

Department Of Finance and Personnel Annual Report and Accounts
For the year ended 31 March 2015

*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*

30 June 2015



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DEPARTMENT OF FINANCE AND PERSONNEL

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ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2015**

DIRECTORS' REPORT

Introduction

The Department of Finance and Personnel (DFP) presents its accounts for the financial year ended 31 March 2015.

Management

Ministerial responsibility for the Department of Finance and Personnel for the 2014-15 financial year rested with Simon Hamilton MLA. Ministerial responsibility for the Department transferred to Arlene Foster MLA on 11 May 2015.

The Permanent Secretary and Accounting Officer of the Department for the 2014-15 financial year was initially Stephen Peover. David Sterling took up post with effect from 1 July 2014.

Departmental Board

The work of the Department is organised and monitored by the Departmental Board, comprising the Permanent Secretary, the Directors of Corporate Human Resources, Central Procurement Directorate, Public Spending Directorate and Strategic Policy and Reform Directorate, the Departmental Solicitor, the Departmental Finance and Corporate Services Directors, the Chief Executives for Enterprise Shared Services, Land and Property Services and the Northern Ireland Statistics and Research Agency, and independent board members.

The Board determines the future strategic direction of the Department and meets monthly to consider progress on key policy and management issues, including finance and personnel.

The Departmental Board members during the year were as follows:

Stephen Peover	Permanent Secretary (from 1 April 2014 to 30 June 2014)
David Sterling	Permanent Secretary (from 1 July 2014 to date)
Des Armstrong	Director, Central Procurement Directorate
Colum Boyle	Chief Executive, Land and Property Services (from 1 September 2014 to date)
Anne Breen	HR and Corporate Services Director
Mike Brennan	Director, Public Spending Directorate
Norman Caven	Chief Executive, Northern Ireland Statistics and Research Agency
Colin Lewis	Director, Corporate Human Resources
Oswyn Paulin	Departmental Solicitor
Colin Sullivan	Director, Strategic Policy and Reform Directorate
Paul Wickens	Chief Executive, Enterprise Shared Services
John Wilkinson	Chief Executive, Land and Property Services (from 1 April 2014 to 31 August 2014)
Brigitte Worth	Finance Director
Stephen Hodkinson	Independent Board Member
Dolores O'Reilly	Independent Board Member

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Register of Interests

A Register of Interests is maintained by the Department and no significant interests are currently held by board members which may conflict with their management responsibilities.

Pension Liabilities

The treatment of pension costs and liabilities is disclosed in the Remuneration Report and in paragraph 1.13 of the Statement of Accounting Policies Note (Note 1 to the Accounts).

Sickness Absence Data

In 2014-15 the average number of working days lost was 8.4 (as yet unvalidated) against a Departmental target of 7.6. Whilst the Department has not met the set target, it should be noted that DFP has achieved a further reduction in absence levels each and every quarter during 2014-15. A decrease in working days lost has been achieved when compared to 9.4 days in 2013-14. Official absence statistics will be published by the Northern Ireland Statistics and Research Agency in due course.

Personal Data

The Department is fully committed to complying with the Data Protection Act 1998 and has processes in place to ensure that all employees, contractors, agents, consultants and other parties who have access to personal information held by or on behalf of DFP are fully aware of and abide by their responsibilities under the Act. These include a data protection policy and staff handbook, departmental guidance on data sharing and a data breach management plan.

There were no reportable data breaches between 1 April 2014 and 31 March 2015.

The Department has complied with the cost allocation and charging requirements set out in HM Treasury guidance.

Sustainability and Environmental Matters

The Department provided good practice case studies to OFMDFM as a means of demonstrating its implementation of the Sustainable Development Statutory Duty. It also participated in the Sustainable Development Good Practice Event held in October 2014 and throughout the year 90 staff attended policy/legislation courses including impact assessments.

A final report will be prepared shortly on the Department's Sustainability Development Action Plan (SDAP - which ran until 31 March 2015). A review of the continuing need for a SDAP is planned for early in the next financial year which will take account of the progress made in mainstreaming sustainable development into the Department's work.

