit and Risk Committee. These meetings have provided an opportunity to identify material changes in risks or controls. The Secretariat Audit and Risk Committee reviewed and approved the programme of work for the Internal Audit Unit.

#### Significant Internal Control Issues

The overall level of assurance for the year 2009-2010, based on the programme of Internal Audits approved by the Secretariat Audit and Risk Committee (SARC) is satisfactory. This represents an improvement on the previous year's assessment of limited assurance and is supported by the results of Internal Audits performed across each directorate of the organisation.

Although four Internal Audit Assignments were assessed at limited assurance (Telephony, Use of Taxis, Managing Attendance and Information Security), the only area where significant internal control issues were identified (as for the 2008-2009 year) related to Information Security. Operational risks included the use of electronic storage media, IT access controls and staff training. Appropriate controls have been put in place to mitigate

these risks. The audit also highlighted the need for an information management strategy and information security policy. Both documents are under development.

In addition to the above, during the latter part of 2009 there was an apparent unauthorised release of Members' expenses data to the media.

Internal Audit was given the responsibility of performing an investigation into this incident in order to identify possible sources of the information, confirm the nature and extent of the information released and confirm the action needed to reduce the risk of similar incidents happening again. The scheduled programme of Internal Audits was temporarily halted during this exercise.

This investigation involved securing information held on electronic and hard copy versions, interviewing over 50 individuals and using data interrogation software to analyse the information held on hard drives etc. Advice was also taken from the Police Service of Northern Ireland (PSNI), SARC and data interrogation specialists who provided the necessary hardware and software.

Following the completion of the investigation a report was issued to management with a number of recommendations designed to reduce the risk of a similar situation arising in the future. Management have already taken steps to enhance control and together with the work in progress following the information assurance review in 2008-2009 will result in improved information risk management.

The recently appointed Independent Chair and Member to SARC have taken an active role in ensuring that appropriate measures are being taken by management to enhance information management/security. This has also been reflected in their interest in the implementation of audit recommendations across the organisation.



**Trevor Reaney**  
**Accounting Officer / Clerk to the Assembly**

**Date: 25 June 2010**



## **The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly**

I certify that I have audited the financial statements of the Northern Ireland Assembly for the year ended 31 March 2010 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statement of Parliamentary Supply, the Operating Cost Statement, the Statement of Financial Position, the Statement of Cash flows, the Statement of Changes in Taxpayer's Equity, the Statement of Net Operating Costs by Departmental Strategic Objectives and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Clerk/Director General is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Northern Ireland Assembly's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Assembly; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

### **Opinion on Regularity**

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

### **Opinion on Financial Statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Northern Ireland Assembly's affairs as at 31<sup>st</sup> March 2010 and of its net cash requirement, net resource outturn, net operating cost, cash flows, changes in taxpayers' equity and net operating costs applied to departmental strategic objectives for the year then ended; and

- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions issued thereunder.

**Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions made under the Government Resources and Accounts Act (Northern Ireland); and
- the information given in the Executive Summary and Management Commentary included within the Annual 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**

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 are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

**Report**

I have no observations to make on these financial statements.



**KJ Donnelly**  
**Comptroller and Auditor General**  
**Northern Ireland Audit Office**  
**106 University Street**  
**Belfast**  
**BT7 1EU**

**29 June 2010**

## Statement of Parliamentary Supply

### Summary of Resource Outturn 2009-2010

Request for Resources	Note	Estimate			Outturn			2009-10 £'000	2008-09 £'000
		Gross Expenditure	ARs	Net Total	Gross Expenditure	ARs	Net Total	Net total outturn compared with estimate: saving / (excess)	Net Total
1	3	55,611	(25)	55,586	50,866	(25)	50,841	4,745	45,088
<b>Total Resources</b>	<b>4</b>	<b>55,611</b>	<b>(25)</b>	<b>55,586</b>	<b>50,866</b>	<b>(25)</b>	<b>50,841</b>	<b>4,745</b>	<b>45,088</b>
Non-operating cost ARs				-			-	-	-

### Net Cash Requirement 2009-2010

	Note	Estimate	Outturn	2009-10 £'000	2008-09 £'000
				Net total outturn compared with estimate: saving / (excess)	Outturn
Net Cash Requirement	5	41,679	39,333	2,346	39,025

### Summary of income payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Northern Ireland Assembly (NIA) and is payable to the Consolidated Fund (cash receipts being shown in *italics*)

	Note	Forecast 2009-10 £'000		Outturn 2009-10 £'000	
		Income	Receipts	Income	Receipts
<b>Total</b>	<b>6</b>	10	<i>10</i>	27	<i>29</i>

Explanation of variances between Estimate and Outturn are given in Note 3 and the Management Commentary.

The notes on pages 37 to 60 form part of these accounts.

**Operating Cost Statement  
for the period ended 31 March 2010**

			2009-10	2008-09
			£'000	Restated £'000
	Note	Staff Costs	Other Costs	Income
<b>Administration Costs</b>				
Staff costs		-		-
Other administration costs			-	-
Operating income			-	-
<b>Programme Costs</b>				
<b>Request for Resources 1</b>				
Staff costs	10	22,276		19,303
Programme costs	11, 12		28,590	25,772
Income	13		(52)	(185)
<b>Totals</b>		<b>22,276</b>	<b>28,590</b>	<b>(52)</b>
<b>Net Operating Costs</b>	<b>4</b>		<b>50,814</b>	<b>44,890</b>

The notes on pages 37 to 60 form part of these accounts.

**Statement of Financial Position  
as at 31 March 2010**

		2009-10 £'000	2008-09 Restated £'000	2007-08 Restated £'000
	Note			
<b>Non-current assets:</b>				
Property, plant and equipment	14	114,368	128,379	141,451
Intangible assets	15	58	42	15
Financial Assets	16	-	-	-
<b>Total non-current assets</b>		<b>114,426</b>	<b>128,421</b>	<b>141,466</b>
<b>Current assets:</b>				
Assets classified as held for sale		-	6,000	-
Inventories	18	-	-	-
Trade and other receivables	19	295	619	2,445
Other current assets		-	-	-
Financial Assets	16	-	-	-
Cash and cash equivalents	20	851	29	-
<b>Total current assets</b>		<b>1,146</b>	<b>6,648</b>	<b>2,445</b>
<b>Total assets</b>		<b>115,572</b>	<b>135,069</b>	<b>143,911</b>
<b>Current liabilities</b>				
Trade and other payables	21	(3,724)	(2,620)	(4,967)
Other liabilities		-	-	-
<b>Total current liabilities</b>		<b>(3,724)</b>	<b>(2,620)</b>	<b>(4,967)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>111,848</b>	<b>132,449</b>	<b>138,944</b>
<b>Non-current liabilities</b>				
Provisions	22	(7,238)	(4,277)	(3,409)
Other payables	21	-	-	-
Financial Liabilities	16	-	-	-
<b>Total non-current liabilities</b>		<b>(7,238)</b>	<b>(4,277)</b>	<b>(3,409)</b>
<b>Assets less liabilities</b>		<b>104,610</b>	<b>128,172</b>	<b>135,535</b>
<b>Taxpayers' equity:</b>				
General Fund		84,872	92,180	93,529
Revaluation reserve		19,737	35,991	42,005
Donated asset reserve		1	1	1
<b>Total taxpayers' equity</b>		<b>104,610</b>	<b>128,172</b>	<b>135,535</b>

**Signed:**



**Trevor Reaney**  
**Accounting Officer / Clerk to the Assembly**

**Date: 25 June 2010**

The notes on pages 37 to 60 form part of these accounts.

