

Carmel Reid

Public Spending Directorate
Supply Division
Rathgael House
Balloo Road, Bangor, BT19 7NA



Tel No: 028 91277682/Network: 69082
Fax No: 028 9185 8283/Network: 68283
email: carmel.reid@dfpni.gov.uk

Keith McBride
Clerk to the Audit Committee,
Parliament Buildings,
Stormont,
Belfast
BT4 3XX

7th March 2016

Dear Keith

NIAO MAIN ESTIMATE 2016-17

NIAO has provided DFP with a copy of its draft Main Estimate for 2016-17. As you will be aware, under the Northern Ireland Act (1998) the Audit Committee must, when considering the approval of this Estimate, have regard to the advice of the DFP and I have therefore set out our comments below.

The provision sought in this Estimate is for a resource requirement of £8,006k which represents a reduction of 8.9% compared to the final provision for 2015-16.

The Estimate shows a total resource budget requirement of £8,193k comprising £7,998k of non-ring-fenced resource DEL, £215k of ring-fenced resource DEL (for depreciation and impairments) and -£20k of annually managed expenditure (AME).

I would note that the Assembly approved budget included provision for a ring-fenced resource DEL allocation of £325k for depreciation and impairments which differs from the allocation of £215k in the Estimate. To adjust for this NIAO will need to seek a switch of £110k from ring-fenced DEL to non-ring-fenced DEL in monitoring rounds. However it should be noted that this switch may be dependent on non-ring-fenced DEL being available through release from other departments.

Subject to the above comments I can confirm that DFP is otherwise content with the draft Estimate provided.

I hope you find this helpful.

Yours sincerely

Carmel Reid

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cc Emer Morelli
Andrew Allen