The Reform of Property Management (RPM) Programme was set up to deal with proposals coming from the Asset Management Strategy (AMS). The AMS established the framework from which central government would deliver the Executive's objectives for long term, sustainable efficiency savings from assets. The RPM seeks to achieve a new way of delivering property management as a shared service to the NICS and wider public sector. On 31 March 2015, the RPM Programme Board agreed a plan to deliver the programme.

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The Office Estate Energy Efficiency/Carbon Reduction Plan for 2014 – 2017 was approved and Properties Division has commenced the necessary actions and investments to progress the plan which is projected to deliver energy savings of 5%.

Auditors

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. He is head of the Northern Ireland Audit Office (NIAO), he and his staff are wholly independent of the Department and he reports his findings to the Northern Ireland Assembly.

Remuneration of Auditors for non audit work

During 2014-15 the Department purchased non-audit services from its auditor, the Northern Ireland Audit Office at a cost of £21k (2013-14: £7k).

Audit Information

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

APPROVED AND SIGNED

A handwritten signature in black ink, appearing to read 'D Sterling', written over a large, faint circular stamp or watermark.

DAVID STERLING
Accounting Officer
Department of Finance & Personnel
Date: 22 June 2015

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REMUNERATION REPORT

Remuneration Policy

The remuneration of Senior Civil Servants (SCS) is set by the Minister for Finance and Personnel. The Minister approved a restructured SCS pay settlement broadly in line with the Senior Salaries Review Board report which was commissioned in 2010. The commitment to a Pay and Grading Review for SCS was the second phase of the equal pay settlement approved by the Executive.

Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' 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 (NI).

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org.

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Minister and most senior management of the Department.

Remuneration of Ministers (Audited)

	2014-15				2013-14			
Minister	Salary £	Benefits in kind (to nearest £100)	Pension Benefits* (to nearest £1,000)	Total (to nearest £1,000)	Salary £	Benefits in kind (to nearest £100)	Pension Benefits* (to nearest £1,000)	Total (to nearest £1,000)
Simon Hamilton	38,000	Nil	14,000	52,000	25,640	Nil	11,000	37,000

*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases include increases due to inflation and any increase or decreases due to a transfer of pension rights.

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Senior Management Remuneration (Audited)

Officials	2014-15					2013-14				
	Salary £000	Bonus Payments £000	Benefits in kind (to nearest £100)	Pension Benefits* (to nearest £1,000)	Total (£000)	Salary £000	Bonus Payments £000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)	Total (£000)
S Peover Permanent Secretary (until 30 June 2014)	25-30 (110 – 115 full year equivalent)	Nil	Nil	(84,000)	(50 - (60)	110 - 115	Nil	Nil	21,000	130 - 140
D Sterling Permanent Secretary (from 1 July 2014)	80-85 (110-115 full year equivalent)	Nil	Nil	30,000	110 - 115	N/a	N/a	N/a	N/a	N/a
D Armstrong Director	85-90	Nil	Nil	29,000	110 - 120	85 - 90	Nil	Nil	52,000	135 - 145
A Breen Director	60-65	Nil	Nil	53,000	110 - 120	40 – 45 (60-65 full year equivalent)	Nil	Nil	58,000	95 - 105
C Boyle (from 1 September 2014)	45-50 (80-85 full year equivalent)	Nil	Nil	82,000	125 - 135	N/a	N/a	N/a	N/a	N/a
M Brennan Director	80-85	Nil	Nil	48,000	125 - 135	55 – 60 (80-85 full year equivalent)	Nil	Nil	69,000	120 - 130
N Caven Chief Executive, NISRA	95-100	Nil	Nil	32,000	125 - 135	95-100	Nil	Nil	49,000	135 - 140
B Fitzpatrick Acting Director	N/a	N/a	N/a	N/a	N/a	20 - 25 (60-65 full year equivalent)	Nil	Nil	24,000	40 -50
C Lewis Director	90-95	Nil	Nil	27,000	115 - 125	85 – 90 (90-95 full year equivalent)	Nil	Nil	16,000	100 - 110
B Pauley Acting Director	N/a	N/a	N/a	N/a	N/a	15 -20 (80-85 full year equivalent)	Nil	Nil	18,000	30 - 40
O Paulin Departmental Solicitor	110-115	Nil	Nil	38,000	145 - 155	105 – 110	Nil	Nil	21,000	125 - 135
C Sullivan Director	80-85	Nil	Nil	35,000	115 - 120	40 – 45 (80-85 full year equivalent)	Nil	Nil	12,000	50 - 60