**Statement of Cash Flows**  
**for the period ended 31 March 2010**

		<b>2009-10</b>	<b>2008-09</b>
		<b>Restated</b>	
		<b>£'000</b>	<b>£'000</b>
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Net operating cost		(50,814)	(44,890)
Adjustments for non-cash transactions	<b>11, 12</b>	11,815	8,677
(Increase)/Decrease in trade and other receivables		199	1,826
<i>less movements in receivables relating to items not passing through the OCS</i>		3	(1,670)
(Increase)/Decrease in Inventories		-	-
Increase/(Decrease) in trade payables		410	(607)
<i>less movements in payables relating to items not passing through the OCS</i>			(57)
Use of provisions	<b>22</b>	(548)	(57)
<b><i>Net cash outflow from operating activities</i></b>		<b>(38,935)</b>	<b>(36,778)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	<b>14</b>	(352)	(2,009)
Purchase of intangible assets	<b>15</b>	(14)	(43)
Proceeds of disposal of property, plant and equipment			-
Proceeds of disposal of intangibles			-
Loans to other bodies			-
(Repayments) from other bodies			-
<b><i>Net cash outflow from investing activities</i></b>		<b>(366)</b>	<b>(2,052)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) - current year		40,000	38,900
From the Consolidated Fund (Supply) - prior year		125	1,795
From the Consolidated Fund (non-Supply)			-
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts			-
<b><i>Net financing</i></b>		<b>40,125</b>	<b>40,695</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>824</b>	<b>1,865</b>
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities	<b>6</b>	(2)	-
Payments of amounts due to the Consolidated Fund		-	(95)
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>822</b>	<b>1,770</b>
Cash and cash equivalents at the beginning of the period	<b>20</b>	29	(1,741)
Cash and cash equivalents at the end of the period	<b>20</b>	851	29

The notes on pages 37 to 60 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for the period ended 31 March 2010

	Note	General Fund £'000	Revaluation Reserve £'000	Donated Asset Reserve £'000	Total Reserves £'000
<b>Balance at 31 March 2008</b>		93,700	42,005	1	135,706
Changes in accounting policy		(171)	-	-	(171)
Restated balance at 1 April 2008		93,529	42,005	1	135,535
<b>Changes in taxpayers' equity 2008-09</b>					
Net gain/(loss) on revaluation of property, plant and equipment		24	(6,014)	-	(5,990)
Net gain/(loss) on revaluation of intangible assets		-	-	-	-
Net gain/(loss) on revaluation of investments		-	-	-	-
Receipt of donated assets	14	-	-	-	-
Release of reserves to the operating cost statement		-	-	-	-
Non-cash charges - cost of capital	11, 12	4,609	-	-	4,609
Non-cash charges - auditors remuneration	11, 12	35	-	-	35
Consolidated Fund Standing Services		125	-	-	125
Transfers between reserves		-	-	-	-
Net operating cost for the year		(44,890)	-	-	(44,890)
<b>Total recognised income and expense for 2008-09</b>		(40,097)	(6,014)	-	(46,111)
Net Parliamentary Funding - drawn down		38,900	-	-	38,900
Net Parliamentary Funding - deemed		-	-	-	-
Consolidated Fund Standing Services		-	-	-	-
Supply payable/(receivable) adjustment		-	-	-	-
Excess Vote - Prior Year		-	-	-	-
CFERs payable to the Consolidated Fund		(152)	-	-	(152)
<b>Balance at 31 March 2009</b>		92,180	35,991	1	128,172
<b>Changes in taxpayers' equity 2009-10</b>					
Net gain/(loss) on revaluation of property, plant and equipment			(16,177)		(16,177)
Net gain/(loss) on revaluation of intangible assets			14		14
Net gain/(loss) on revaluation of investments					
Release of reserves to the operating cost statement					
Non-cash charges - cost of capital	11, 12	4,068			4,068
Non-cash charges - auditors remuneration	11, 12	40			40
Non-cash charges - other	11, 12	1			1
Consolidated Fund Standing Services					
Transfers between reserves		91	(91)		0
Net operating cost for the year		(50,814)			(50,814)
<b>Total recognised income and expense for 2009-10</b>		(46,614)	(16,254)		(62,868)
Net Parliamentary Funding - drawn down		40,000			40,000
Net Parliamentary Funding - deemed					
Consolidated Fund Standing Services		(667)			(667)
Supply payable/(receivable) adjustment					
Excess Vote - Prior Year					
CFERs payable to the Consolidated Fund	6	(27)			(27)
<b>Balance at 31 March 2010</b>		84,872	19,737	1	104,610

The notes on pages 37 to 60 form part of these accounts.

**Statement of Operating Costs by Strategic Objectives  
for the period ended 31 March 2010**

	<b>2009-10</b>	<b>2008-09</b>
	<b>£'000</b>	<b>Restated £'000</b>
	<b>Strategic Objective 1</b>	<b>Strategic Objective 1</b>
<b>Gross Expenditure</b>	<b>50,866</b>	<b>45,075</b>
<b>Income</b>	<b>(52)</b>	<b>(185)</b>
<b>Net Expenditure</b>	<b>50,814</b>	<b>44,890</b>

The Assembly's objectives were as follows:

- Objective 1 Remunerating and supporting the Members of the Assembly in discharging their duties in their constituencies, in the Assembly and elsewhere, the costs of general administration including staff costs, general expenses and equipment, accommodation, other services and associated non-cash items.

See Note 23

The notes on pages 37 to 60 form part of these accounts



## The Northern Ireland Assembly – Accounts 2009 - 2010

### Notes to the Assembly's resource accounts

#### 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2009-2010 Government Financial Reporting Manual (FReM) issued by DFP. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Management has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. Management consider that these are unlikely to have a significant impact on the accounts in the period of initial application.

Where FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Northern Ireland Assembly for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Northern Ireland Assembly are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Northern Ireland Assembly to prepare two additional primary statements. The *Statement of Parliamentary Supply* and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement. The *Statement of Operating Cost by Departmental Strategic Objectives* and supporting notes analyse the Assembly's income and expenditure by objectives.

##### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

##### 1.2 Going Concern

The financial statements for 2009-2010 have been prepared on the going concern basis.

##### 1.3 Property, Plant and Equipment

As outlined in paragraph 35 of the International Accounting Standards Board's (IASB's) Framework for the Preparation and Presentation of Financial Statements "information within financial statements should represent faithfully the transactions that it purports to represent. It is necessary that transactions are accounted for and presented in accordance with their substance and economic reality and not merely their legal form." While the Department of Finance and Personnel holds legal title to Parliament Buildings the Northern Ireland Assembly is the beneficial owner of Parliament Buildings and as such recognises the property as an asset on its balance sheet. The building has been stated at a revalued amount (based on fair value) using a professional valuation. This exercise is to be repeated every five years with appropriate interim valuations to be used in the intervening years.

Other fixed assets are capitalised at their cost of acquisition (including any costs

directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended) and are revalued annually by reference to appropriate indices compiled by the Office for National Statistics. The threshold for capitalisation as a fixed asset is £500 for IT equipment and £1,000 for all other assets.

Assets are pooled where there are a large number of a certain type of asset which, if treated singly, would fall below the capitalisation threshold, but which, if aggregated, have a value exceeding £1,000. Assets which have been pooled include computer hardware, office equipment and office furniture. Depreciation on the value of these assets is charged to the operating account.

Subsequent expenditure is included in the carrying amount of the asset in the same way as the initial spend if it probable that there will be future economic benefit and the cost can be reliably measured. Any parts of an asset that are replaced are derecognised.

Revaluation losses are charged firstly against any existing revaluation surplus, with any remaining charge being expensed to the Operating Cost Statement.

#### **1.4 Heritage assets**

Heritage assets are those that “are intended to be preserved in trust for future generations because of their cultural, environmental and historical associations”. Heritage assets generally display the following characteristics:

- their value is unlikely to be fully reflected in a financial value derived from price;
- there are severe restrictions on disposal;
- they are often irreplaceable, and their value may increase over time even if their physical condition deteriorates; and
- they may require significant maintenance expenditure so that they can continue to be enjoyed by future generations;
- their life is measured in hundreds of years.

In accordance with FReM, for non-operational heritage assets purchased within the accounting period they are valued at cost. For existing non-operational heritage assets where there is a market in assets of that type, they are valued at market value for existing use or otherwise at depreciated replacement cost. Where the asset could not or would not be replaced the value is nil. Operational heritage assets are valued and incorporated within the fixed asset register as at 1.3 above.