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Officials	2014-15					2013-14				
	Salary £000	Bonus Payments £000	Benefits in kind (to nearest £100)	Pension Benefits* (to nearest £1,000)	Total (£000)	Salary £000	Bonus Payments £000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)	Total (£000)
P Wickens Chief Executive, ESS	90-95	Nil	Nil	37,000	125 - 135	90 – 95	Nil	Nil	33,000	120 – 130
J Wilkinson ** Chief Executive, LPS (until 31 August 2014)	45-50 (110-115 full year equivalent)	Nil	Nil	(74,000)	(20) - (30)	110 – 115	Nil	Nil	5,000	115 – 120
B Worth Director	65-70	Nil	Nil	22,000	85 - 95	60 – 65	Nil	Nil	20,000	80 – 85
Band of Highest Paid Director's Total Remuneration	110-115					110-115				
Median Total Remuneration	29,027					28,500				
Remuneration ratio	3.9					3.9				

* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases include increases due to inflation and any increase or decreases due to a transfer of pension rights.

**In line with the 2013 pay award arrangements, staff receiving less than a 1% consolidated increase to their salary received a non-consolidated pensionable payment to bring them to the equivalent value of 1%.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The median total is based on the full-time equivalent remuneration of staff directly employed by DFP at the reporting period end date on an annualised basis.

The banded remuneration of the highest-paid director in the Department of Finance and Personnel in the financial year 2014-15 was £110k - £115k (2013-14: £110k - £115k). This was 3.9 times (2013-14: 3.9) the median remuneration of the workforce, which was £29,027 (2013-14: £28,500).

There was no increase in the total remuneration of the highest paid director and the 2014-15 pay award resulted in a 1.8% increase in median remuneration. The remuneration ratio between 2013-14 and 2014-15 remained the same.

In 2014-15 and 2013-14, no employees not included in this disclosure received remuneration in excess of the highest-paid director.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

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Salary

‘Salary’ includes gross salary, 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.

The Department of Finance and Personnel was under the direction and control of Simon Hamilton MLA during the financial year. His salary and allowances were paid by the Northern Ireland Assembly and have been included as a notional cost in this resource account. These amounts do not include costs relating to the Minister’s role as MLA which are disclosed elsewhere.

Benefits in kind

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

Bonuses

No bonuses were paid in 2014-15 or 2013-14.

Remuneration of Independent Board Members

The remuneration for the independent board members is £12,500 for a commitment of twenty-five days plus expenses in relation to travel and subsistence incurred whilst on departmental business.

Pension Benefits

Ministerial Pensions (Audited)

Minister	Accrued pension at age 65 as at 31/03/15	Real increase in pension at pension age	CETV at 31/03/15	CETV at 31/03/14	Real increase in CETV
	£000	£000	£000	£000	£000
Simon Hamilton MLA	2.5-5	0-2.5	24	15	4

Pension benefits for Ministers are provided by the Assembly Members’ Pension Scheme (Northern Ireland) 2012 (AMPS). The scheme is made under s48 of the Northern Ireland Act 1998. As Ministers 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 Ministers provide benefits on a “contribution factor” basis which takes account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as a Member for each year of service as a Minister. Pension benefits as a Minister are based on the accrual rate (1/50th or 1/40th) multiplied by the cumulative contribution factors and the relevant final salary as a Member.

Benefits for Ministers 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 Consumer Prices Index. Ministers pay contributions of either 7% or 12.5% of their Ministerial salary, depending on the accrual rate. 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 21.6% of the Ministerial salary.

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The accrued pension quoted is the pension the Minister 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 ministerial service, not just their current appointment as a Minister. 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.

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The real increase in the value of the CETV

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

Pensions of Senior Management (Audited)

Officials	Accrued pension at pension age as at 31/03/15 (or date of leaving if earlier) and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/15 or date of leaving if earlier	CETV at 31/03/14 or start date if later*	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
S Peover Permanent Secretary	40-45 plus lump sum of 290-295	(10)-(12.5) plus lump sum of 125-130	1,135	1,196	(55)	N/a
David Sterling Permanent Secretary (from 1 July 2014)	50-55 plus lump sum 150-155	0-2.5 plus lump sum 2.5-5	1,068	995	27	N/a
D Armstrong Director	35-40	0-2.5	680	617	28	N/a
A Breen, Director	20-25 plus lump sum 65-70	2.5-5 plus lump sum 7.5-10	374	319	38	N/a
C Boyle (1 September 2014)	25-30 plus lump sum 75-80	2.5-5 plus lump sum 10-12.5	443	365	61	N/a
M Brennan Director	25-30 plus lump sum of 80-85	0-2.5 plus lump sum of 5-7.5	487	429	36	N/a
N Caven Chief Executive, NISRA	45-50 plus lump sum of 140-145	0-2.5 plus lump sum of 2.5-5	1,017	988	29	N/a
C Lewis Director	25-30 plus lump sum of 75-80	0-2.5 plus lump sum of 2.5-5	532	483	22	N/a
O Paulin Departmental Solicitor	50-55 plus lump sum of 160-165	0-2.5 plus lump sum of 5-7.5	1,189	1,152	36	N/a
C Sullivan Director	10-15	0-2.5	177	146	16	N/a
P Wickens Chief Executive, ESS	10-15	0-2.5	161	127	19	N/a
J Wilkinson Chief Executive, LPS (until 31 August 2014)	45-50 plus lump sum of 305-310	(10)-(12.5) plus lump sum of 135-140	1,223	1,279	(45)	N/a
B Worth Director	10-15	0-2.5	150	128	8	N/a

*Where additional information becomes available CETVs can change from the previously reported figures.

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Northern Ireland Civil Service (NICS) 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 the Assembly each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased 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 a ‘Career Average Revalued Earnings’ (CARE) 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%. CARE pension benefits are increased annually in line with increases in the CPI.

A new pension scheme, alpha, will be introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements will move to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age will not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is also a ‘Career Average Revalued Earnings’ (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate will be 2.32%. CARE pension benefits are increased annually in line with increases in the CPI.

For 2015, public service pensions will be increased by 1.2% for pensions which began before 6 April 2014. Pensions which began after 6 April 2014 will be increased proportionately.

Employee contribution rates for all members for the period covering 1 April 2015 – 31 March 2016 are as follows:

Scheme Year 1 April 2015 to 31 March 2016

Pay band – assessed each pay period		Contribution rates – Classic members	Contribution rates – classic plus, premium, nuvos and alpha
From	To	From 1 April 2015 to 31 March 2016	From 1 April 2015 to 31 March 2016
£0	£15,000.99	3%	4.6%
£15,001.00	£21,000.99	4.6%	4.6%
£21,001.00	£47,000.99	5.45%	5.45%
£47,001.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

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

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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**. The normal pension age in alpha will be linked to the member's State Pension Age but cannot be before age 65. Further details about the CSP arrangements can be found at the website www.dfpni.gov.uk/civilservicepensions-ni

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 CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS 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 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 does not include 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

No compensation for loss of office was payable in the year.

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APPROVED AND SIGNED

A handwritten signature in black ink, appearing to read 'D Sterling', with a large, sweeping flourish at the end.

DAVID STERLING
Accounting Officer
Department of Finance & Personnel

Date: 22 June 2015

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STRATEGIC REPORT

Boundary

These accounts comprise a consolidation of the income and expenditure and assets and liabilities of those entities falling within the departmental resource accounting boundary as follows:

DFP Core Directorates

- Central Procurement Directorate;
- Corporate Human Resources;
- Corporate Services Group;
- Departmental Solicitor's Office;
- Enterprise Shared Services;
- Land and Property Services;
- Public Spending Directorate; *and*
- Strategic Policy and Reform Directorate.

Supply Financed Agency

- Northern Ireland Statistics and Research Agency.

Arms Length Bodies

- Construction Industry Forum Northern Ireland;
- Lay Observer for Northern Ireland;
- Northern Ireland Building Regulations Advisory Committee;
- Public Service Commission for Northern Ireland; *and*
- Statistics Advisory Committee.