#### **1.5 Donated assets**

These are assets donated by third parties, either by gift of the assets or funds to buy the asset. Donated tangible assets are capitalised at their current value on receipt, and this value is credited to the donated asset reserve, which is included in the general reserves fund. Subsequent revaluations are also taken to this reserve. Each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the operating cost statement.

**1.6 Intangible Assets**

Intangible assets are assets which are identifiable, non-monetary assets without physical substance, e.g. computer software. Intangible assets are recognised at cost and subsequently carried at a revalued amount as described in paragraph 1.3. They are depreciated as described in paragraph 1.7 below.

**1.7 Depreciation**

Property, plant and equipment assets and intangible assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land and items for collections since they have unlimited or very long estimated useful lives. The principal asset lives used for depreciation purposes are:

	Life (years)
Buildings	50
Information technology	4
Office equipment	5
Furniture & fittings	between 5 and 10

**1.8 Impairment of Assets**

An impairment loss is recognised when the recoverable amount of an item of property, plant and equipment falls below the carrying amount. It is recognised as an expense in the Operating Cost Statement, unless it relates to a previously revalued asset when it should be recognised against any existing revaluation surplus for the asset to the extent that the loss does not exceed the amount of the revaluation surplus of the asset. Once the loss is recognised the depreciation charge is adjusted for future periods to allocate the assets revised carrying amount less residual value on a systematic basis over the remaining useful life.

**1.9 Non-current Assets held for Sale**

These are assets for which the carrying amount will be recovered principally through a sale transaction rather than through continuing use. To be classified as such, an asset must be available for immediate sale in its present condition, with a sale being highly probable, and with both a firm plan to sell the asset and an active programme to locate a buyer in place. These assets are measured at the lower of the carrying amount and fair value (less costs to sell). Once an asset is classified as a non-current asset held for sale depreciation ceases to be charged.

**1.10 Revenue**

Revenue is income that relates directly to the ordinary activities of the Northern Ireland Assembly. It comprises:

- sale of souvenir stock;
- public telephone calls;
- stationery - recovery of cost;
- postage - recovery of cost; and

- recoupment of salary costs of staff seconded to other public sector bodies during suspension.

This includes both accruing resources of the Vote and income to the Consolidated Fund that DFP has agreed should be treated as revenue.

### **1.11 Administration and programme expenditure**

The operating cost statement is analysed between administration and programme costs. For the Northern Ireland Assembly all costs incurred are programme costs, incorporating payments of allowances and other disbursements by the Assembly.

### **1.12 Capital charge**

A charge, reflecting the cost of capital utilised by the Northern Ireland Assembly, is included in the operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except donated assets, cash balances within the Civil Service pool at the Northern Bank and the amount due to the Consolidated Fund where the charge is nil.

### **1.13 Foreign exchange**

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction.

### **1.14 Employee Benefits**

Where an employee has provided a service during the accounting period, in exchange for an employee benefit to be paid at some point in the future, the Northern Ireland Assembly recognises the undiscounted amount of the benefit as an expense in the Operating Cost Statement for the period. Such benefits include wages, salaries, social security contributions, paid annual leave or flexi leave and paid sick leave.

### **1.15 Pensions**

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme NI (PCSPS (NI)). This defined benefit scheme is unfunded and is non-contributory except in respect of dependants' benefits. The Assembly recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI).

Pension benefits for the Members are provided through the Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). Members now have two contribution options following the introduction of a second scheme during the year. Members can contribute 6% of pensionable salary, including Office Holder's salary, if they opt for the lower accrual rate of 50<sup>th</sup>'s. Members who do not opt for the lower accrual rate pay the default contribution rate of 11.5% based on the higher accrual rate of 40<sup>th</sup>'s. All pensions increase in line with the Retail Price Index once in payment.

**1.16 Early departure costs**

The Northern Ireland Assembly is required to meet the additional cost of benefits beyond the normal PCSPS (NI) benefits in respect of employees who retire early. The Assembly provides in full for this cost when the early retirement programme has been announced and is binding on the Assembly. The Assembly may, in certain circumstances, settle some or all of its liability in advance by making a payment to the Paymaster General's account at the Bank of England for the credit of the Civil Superannuation Vote. The amount provided is shown net of any such payments.

**1.17 Provisions**

The Northern Ireland Assembly provides for legal or constructive obligations which are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are normally discounted using the Treasury discount rate of 3.5% in real terms. However, the discount rate used for the provision for pension costs was 1.8% p.a. reflecting the real yields experienced in the bond markets (see Note 22).

**1.18 Contingent liabilities**

In addition to contingent liabilities disclosed in accordance with IFRS 37, the Assembly discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote. These comprise:

- Items over £250,000 (or lower where required by specific statute) that do not arise in the normal course of business and which are reported to the Northern Ireland Assembly by Assembly Minute prior to the Assembly entering into the arrangement;
- All items (whether or not they arise in the normal course of business) over £250,000 (or lower where required by specific statute or where material in the context of resource accounts) which are required by the FReM to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IFRS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IFRS 37 are stated at the amounts reported to the Assembly.

**1.19 Value added tax**

In the Northern Ireland Assembly output tax generally does not apply and input tax is recovered on a monthly basis from DFP. Where input tax is recoverable, the amounts are stated net of vat.

**1.20 Leases**

Where substantially all risks and rewards of ownership of a leased asset are borne by the Assembly, the asset is recorded as a tangible asset and a debt is recorded to the lesser for the minimum lease payments discounted by the interest rate implicit in the leases. The interest element of the finance lease payment is charged to the

Operating Cost Statement over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the Operating Cost Statement on a straight-line basis over the term of the leases.

### **1.21 Critical accounting estimates and key judgements**

As a result of the uncertainties inherent in all business activities, many items in financial statements cannot be measured with precision but can only be estimated. Where estimates have been required in order to prepare these financial statements in conformity with FReM, management have used judgements based on the latest available, reliable information. Management continually review estimates to take account of any changes in the circumstances on which the estimate was based or as a result of new information or more experience.

### **1.22 Financial Assets and Financial Liabilities**

The Northern Ireland Assembly has no powers to borrow or invest surplus funds. A financial asset or financial liability is recognised in the balance sheet when the Northern Ireland Assembly becomes party to the contractual provision of the financial instrument. Initial recognition is at fair value. As financial assets and liabilities of the Northern Ireland Assembly are generated by the day-to-day operational activities, that is, trade contracts to buy non-financial items in line with the Assembly's expected purchase and usage requirements, fair value is deemed to be the transaction price where the impact of discounting is immaterial. When a financial asset or financial liability is recognised it is categorised appropriately and is de-recognised when the contractual right to or obligation for cash flow expires.

### **1.23 Comparatives**

In accordance with IFRS 1 First-time adoption of International Financial Reporting Standards, 3 statements of Financial Position covering 2009-10, 2008-09, and 2007-08 have been presented in the 2009-10 Resource Accounts. Where restatement of balances has been required to make the transition to IFRS this is indicated in the relevant note.