Departmental Reporting Cycle

The DFP Business Plan 2014-15 sets out the Department's vision, objectives and targets and how the Department will work to deliver its Departmental level objectives. This plan has been published on the Department's internet site and can be downloaded at www.dfpni.gov.uk.

Progress against the Department's objectives and targets is reported and reviewed quarterly by the Departmental Board, and the end of year results are set out in the Management Commentary of this Annual Report.

The Department's budget for 2014-15 was set out in the Northern Ireland Executive's 'Budget 2011-15' document which was published in March 2011. The budget was subsequently adjusted through a technical exercise completed in December 2012 and through a capital re-profiling exercise in March 2012. The Department's 2014-15 Main Estimate reflects the revised opening position following these technical exercises and was published in June 2014. The Main Estimate sets out the resource and capital expenditure limits of the Department together with the limit placed on income which the Department can offset against expenditure. It includes additional detail on the services for which budgetary cover was provided, and sets out the financial reporting structure of the Department which aligns with Departmental objectives. The Department's budget position has been updated during the year, following the outcome of in-year monitoring rounds. The budgetary changes arising from the outcome of

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in-year monitoring are reflected in the Department's 2014-15 Spring Supplementary Estimate, which was published in February 2015.

Both the 2014-15 Main and Spring Supplementary Estimates are available on the Department's internet site and were published by and are available from:

TSO, PO Box 29,
Norwich, NR3 1GN
Telephone orders/General enquiries: 0870 6005522
Fax orders: 0870 6005533
On-line orders: www.tsoshop.co.uk

Key Aims and Objectives

The overall aim of the Department is "to help the Executive secure the most appropriate and effective use of resources and services for the benefit of the community".

In pursuing this aim, the key objective of the Department is to deliver quality, cost effective and efficient public services and administration in the Department's areas of executive responsibility.

The specific aims and objectives of the Department's Executive Agency are documented in the Annual Report and Accounts published for this body.

Principal Activities

The Department of Finance and Personnel (DFP) is one of twelve Northern Ireland departments created as part of the Northern Ireland Executive by the Northern Ireland Act 1998, the Departments (Northern Ireland) Order 1999 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

The Department comprises seven core Directorates, the Departmental Solicitors Office and one Agency. The Department has a wide range of disparate business areas and Appendix 1 sets out the principal activities of these Directorates and Agency.

Performance During 2014-15

The Department's performance over the past financial year has been monitored and reported on a quarterly basis to the Departmental Board, with the final quarter detailing the year's progress.

Achievement of Departmental Targets

The Department had **53** Departmental targets in 2014-15, of which **40** were reported as "**Green**", **9** were reported as "**Amber**" and **4** as "**Red**".

The Department has made significant progress during 2014-15 and notable achievements have included:

- Management of 2014-15 expenditure to ensure maximum benefit while ensuring no breach of the NI block – latest forecasts indicate that the Executive is on track to live within its budget controls despite a difficult year;
- Securing Government agreement to transfer Corporation Tax rate setting powers to the NI Assembly from April 2017;

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- Creation of Health Projects in CPD – advancing the centralised procurement and delivery service;
- Collection of £1,175 million of net rates receipts - £10.1 million ahead of target for the year;
- Securing the extension of the NICS WELL programme across the NICS for a further 3 years;
- Delivery of pension reform by the required date of 1 April 2015;
- 1.8 million online transactions through NI Direct – exceeding the target to increase volume by 0.3 million;
- Vacation of 12,575 square meters of leased office accommodation and refitting a further 9,645 square meters of accommodation to Workplace NI standards; *and*
- Completion of the remaining specialist outputs from the 2011 Census and publication of a General Report evaluating the process.

Performance against all of the Department’s targets is available on the website at www.dfpni.gov.uk and details on the 4 targets reported as “Red” are provided below.

Target R1.6 - To agree with the EU the content of the Peace IV and Interreg VA Operational Programmes by 31 March 2015.

INTERREG VA was approved by the Commission on 13 February 2015 and is on target for launch in early summer 2015.

Officials from DFP met with the Commission in February to respond to feedback from the inter service consultation. As a result additional information has been requested from key policy Departments in Northern Ireland. DFP are urgently pressing for the required information but it will not be finalised by 31 March 2015 which creates the possibility of a corresponding delay to the launch of the PEACE IV programme. Approval of PEACE IV is also affected by a technical issue related to the EU Budget, which is outside the control of DFP. The process, which requires European Council and European Parliament approval, is unlikely to be completed before May 2015. This will impact on final approval of many programmes across the EU - not only PEACE IV. It is unlikely that the Programme will be launched until summer 2015.

As the PEACE IV Programme will not meet the target date of March 2015, due to the Commission Budget issue which is outside the control of DFP, the overall status of this target is 'Red'.

Target OP1.3 - 90% of staff to have completed on time Personal Performance Agreements and Personal Development Plans and have them assessed as ‘Agreed’ on HRConnect.

80% of staff had agreed PPAs/PDPs by the end of quarter 2. However, performance management continued to receive high priority at Board level and 97% of staff had PPAs/PDPs agreed by the end of the reporting period. Although the 90% target has now been surpassed, this was not achieved within the original target timescales.

Target OP1.4 - 90% of In-year performance reviews for 2014/15 to be completed on time and recorded on HRConnect.

At 31 October, 70% of staff had an in-year review completed. However, this has been given high priority at Board level and 93% of staff had agreed in-year reviews by the end of the reporting period. Although the 90% target has now been surpassed, this was not achieved within the original target timescales.

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Target OP1.5 - Support DFP Business Areas to achieve the Department's overall sickness absence target of an average 7.6 days lost per staff year by 31 March 2015.

Actions have been taken in 2014-15 to further enhance the partnership approach to managing sickness absence. The projected days lost for 2014-15 is currently 8.4 days, which means the overall target will not be achieved. However the average working days lost per employee has reduced by almost one day year-on-year for the last three years (from 10.5 days in 2012-13). In addition, following the evaluation of the partnership approach to managing sickness absence, an action plan has been approved to further enhance the management of sickness absence within the Department.

Financial Review

The 2014-15 financial year was the final year of the 2011-15 Budget period. In order to maintain essential service delivery to the public and across government, the Department needed to deliver savings of **£13.4m** in 2014-15 and this target was achieved. Further details of the Department's 2011-15 Savings Delivery Plan, with associated progress updates, can be found on the Department's website www.dfpni.gov.uk.

As set out in the Statement of Assembly Supply, the Department was voted Resource Estimate Provision of **£211.0m** for 2014-15. Details of the net resource estimate and outturn are given in Table 1.

Table 1

	Estimate £000	Outturn £000	Variance £000
Total Request for Resources A	210,954	196,715	14,239
Net Cash Requirement	239,418	216,197	23,221

The net resource outturn was **£196.7m** against an estimated provision of **£211.0m**.

The total underspend was **£14.3m**, split between the departmental expenditure limit (DEL) **£0.2m**, the annually managed expenditure (AME) **£13.6m** and non-budget **£0.5m**.

By definition AME covers areas of expenditure that are more volatile. The main area of underspend is in relation to the reduction in value of the office estate as a result of changes in market value, which was less than anticipated.

The Department's net cash requirement outturn was **£216.2m** against an estimated provision of **£239.4m**, a variance of **£23.2m**. The bulk of the variance from estimate (£19.9m) relates to the movement in working capital other than cash.

The Department employed an average of 3,492 staff during the year ended 31 March 2015 and total administrative costs during the year, as reported in Note 2 to the Statement of Assembly Supply, were **£198.8m** (2013-14: £192.2m). The increase is mainly as a result of additional preparatory work associated with the introduction and administration of the new pension scheme in April 2015. The Department also received additional funding to take forward Collaborative Procurement and the Reform of Property Management which were recommended as part of the Northern Ireland Executive Asset Management Strategy.

The total cost of Finance and Personnel Policy was **£46.1m** (2013-14: £39.4m). This function comprises Corporate Human Resources, Central Procurement Directorate, the Departmental Solicitors Office, Public Spending Directorate and Strategic Policy and Reform Division and has increased from last year due to the movement of Business Consultancy Service staff from NICS Shared Services to Strategic Policy and

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Reform and increased staff numbers as outlined in the previous paragraph. Key activities include work to improve the overall management of public funds and the spending performance of the Department, the provision of pay and grading policies and strategies, and professional legal and procurement services for the NICS and the wider public sector.