## 2 First-time adoption of IFRS

### 2.1 Reconciliation of UK GAAP reported taxpayers' equity to IFRS at the date of transition 1 April 2008

	<b>General Fund £'000</b>	<b>Revaluation reserve £'000</b>	<b>Donated asset reserve £'000</b>
Taxpayers' equity at 31 March 2008 under UK GAAP	93,700	42,005	1
Adjustments for:			
IAS 19 Employee Benefits	(171)	-	-
Taxpayers' equity at 1 April 2008 under IFRS	93,529	42,005	1

### 2.2 Reconciliation of UK GAAP reported taxpayers' equity to IFRS at the end of the final UK GAAP reporting period 31 March 2009

	<b>General Fund £'000</b>	<b>Revaluation reserve £'000</b>	<b>Donated asset reserve £'000</b>
Taxpayers' equity at 31 March 2009 under UK GAAP	92,311	36,072	1
Adjustments for:			
IAS 19 Employee Benefits	(131)	-	-
IAS 36 Impairment of Assets	-	(1)	-
IFRS 5 Non Current Assets held for sale	-	(80)	-
Taxpayers' equity at 1 April 2009 under IFRS	92,180	35,991	1

### 2.3 Reconciliation of UK GAAP reported net operating cost to IFRS for year ended 31 March 2009

	<b>£'000</b>
Net operating cost for 2008-09 under UK GAAP	44,937
Adjustments for:	
IAS 19 Employee Benefits	40
IFRS 5 Non Current Assets held for sale	(80)
IAS 19 Employee Benefits - effect on cost of capital	(7)
Net operating cost for 2008-09 under IFRS	44,890

### 3 Analysis of net resource outturn by section

	Outturn						2009-10	2008-09	Prior Year Outturn
							£'000	£'000	
	Admin	Other Current	Grants	Gross resource expenditure	ARs	Net Total	Net Total	Estimate	
<b>Request for Resources 1</b>							<b>Net total outturn compared with Estimate</b>		
NI Assembly		50,866		50,866	(25)	50,841	55,586	4,745	45,088
<b>Resource Outturn</b>		<b>50,866</b>		<b>50,866</b>	<b>(25)</b>	<b>50,841</b>	<b>55,586</b>	<b>4,745</b>	<b>45,088</b>

The net resource underspend of £4.75m represents 8.5% of the Spring Supplementary Estimate of £55.6m. There was a significant non-cash underspend of £2.1m arising from a lower than anticipated movement on provisions for Members' pension costs. There was a further underspend on other non-cash categories: - £1.1m on depreciation and cost of capital. This was due to a lower than anticipated capital spend for the year and a lower than anticipated value of Net Assets – due to the continuing decrease in land in buildings assets. Detailed explanations of the variances are given in the Financial review contained in the Management Commentary starting on page 10.

#### Key to Request for Resources and Sections

**Request for resources 1** – Remunerating and supporting Members of the Assembly in discharging their duties in the constituencies, in the Assembly and elsewhere, the costs of general administration including staff costs, general expenses and equipment, accommodation, other services and associated non-cash items.

### 4 Reconciliation of outturn to net operating cost and against Administration Budget

#### 4.1 Reconciliation of net resource outturn to net operating cost

	Note	2009-10 £'000 Outturn Compared With Estimate	2008-09 Restated £'000 Outturn
Net Resource Outturn	3	50,841	45,088
Non-supply income (CFERs)	6	(27)	(152)
Non-supply Expenditure		-	-
IFRS adjustments		-	(46)
<b>Net operating cost</b>		<b>50,814</b>	<b>44,890</b>



## 4.2 Outturn against final Administration Budget

The Northern Ireland Assembly is independent from the Northern Ireland Executive for funding purposes and receives programme funding only.

## 5 Reconciliation of net resource outturn to net cash requirement

		Estimate	Outturn	Net Total outturn compared with Estimate: savings/(excess)
		£'000	£'000	£'000
	Note			
Resource Outturn	3	55,586	50,841	4,745
Capital:				
Acquisition of property, plant and equipment	14	1,000	352	648
Acquisition of intangible assets Investments	15	-	14	(14)
Non-operating accruing resources		-	-	-
Proceeds of assets disposals		-	-	-
Accruals adjustments:				
Non-cash items	11, 12	(15,107)	(11,815)	(3,292)
Changes in working capital other than cash		(300)	(607)	307
Changes in payables falling due after more than one year		-	-	-
Use of provision	22	500	548	(48)
Excess cash receipts surrenderable to the Consolidated Fund	6	-	-	-
<b>Net Cash Requirement</b>		<b>41,679</b>	<b>39,333</b>	<b>2,346</b>

## 6 Analysis of income payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Assembly and is payable to the Consolidation Fund (*cash receipts being shown in italics*).

	Note	Forecast 2009-10 £'000		Outturn 2009-10 £'000	
		Income	Receipts	Income	Receipts
Operating income and receipts - excess AR		-	-	17	17
Operating income & receipts not classified as AR		10	<i>10</i>	10	<i>12</i>
		<b>10</b>	<b><i>10</i></b>	<b>27</b>	<b><i>29</i></b>
Non operating income and receipts - excess ARs	8	-	-	-	-
Other non-operating income and receipts not classified as AR	9	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund		-	-	-	-
Excess cash surrenderable to the Consolidated Fund	5	-	-	-	-
<b>Total income payable to the Consolidated Fund</b>		<b>10</b>	<b><i>10</i></b>	<b>27</b>	<b><i>29</i></b>

## 7 Reconciliation of income recorded within the Operating Cost Statement to operating income payable to the Consolidated Fund

	Note	2009-10 £'000	2008-09 £'000
Operating income	13	52	185
Adjustments for transactions between RfRS		-	-
Gross Income		52	185
Income authorised to be Accruing Resources		(25)	(33)
<b>Operating Income payable to the Consolidated Fund</b>	<b>6</b>	<b>27</b>	<b>152</b>

## 8 Non-operating income – Excess AR

The Northern Ireland Assembly had no non-operating income – excess AR.

## 9 Non-operating income not classified as AR

The Northern Ireland Assembly had no non-operating income not classified as AR.

## 10 Staff numbers and related costs

Staff costs comprise:

	2009-10					2008-09
	£'000					Restated £'000
	Total	Permanently employed staff	Members	Agency, temporary and contract staff	Special Advisors	Total
Wages and salaries	17,955	10,888	5,249	1,818	-	15,682
Social security costs	1,360	876	484	-	-	1,102
Other pension costs	2,961	1,762	1,199	-	-	2,519
<b>Sub Total</b>	<b>22,276</b>	<b>13,526</b>	<b>6,932</b>	<b>1,818</b>	-	<b>19,303</b>
Less recoveries in respect of outward secondments	(38)	(38)	-	-	-	(28)
<b>Total net costs *</b>	<b>22,238</b>	<b>13,488</b>	<b>6,932</b>	<b>1,818</b>	-	<b>19,275</b>

\* Of the total, £0 has been charged to capital.

The Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)) is an unfunded multi-employer defined benefit scheme but the Assembly is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2007.

For 2009-2010, contributions of £ 1,761,524.25 were paid to the PCSPS (NI) (2008-2009; £1,364,672) at one of four rates in the range 16.5 to 23.5 per cent (2008-2009; 16.5 to 23.5 per cent) of pensionable pay based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The salary band and contribution rates were revised for 2006-2007 and will remain unchanged until 2009-2010. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £1,046 (2008-2009; £1,344) were paid to an appointed stakeholder pension provider. Employer contributions are age-related and range from 3 to 12.5 per cent (2008-2009; 3 to 12.5 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £662 (2008-2009; £122), 0.8 per cent of pensionable pay were payable to the PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions paid due to partnership pension providers at the balance sheet date were nil. Contributions prepaid at that date were nil.

One person (2008-2009; 0 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £0 (2008-2009; £0).

Pension benefits for the Members are provided through the Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). Members opt to pay contributions of either 6% or 11.5% of pensionable salary, including Office Holder's salary. All pensions increase in line with the Retail Price Index once in payment. There is a separate scheme statement for the Assembly Members' Pension Scheme. The rules of the Assembly Members' Pension Scheme require the employer to meet the balance of the cost of providing the benefits as recommended by the actuary from time to time. There is currently a liability of £7,000,000 and this is provided for in the accounts in line with FReM and FRS 17. The rate used to discount scheme liabilities is 1.8%. A full actuarial valuation was carried out at 31 March 2008.

For 2009-2010, contributions of £ 1,199,275.79 (2008-2009; £1,153,105) were paid to the Assembly Members' Pension Scheme. Contributions were at a rate of 23.3% (2008-2009; 22.6%) of pensionable pay, as determined by the Government Actuary and advised by the Treasury.

#### *Average number of persons employed*

The average number of whole-time equivalent persons employed during the year was as follows.

Objective	2009-10					2008-09
	Total	Permanent staff	Members	Agency, temporary and contract staff	Special Advisers	Number
1	499	329	108	62	-	485
<b>Total</b>	<b>499</b>	<b>329</b>	<b>108</b>	<b>62</b>	<b>-</b>	<b>485</b>

During 2009-2010, there were 3 members of staff (2008-2009: 1) out-posted to other public sector employers for the full year.