The Department continues to deliver essential shared services to departments and other public bodies. During 2014-15 the total costs of NICS Shared Services (including Account NI, the Centre for Applied Learning, HR Connect, IT Assist and Information Strategy and Innovation Division) amounted to **£77.0m** (2013-14: £77.8m). The decrease is mainly owing to the transfer of Business Consultancy Service staff into Strategic Policy and Reform.

The Department's main public-facing services are delivered by Land and Property Services and the Departments Agency, the Northern Ireland Statistics and Research Agency. NISRA produce their own Annual Reports and Accounts and further details of the Agency's financial performance can be found in its own financial review.

LPS's main functions are to collect rates on behalf of central government and Councils, maintain domestic and non-domestic rating valuation lists, record legal interests in land in the Land Registers, provide land information services relating to the Registers for conveyancing purposes, provide mapping services in NI, collect, manage and publish spatial data in NI for use by the public and private sectors, and deliver a property valuation, estate management and property data service to the public sector. The total costs of Land and Property Services was **£60.5m** (2013-14: £55.7m). The main difference from the previous year is due to increased costs in relation to the rates rebate replacement programme and increased land registration activity as a result of an upturn in the housing market.

The Department is responsible for the provision of office accommodation for staff employed in NICS government departments and their agencies. At 31 March 2015 the net book value of the Department's land and buildings was **£262m** (31 March 2014: £223.1m). The increase in value from the previous year is mainly due to the purchase of a number of properties in order to reduce ongoing revenue costs under the Reform of Property Management programme. The primary aim of the programme is to achieve savings in the running costs of the public sector office estate and to achieve efficiencies through rationalisation of office accommodation.

Gross resource expenditure on accommodation services was **£73.9m** (2013-14: £76.5m), which includes **£11.3m** (2013-14: £16.8m) of depreciation and impairment, and around **£46m** (2013-14: £45m) on rent, rates and maintenance of the estate. The Department continues to drive savings in this area through its accommodation strategy, with moves to modern office accommodation in 2014-15 facilitating the vacation of in excess of 12,000 square meters of office space. Future plans continue to envisage use of capital allocations to undertake further such enhancements to the estate.

Reconciliation of resource expenditure between Estimates, Accounts and Budgets For the year ending 31 March 2015

A reconciliation of the Department's resource expenditure between Estimates, Accounts and Budgets is provided in Table 2 below.

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Table 2

	Outturn 2014-15 £000s	Outturn 2013-14 £000
Net Resource Outturn (Estimates)	196,715	196,616
Non-voted Expenditure in the Statement of Comprehensive Net Expenditure	222	(71)
Include Consolidated Fund Extra Receipts (CFER's) in the Statement of Comprehensive Net Expenditure	(108)	(2,411)
Net Operating Costs (Accounts)	196,829	194,134
Remove capital grants	(1,668)	(843)
Remove non-budget Consolidated Fund Extra Receipts (CFER's) in the Statement of Comprehensive Net Expenditure	108	2,179
Include non voted expenditure that is inside the resource budget	(222)	71
Include rate collection income	(8,748)	(8,695)
Remove notional costs	(296)	(182)
Remove SEUPB Non Budget Grant	(1,009)	(1,062)
Include SEUPB Running Costs	1,466	1,445
Resource Budget Outturn (Budget)	186,460	187,047
Of which:		
Departmental Expenditure Limit (DEL)	187,874	184,082
Annually Managed Expenditure (AME)	(1,414)	2,965

Off-payroll Engagements

The Department did not have any off payroll engagements at a cost of over £58,200 during the 2014-15 year.

Contingent Liabilities requiring disclosure under assembly reporting requirements and not under IAS 37

There were no contingent liabilities requiring disclosure under assembly reporting requirements. However, a number have been disclosed under IAS 37 on page 79.

Future Developments

The DFP Corporate Plan 2012-15 sets out the milestones for the delivery of the Department's commitments contained within the Executive's Programme for Government 2011-15, together with the Departmental strategic objectives for the period. Separate Business Plans for each year set out the actions to be taken in support of the strategic objectives.