The Northern Ireland Assembly does not employ any staff exclusively for capital projects.

## **11 Other Administration Costs**

All costs incurred by the Northern Ireland Assembly are programme costs, incorporating payments of allowances and other disbursements by the Assembly (see note 1.11).

**12 Programme Costs**

	2009-10 £'000	2008-09 Restated £'000
<b>Note</b>		
<b>Payments to Members</b>		
Office Cost Allowance	7,526	7,516
Members' winding-up costs	53	-
Other Members' costs	729	767
Party Allowance	784	788
<b>Other Costs</b>		
Premises	1,051	1,204
Office running costs	1,071	1,132
Contracted services	3,076	3,291
Repairs & maintenance	1,300	1,309
Staff travel, subsistence and training	343	371
Miscellaneous expenses	833	707
Rentals under operating leases	9	10
<b>Total cash items</b>	<b>16,775</b>	<b>17,095</b>
<b>Non-cash items</b>		
Depreciation	2,992	2,954
Permanent diminution of fixed assets	1,201	148
Cost of capital charge	4,068	4,609
Miscellaneous notional charges	1	2
Auditor's remuneration and expenses (notional)	40	33
Unwinding of discount on provisions	-	-
Provisions: provided in year	3,509	925
(Profit)/Loss on disposal of assets	4	6
<b>Total non-cash items</b>	<b>11,815</b>	<b>8,677</b>
<b>Total</b>	<b>28,590</b>	<b>25,772</b>

During 2009/10 and additional £22k was written off against depreciation in the OCS due to a legacy difference within the opening balances of fixed assets compared to the original 'Impromptu' system reports.

**13 Income**

	2009-10 £'000	2008-09 £'000
	<b>RfR 1</b>	<b>Total</b>
Recoupment of salaries	38	28
Other Income	14	157
<b>Total</b>	<b>52</b>	<b>185</b>

**14 Property, plant and equipment**

	Land	Buildings	Information technology	Office equipment	Security Equipment	Furniture & fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>							
At 1 April 2009	10,000	115,518	1,764	2,853	482	2,098	132,715
Additions	-	-	35	148	47	122	352
Donations	-	-	-	-	-	-	-
Disposals	-	-	(636)	(1,040)	-	(249)	(1,925)
Impairments	(200)	(1,000)	-	-	-	(1)	(1,201)
Reclassifications	2,000	4,000	-	-	-	-	6,000
Revaluations	(1,000)	(17,441)	271	81	22	(1)	(18,068)
<b>At 31 March 2010</b>	<b>10,800</b>	<b>101,077</b>	<b>1,434</b>	<b>2,042</b>	<b>551</b>	<b>1,969</b>	<b>117,873</b>
<b>Depreciation</b>							
At 1 April 2009	-	-	1,139	1,293	130	1,774	4,336
Charged in year	-	2,022	341	392	106	87	2,948
Disposals	-	-	(622)	(1,040)	-	(226)	(1,888)
Impairments	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Revaluations	-	(2,022)	115	11	6	(1)	(1,891)
<b>At 31 March 2010</b>	<b>0</b>	<b>0</b>	<b>973</b>	<b>656</b>	<b>242</b>	<b>1,634</b>	<b>3,505</b>
<b>Net book value</b>	<b>10,800</b>	<b>101,077</b>	<b>461</b>	<b>1,386</b>	<b>309</b>	<b>335</b>	<b>114,368</b>
<b>At 31 March 2010</b>	<b>10,800</b>	<b>101,077</b>	<b>461</b>	<b>1,386</b>	<b>309</b>	<b>335</b>	<b>114,368</b>
<b>At 31 March 2009</b>	<b>10,000</b>	<b>115,518</b>	<b>625</b>	<b>1,560</b>	<b>352</b>	<b>324</b>	<b>128,379</b>
<b>Asset financing</b>							
Owned	10,800	101,077	461	1,386	309	335	114,368
Financed leased	-	-	-	-	-	-	-
On-balance sheet PFI contracts	-	-	-	-	-	-	-
<b>At 31 March 2010</b>	<b>10,800</b>	<b>101,077</b>	<b>461</b>	<b>1,386</b>	<b>309</b>	<b>335</b>	<b>114,368</b>

Parliament Buildings is an operational heritage asset which opened in 1932, and is included in the Northern Ireland Assembly's Property, Plant and Equipment figures. Parliament Buildings, Ormiston House and land were re-valued by Lands and Property Services (using indices) as at 31 March 2010. Other Property, Plant and Equipment are valued using indices reflecting the period-end position obtained from the Office for National Statistics. In the Resource Accounts for period ended 31 March 2010 Ormiston House has been disclosed in the Statement of Financial position as a Non-Current Asset. Following the first-time adoption of IFRS, as the property was being marketed for sale and it was deemed a sale would be probable within one year; it was classified as a Non-Current Asset held for sale and was disclosed in the restated figures for the 2008-2009 Statement of Financial Position at the open market value of £6,000,000. During the period ended 31 March 2010 planning permission matters remained unresolved and discussions with the relevant authorities were continuing at the period end. It is unlikely that these will be resolved in the near future. Under IFRS 5, while a commitment to a plan to sell Ormiston House persists, given the on-going discussions with the planning authorities such a sale is no longer highly probable to be completed within one year. Until

the issue of planning permission is resolved the property will not be actively marketed. Thus, under the IFRS 5, Ormiston House does not meet the criteria to be recognised as a Non-current asset held for sale and, instead, it has been recognised as a Non-current asset at its existing use value of £1,800,000 in the Statement of Financial Position as at 31 March 2010. Donated assets with a net book value of £1k are also included under Furniture & fittings.

#### **2008/09 Property, Plant and Equipment**

<b>Restated</b>	<b>Land</b>	<b>Buildings</b>	<b>Information technology</b>	<b>Office equipment</b>	<b>Security Equipment</b>	<b>Furniture &amp; fittings</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>							
At 1 April 2008	18,000	121,585	1,799	1,257	383	2,152	145,176
Additions	-	304	51	1,507	91	56	2,009
Donations	-	-	-	-	-	-	-
Disposals	-	-	(3)	-	-	(24)	(27)
Impairments	-	-	(83)	-	-	(86)	(169)
Reclassifications	(2,000)	(4,000)	-	-	-	-	(6,000)
Revaluations	(6,000)	(2,371)	-	89	8	-	(8,274)
<b>At 31 March 2009</b>	<b>10,000</b>	<b>115,518</b>	<b>1,764</b>	<b>2,853</b>	<b>482</b>	<b>2,098</b>	<b>132,715</b>
<b>Depreciation</b>							
At 1 April 2008	-	-	886	1,063	34	1,742	3,725
Charged in year	-	2,310	271	230	96	114	3,021
Disposals	-	-	(1)	-	-	(20)	(21)
Impairments	-	-	(17)	-	-	(62)	(79)
Reclassifications	-	-	-	-	-	-	-
Revaluations	-	(2,310)	-	-	-	-	(2,310)
<b>At 31 March 2009</b>	<b>0</b>	<b>0</b>	<b>1,139</b>	<b>1,293</b>	<b>130</b>	<b>1,774</b>	<b>4,336</b>
<b>Net book value</b>							
<b>At 31 March 2009</b>	<b>10,000</b>	<b>115,518</b>	<b>625</b>	<b>1,560</b>	<b>352</b>	<b>324</b>	<b>128,379</b>
<b>At 31 March 2008</b>	<b>18,000</b>	<b>121,585</b>	<b>913</b>	<b>194</b>	<b>349</b>	<b>410</b>	<b>141,451</b>
<b>Asset financing</b>							
Owned	10,000	115,518	625	1,560	352	324	128,379
Financed leased On-balance sheet PFI contracts							
<b>At 31 March 2009</b>	<b>10,000</b>	<b>115,518</b>	<b>625</b>	<b>1,560</b>	<b>352</b>	<b>324</b>	<b>128,379</b>

**15 Intangible Assets****Intangible Assets comprises Software Licenses**

	<b>Total £'000</b>
<b>Cost or valuation</b>	
At 1 April 2009	237
Additions	14
Donations	-
Disposals	(167)
Impairments	-
Revaluations	18
<b>At 31 March 2010</b>	<b>102</b>
<b>Amortisation</b>	
At 1 April 2009	195
Charged in year	22
Disposals	(177)
Impairments	-
Revaluations	4
<b>At 31 March 2010</b>	<b>44</b>
<b>Net book value at 31 March 2010</b>	<b>58</b>

	<b>Total £'000</b>
<b>Cost or valuation</b>	
At 1 April 2008	198
Additions	43
Donations	-
Disposals	-
Impairments	(4)
Revaluations	-
<b>At 31 March 2009</b>	<b>237</b>
<b>Amortisation</b>	
At 1 April 2008	184
Charged in year	12
Disposals	-
Impairments	(1)
Revaluations	-
<b>At 31 March 2009</b>	<b>195</b>
<b>Net book value at 31 March 2009</b>	<b>42</b>



**16 Financial instruments**

The Northern Ireland Assembly, because of the largely non-trading nature of its activities and as its cash requirements are met through the Estimates process, is not exposed to the degree of financial risk faced by business entities. The Assembly has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by the day-to-day operational activities, that is, trade contracts to buy non-financial items in line with the Assembly's expected purchase and usage requirements. The Assembly does not hold financial instruments to change the risks faced in undertaking its activities and it is therefore not exposed to market, credit, liquidity, or interest rate risk.

## 17 Impairments

The total impairment charge for the year was made up as follows:

	2009-10		2008-09	
	OCS £'000	Revaluation Reserve £'000	OCS £'000	Revaluation Reserve £'000
Land & Buildings	1,200	-	-	-
Information technology	-	-	83	-
Office equipment	-	-	-	-
Security Equipment	-	-	-	-
Furniture & fittings	1	1	61	25
Intangible Assets	-	-	4	-
<b>Total</b>	<b>1,201</b>	<b>1</b>	<b>148</b>	<b>25</b>

## 18 Inventories

The Assembly does not hold any inventories.

## 19 Trade receivables and other current assets

	2009-10 £'000	2008-09 £'000	2007-08 £'000
<b>Amounts falling due within one year:</b>			
Value Added Tax	208	339	516
Prepayments and accrued income	54	125	45
Sundry debtors	33	30	89
Amounts due from the Consolidated Fund in respect of supply	-	125	1,795
	<b>295</b>	<b>619</b>	<b>2,445</b>
<b>Amounts falling due after more than one year:</b>			
	<b>0</b>	<b>0</b>	<b>0</b>

Included within trade receivables is £472 (2008-09: £2,639) that will be due to the Consolidated Fund once the debts are collected.

**19.1 Intra-Government Balances**

	<b>Amounts falling due within one year</b>		
		<b>Restated £'000</b>	<b>Restated £'000</b>
	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>
Balances with other central government bodies	208	467	2,358
Subtotal: intra-governmental balances	208	467	2,358
Balances with bodies external to government	87	152	87
<b>Total debtors at 31 March 2010</b>	<b>295</b>	<b>619</b>	<b>2,445</b>

**20 Cash and cash equivalents**

	<b>2009-10 £'000</b>	<b>2008-09 £'000</b>
Balance at 1 April	29	(1,741) *
Net change in cash and cash equivalent balances	822	1,770
<b>Balance at 31 March</b>	<b>851</b>	<b>29</b>
The balances at 31 March were held at:		
Commercial banks and cash in hand	<b>851</b>	<b>29</b>

\* This amount was an overdraft and in accordance with FReM requirements was disclosed as a current liability.

**21 Trade payables and other current liabilities**

	<b>2009-10 £'000</b>	<b>2008-09 Restated £'000</b>	<b>2007-08 Restated £'000</b>
<b>Amounts falling due within one year:</b>			
Other taxation and social security	548	513	295
Other creditors	214	257	312
Accruals and deferred income	2,112	1,694	2,519
Bank overdraft	-	-	1,741
Amounts issued from the Consolidated Fund for supply but not spent at year end	667	-	-
Consolidated Fund extra receipts due to be paid to the Consolidated Fund:			
Received	183	153	53
Receivable	-	3	47
	<b>3,724</b>	<b>2,620</b>	<b>4,967</b>
<b>Amounts falling due after more than one year:</b>	<b>0</b>	<b>0</b>	<b>0</b>

Accruals and deferred income relate to both Member's Office Costs Allowance and the Assembly Secretariat.

## 21.1 Intra-Government Balances

	Amounts falling due within one year		
		Restated £'000	Restated £'000
	2009-10	2008-09	2007-08
Balances with other central government bodies	1,398	978	415
Subtotal: intra-governmental balances	1,398	978	415
Balances with bodies external to government	2,326	1,642	2,811
<b>Total creditors at 31 March 2010</b>	<b>3,724</b>	<b>2,620</b>	<b>3,226</b>

## 22 Provisions for liabilities and charges

	Pension Costs	Personnel Management Costs	Total
	£'000	£'000	£'000
Balance at 1 April 2009	3,600	677	4,277
Provided in the year	3,400	109	3,509
Arising due to changes in the discount factor	-	-	-
Provision not required written back	-	-	-
Provision utilised in the year	-	(548)	(548)
Unwinding of discount	-	-	-
<b>Balance at 31 March 2010</b>	<b>7,000</b>	<b>238</b>	<b>7,238</b>

### *Analysis of expected timing of discounted flows*

	Pension Costs	Personnel Management Costs	Total
	£'000	£'000	£'000
In the remainder of the Spending Review period (to 2011)	-	238	238
Between 2012 and 2016	-	-	-
Between 2017 and 2021	-	-	-
Thereafter	7,000	-	7,000
<b>Balance at 31 March 2010</b>	<b>7,000</b>	<b>238</b>	<b>7,238</b>

### *Included in the amounts not expected to be called until after 2021 are:*

	Pension Costs	Personnel Management Costs	Total
	£'000	£'000	£'000
Amounts not expected to be called until the period beginning 2061	-	-	-
Amounts not expected to be called until the period beginning 2086	7,000	-	7,000

### 22.1 Pension Costs

Pension benefits for Assembly Members are provided through the Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). The rules of the Scheme require the employer to meet the balance of the cost of providing the benefits as recommended by the actuary from time to time. There is a liability of £7 million and, in accordance with FReM and IAS 19, this has been provided for in the 2009-2010 financial year. The value of £7 million was estimated by the Government Actuary's Department and represents the excess of the Scheme's liabilities over its assets at the Statement of Financial Position date. The Actuary used a discount factor of 1.8% to establish the present value of the future obligation. This rate was advised by the Financial Reporting Advisory Board for use in the UK public sector, and has fallen from 3.8% in the prior year reflecting the fall in real yields experienced in the bond markets.

### 22.2 Personnel Management Costs

The Northern Ireland Assembly Commission is currently engaged in negotiations in respect of a number of personnel management issues. In some cases, external counsel has been instructed by the Director of Legal Services where it is considered necessary. Although no admission of liability has been made in any case, provision has been made in the accounts for 2009-2010. As these costs are likely to be disbursed in the 2010-2011 financial year, they have not been discounted using HM Treasury's discount rate of 3.5%.

## 23 Notes to the Statement of Operating Costs by Strategic Objectives

The Northern Ireland Assembly is independent from the Executive for funding purposes and receives programme funding only.

**Programme grants and other current expenditures have been allocated as follows:**

	2009-10 £'000	2008-09 Restated £'000
Objective 1	50,814	44,890

**Capital employed by NI Assembly by Aim and Objectives at 31 March 2010**

	2009-10 £'000	2008-09 Restated £'000
Objective 1	104,610	128,172

## 24 Capital commitments

Capital expenditure authorised at 31 March 2010 was as follows:

	2009-10 £'000	2008-09 £'000	2007-08 £'000
Property, plant and equipment:			
Authorised and committed			1,640
Authorised but not committed			
Intangible assets:			
Authorised and committed	0	20	
Authorised but not committed			
<b>As at 31 March 2010</b>	<b>0</b>	<b>20</b>	<b>1,640</b>

## 25 Commitments under leases

### 25.1 Operating Leases

Total future minimum lease payments under operating leases are given in the table below, analysed according to the period in which the lease expires

	2009-10 £'000	2008-09 £'000	2007-08 £'000
Other:			
Not later than one year	5	-	-
Later than one year but not later than five years		14	-
Later than five years		-	-
	<b>5</b>	<b>14</b>	<b>-</b>

### 25.2 Finance Leases

There are no obligations under finance leases.

## 26 Commitments under PFI contracts

There were no such commitments at 31 March 2010.

**27 Other financial commitments**

The Assembly has entered into non-cancellable contracts (which are not leases or PFI contracts), for a wide range of services and maintenance. The payments to which the Assembly is committed, analysed by the period during which the commitment expires, are as follows:

	2009-10 £'000	2008-09 £'000	2007-08 £'000
Not later than one year	1,951	921	1,385
Later than one year but not later than five years	1,626	1,511	749
Later than five years	-	-	-
	<b>3,577</b>	<b>2,432</b>	<b>2,134</b>

**28 Contingent liabilities disclosed under IAS 37**

The NICS have reached an Equal Pay settlement during the year. While this settlement does not directly apply to the Northern Ireland Assembly, in seeking to act in an equitable manner the Northern Ireland Assembly Commission has decided to apply the principles of the settlement, where appropriate, to Assembly Secretariat staff. The retrospective terms of the settlement have been defined and quantified for eligible staff and an accrual has been made in the accounts in respect of pay and national insurance contributions.

However, the tax treatment of this settlement is still uncertain and the exact amount of this payment will remain unknown until further negotiations are undertaken with Her Majesty's Revenue and Customs (HMRC) regarding the method of payment and the amounts due. It is anticipated that these matters will only be finalised at some point during the next reporting period. The impact of the NICS settlement on pay scales will be considered as part of on-going consultation with the recognised Trades Union. As the timing, nature and likelihood of the tax liability payment and any adjustment to salary scales are uncertain, this element is disclosed as a contingent liability as at 31 March 2010.

**29 Contingent liabilities not required to be disclosed under IAS 37 but included for assembly reporting and accountability purposes**

There were no such contingent liabilities at 31 March 2010.

**30 Losses and special payments**

There were no losses and special payments for the period ending 31 March 2010.

**31 Related-party transactions**

The Northern Ireland Assembly is independent from the Executive for funding purposes. It has a number of transactions with the Executive and with other Government departments and public bodies. Most of these transactions have been with the Department of Finance and Personnel.

Related party transactions during the financial year with DFP relate to the utilisation of their call-off contracts, for example, for the provision of security and the Dial Network. None of the post-holders within the Assembly holds any post within DFP.

None of the Members, key managerial staff or other related parties has undertaken any material transactions with the Northern Ireland Assembly during the year.

**32 Entities within the Assembly boundary**

The Northern Ireland Assembly does not currently support any agencies, non-departmental bodies (NDPBs) or trading funds.

**33. Events after the Reporting Period**

On 21 June 2010 a writ alleging a breach of public contract regulations was issued to the NI Assembly. The Assembly has 14 days to enter an appearance in response to this action and no amount has been recognised in the accounts in respect of this non-adjusting event after the reporting period.



*Annex A – Performance Against Corporate Plan Targets 2009-2010***NI ASSEMBLY SECRETARIAT BUSINESS PLAN 2009/2011****PERFORMANCE AGAINST OBJECTIVES AT 31 MARCH 2010****1 SUPPORTING ASSEMBLY BUSINESS**

	<b>Corporate Objective</b>	<b>Planned Outcome</b>	<b>Target date</b>	<b>Responsibility</b>	<b>Comments</b>	<b>Position at 31 March 2010</b>
1.1	To ensure the effective operation of the Assembly	Effective support provided for all plenary business	31 March 2010	Director of Clerking and Reporting supported by other Directors		Achieved
		Effective support provided for all Committee business	31 March 2010	Director of Clerking and Reporting supported by other Directors		Achieved
		Key business standards monitored	31 March 2010	All Directors		Achieved.
		Arrangements in place to support the devolution of Policing and Justice	As required	Director of Clerking and Reporting supported by other Directors		Achieved
		Corporate Business Continuity Plan in place	31 March 2010	Director of Facilities supported by other Directors	Temporary Emergency (Pavilion) Plan in place.	Partially achieved
		Major Incident Management and Recovery	31 March 2010	Director of Facilities	A substantive Major Incident/ Business	Partially achieved

*Annex A – Performance Against Corporate Plan Targets 2009-2010*

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2010
		Plan in place			Continuity plan is at first draft stage and will be further developed throughout 2010.	
1.2	To ensure the efficient operation of the Assembly	Budget underspend within 5% of total budget	31 March 2010	Director of Resources supported by other Directors		Not achieved
		Annual efficiency targets set, monitored and reviewed	31 March 2010	Director of Resources supported by other Directors	Efficiency targets to be developed in 2010/11.	Deferred to 2010/11
1.3	To support Members in fulfilling their Assembly, constituency and office holder duties	Member Survey undertaken and recommendations implemented	31 March 2010	Director of Clerking and Reporting		Achieved
		Feedback system for Members in place	30 September 2009	Director of Clerking and Reporting		Achieved.
		Initial Members' development programme in place	31 March 2010	Clerk/DG supported by Directors	Draft programme developed. To be finalised for new mandate in 2011	Partially achieved
1.4	To support the Assembly in assessing its effectiveness as the devolved legislature for	Development of a methodology for assessing the effectiveness of the	31 March 2010	Clerk/DG	Draft methodology considered by SMG and to be considered by	Partially achieved

**Annex A – Performance Against Corporate Plan Targets 2009-2010**

<b>Corporate Objective</b>		<b>Planned Outcome</b>	<b>Target date</b>	<b>Responsibility</b>	<b>Comments</b>	<b>Position at 31 March 2010</b>
	Northern Ireland	Assembly			Commission at its off site meeting on 20 May 2010.	
1.5	To make preparations for the next Assembly mandate in 2011	Project Team established	31 March 2010	Director of Clerking and Reporting		Achieved.

**Annex A – Performance Against Corporate Plan Targets 2009-2010****2 ENGAGING THE PUBLIC**

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2010
2.1	To increase public engagement with the Assembly	Engagement Strategy recommendations implemented	31 March 2010 (50%)	Director of Engagement	Assembly 'Festival' postponed by Commission, but a range of activities is scheduled for Balmoral Show May 2010.	Achieved
		Review of public facing telephony services:	31 March 2010	Director of Engagement		Deferred to 2010/11
		Feedback system for the public and visitors developed	30 September 2009	Director of Engagement		Achieved
2.2	To improve the understanding of the role of the Assembly in the governance of Northern Ireland	Review of Education Service completed and recommendations implemented	30 November 2009	Director of Engagement		Achieved
		Annual Assembly Road Shows to be held	31 October 2009	Director of Engagement		Achieved.
2.3	To ensure effective partnership arrangements	Effective ongoing support for existing parliamentary partnerships eg BIPA, NIABT, CPA, CALRE etc	31 March 2010	Director of Engagement		Achieved

**Annex A – Performance Against Corporate Plan Targets 2009-2010**

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2010
		Support for Commission in progressing North/South Parliamentary Forum	31 March 2010	Clerk/DG		Achieved
2.4	To promote Good Relations	Good Relations Strategy developed	31 March 2010	Clerk/DG		Achieved
2.5	To improve access to the Assembly and its services	Contribute to achieving adequate transport links to Parliament Buildings for staff and visitors	31 March 2010	Director of Facilities	Draft policy considered at the Commission meeting on 25 March 2010. Further consultation to take place.	Achieved
		Language policy in place	31 March 2010	Clerk/DG		Partially achieved

**Annex A – Performance Against Corporate Plan Targets 2009-2010****3 SUPPORTING AND DEVELOPING OUR STAFF**

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2010
3.1	To develop an independent parliamentary service	Pay and Grading system developed	30 September 2009	Director of Resources	Revised pay and grading timeline agreed.	Partially achieved
		Pay and Grading system implemented	31 March 2010	Director of Resources	To follow above action (August 2010).	Deferred to 2010/11
		Terms and Conditions of Employment developed and implemented	31 March 2010	Director of Resources	Revised NIA Staff Handbook in place at 31 March 2010. Further initial development to be taken forward by HR.	Partially achieved
		Recruitment 85% of staff directly employed by the Assembly	31 March 2010	Director of Resources	83.5% of staff directly recruited at 31 March 2010.	Partially achieved
		Non HR separation issues addressed (eg IT etc)	31 March 2010	Director of Resources	Schedule of services produced as at 31 March 2010.	Achieved
3.2	To improve the way we communicate with each other	Internal Communications Audit conducted	31 March 2010	Clerk/DG		Achieved

**Annex A – Performance Against Corporate Plan Targets 2009-2010**

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2010
3.3	To have in place a dedicated, professional and motivated group of staff to meet the needs of the Assembly	Annual Directorate Training Plans implemented	31 March 2010	Clerk/DG and Directors	Some Personal Development Plans remain outstanding for 2009/10.	Partially achieved
		Attendance targets agreed and monitored	31 March 2010	Director of Resources		Achieved
		Annual staff survey undertaken and Action Plan implemented	31 March 2010	Director of Resources supported by Clerk/DG and other Directors	Survey undertaken and interim report produced.	Partially achieved
		Feedback system in place for staff	30 September 2009	Clerk/DG		Achieved
		Effective operation of the Joint Agreement between the Commission and the Trade Union Side	31 March 2010	Director of Resources	ERG/ERB meetings and associated actions proceeding.	Achieved
3.4	To embed the Corporate Values within the Assembly	Guidance on practical application of Values developed and implemented	31 March 2010	Clerk/DG and Directors		Deferred to 2010/11

**Annex A – Performance Against Corporate Plan Targets 2009-2010****4 ENSURING THE EFFECTIVE GOVERNANCE OF THE SECRETARIAT**

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2010
4.1	To ensure delivery of all Secretariat business services	Corporate Planning/ Business Planning conducted to corporate timetable and Plans implemented	31 March 2010	Clerk/DG supported by Directors		Achieved
4.2	To improve key business processes	Training provided in relation to Process Mapping	30 September 2009	Director of Resources		Achieved
		Process maps prepared	31 March 2010	Clerk/DG and all Directors	Process mapping being used where relevant	Achieved
4.3	To reduce the environmental impact of the Assembly	Sustainability Strategy developed	31 March 2010	Director of Facilities supported by Director of Resources		Achieved
4.4	To ensure effective delivery of IT services	IT Strategy developed and implemented	31 March 2010	Director of Resources	Further revisions planned in 2010/11	Achieved
4.5	To ensure good governance arrangements including statutory compliance	Compliance with statutory duties in respect of Equality, FOI, DDA, DPA etc monitored and reviewed annually	31 March 2010	Clerk/DG		Achieved
		Unqualified Audit Opinion achieved	31 March 2010	Director of Resources		Achieved



**Annex A – Performance Against Corporate Plan Targets 2009-2010**

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2010
		Improvement in overall level of assurance provided by Internal Audit Reports	31 March 2010	Clerk/DG supported by Directors		Achieved
4.6	To have effective risk management arrangements in place	Corporate Risk Register reviewed	Monthly	Clerk/DG supported by Directors		Achieved
		Assurance Statements received from Corporate Risk Owners	Twice yearly	Clerk/DG supported by Directors		Achieved
4.7	To ensure effective information management	Development and implementation of an Action Plan arising from policy in relation to Protective Marking	31 March 2010	Clerk/DG		Achieved
		Development of Records Management Policy	30 June 2009	Clerk/DG		Achieved
4.8	To ensure the effective, efficient and economic use of resources	Implementation of VFM Action Plan	31 March 2010	Director of Resources supported by other Directors	To be considered under target 1.2	Not achieved

**Annex A – Performance Against Corporate Plan Targets 2009-2010****5 ACCOMMODATING THE ASSEMBLY**

<b>Corporate Objective</b>		<b>Planned Outcome</b>	<b>Target date</b>	<b>Responsibility</b>	<b>Comments</b>	<b>Position at 31 March 2010</b>
5.1	To seek to provide appropriate accommodation which meets the needs of all buildings users and visitors	Accommodation Audit of Parliament Buildings and Annexe C complete	30 April 2009	Director of Facilities		Achieved
		Accommodation Audit recommendations implemented	31 March 2010	Director of Facilities	Recommendations as agreed by the Commission implemented.	Achieved.
		Development of Action Plan for improvement of visitor facilities within existing accommodation	31 March 2010	Director of Engagement supported by Director of Facilities		Achieved
		Future use of Ormiston House agreed by Assembly Commission	31 March 2010	Director of Facilities	Considering response from Planning Service to development proposal.	Deferred

**The Speaker**



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**Mr Trevor Reaney  
Clerk to the Assembly/Director General  
Northern Ireland Assembly  
Parliament Buildings  
Belfast  
BT4 3XX**

**19 May 2010**

Dear Trevor

**DELEGATION OF FUNCTIONS (REVISED NOVEMBER 2009)**

The Northern Ireland Assembly Commission (the Commission) is required under Section 40 (4) of the Northern Ireland Assembly Act 1998 to provide the Assembly or ensure that the Assembly is provided, with the property, staff and services required for the Assembly’s purposes. Section 40 makes further provision for other functions to be conferred on the Commission.

Paragraph 4 of Schedule 5 to the 1998 Act states that the Northern Ireland Assembly Commission may delegate any of its functions to the Presiding Officer or a member of staff of the Assembly. The clerk/director General is the senior staff member of the Assembly and as with all staff of the Assembly is responsible to the Commission.

Under paragraph 4 of Schedule 5 of the Act, the Assembly commission hereby delegates to you all its functions (whether under the Act or any other provision of law) including the responsibility for the management of staff subject to the following exceptions and conditions:

- (a) matters relating to your appointment, terms and conditions and remuneration;
- (b) matters relating to the appointment, terms and conditions and remuneration of any Directors;

*Annex B – Director General’s Revised Letter of Delegation*

- (c) your appraisal (the Speaker will deal with this in consultation with Commission members);
- (d) final decisions on discipline and grievance issues relating to you, members of the previous senior management board, and Directors;
- (e) matters relating to salaries and pensions for staff and new or significant variations to terms and conditions and personnel policies which have significant direct budget implications.
- (f) matters relating to the setting of the remuneration, allowances and pensions for Assembly Members;
- (g) the approval of the annual budget and the agreement of the annual accounts of the Northern Ireland Assembly; and
- (h) exercise of the power to borrow money provided by paragraph 3(4) of Schedule 5 to the Act.

You must consult the Commission before:

- (a) making appointments at Director level;
- (b) creating new Director posts or abolishing existing Director posts;
- (c) authorising ICT and consultancy projects in excess of £50,000; and
- (d) authorising expenditure on matters that could reasonably be regarded as novel or contentious.

The delegation of functions mentioned above does not prevent the exercise of those functions by the Commission.

You may sub-delegate functions mentioned above does not prevent the exercise of those functions by the Commission.

In exercising the functions delegated to you, you and any staff to whom you further sub-delegate any functions should, in accordance with principles to be included in the Assembly’s Corporate Plan:

- (a) ensure propriety in the consumption of resources allocated to the Assembly Commission by following all relevant procedures in procurement and financial control;
- (b) seek wherever practicable to take account of environmental and ethical considerations;

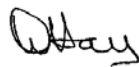
*Annex B – Director General’s Revised Letter of Delegation*

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- (c) apply the Assembly’s rules fairly and equally to all MLAs, in particular in relation to allowances.

You are also required to consult the Assembly Commission on any matters which could reasonably be considered as novel, contentious or potentially politically sensitive.

Yours sincerely,



**WILLIAM HAY MLA**