The Department of Finance and Personnel's operational business plan for 2015-16 is a one-year stand-alone plan that draws on the existing Programme for Government commitments and the strategic objectives set in our 2012-15 Corporate Plan. It will be followed by a multi-year corporate plan in line with the next PfG.

Table 3 shows the net current and net capital baselines available to the Department in 2015-16. These baselines were set as part of budget 2015-16 which was published on 19 January 2015.

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Table 3

Spending Area	2015-16	
	Current Expenditure £m	Capital Investment £m
Finance and Personnel Policy	20.3	1.3
NICS Shared Services	57.5	6.6
NI Statistics & Research Agency	10.1	2.0
Land & Property Services	20.6	1.5
EU Programmes	1.3	0.7
Special EU Programmes Body	1.2	-
NICS Accommodation Services	64.5	10.9
TOTAL*	175.5	23.0

*There may be slight variations due to roundings.

Whilst the Department continues to face a difficult financial environment in the future, Savings Delivery Plans to date have been successfully delivered and the Department is therefore reasonably confident that it can continue to deliver its existing essential services within the resources that have been allocated. However, recognising the financial pressures that exist, if any changes took place in relation to the Budget for 2015-16, this could lead to decisions that may have a material impact on the Department's future financial position and fundamentally challenge the services delivered by the Department.

The Stormont House Agreement contains a commitment to reduce the number of NICS Departments from 12 to 9 following the Assembly election in May 2016, which will involve functions transferring from some departments to others. The number, names and high level functions of the new departments are currently being considered by Ministers. It is anticipated that staff working in the affected areas will move with the function. The proposed 9-departmental model outlines a machinery of government change where the functions of the Department of Finance and Personnel will remain substantially unchanged.

Estate Management

Properties Division is responsible for the provision of Government office accommodation and services throughout Northern Ireland, including new and refurbished office accommodation, building maintenance and management, and the Stormont Estate grounds. Properties Division also has responsibility for promoting energy efficiency in the public sector, for making Building and Energy Performance Regulations for Northern Ireland and for managing the NICS Art Collection.

Significant progress has been made on improving the efficiency of the office estate in the past year:

- Over 9,500 m² of floor space accommodating 870 workstations was fitted out to WorkplaceNI standards;
- Seven leases were surrendered, allowing PD to vacate over 12,000m² of office space, with an in-year saving of £957k;
- Savings of around £100k made as a result of the implementation of a new Belfast City Centre car parking contract and further rationalisation of car parking requirements;
- The Stormont Estate was awarded the prestigious 'Green Flag' award on Monday 28 July 2014 (the benchmark national standard for parks and green spaces in the United Kingdom); *and*
- Promotion of biodiversity and environmental issues on the Stormont Estate through a partnership established with the Ulster Wildlife Trust.

Risks and Uncertainties

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Risk management has been incorporated into the corporate planning and decision-making processes of the Department. The Department has a Policy and Framework for Risk Management, which defines the framework and describes the process for identifying and managing risks. Further details on the Department's capacity to handle risk, the risk and control framework within which the Department operates, and a review of effectiveness of the Department's system of internal control are provided in the Governance Statement.

Events after the Reporting Period

Since 31 March 2015, applications for the Voluntary Exit Scheme have been processed, communicated and agreed with staff. This has resulted in an obligation arising on the department, since the balance sheet date. This is a non-adjusting event and consequently, the 2014-15 accounts have not been adjusted. It is expected that payments to settle this liability will be made during the 2015-16 financial year.

There were no other events after the financial period requiring adjustment to or disclosure in these accounts.

PUBLIC INTEREST AND OTHER

Equal Opportunities in the NI Civil Service

The Department is responsible for the equal opportunities policy for the Northern Ireland Civil Service (NICS) as a whole. The policy states that "all eligible persons shall have equal opportunity for employment and advancement in the Northern Ireland Civil Service on the basis of their ability, qualifications and aptitude for the work". The policy is currently under review, although this key statement will remain at the core of the new policy. DFP is also responsible for meeting the NICS's obligations under the Fair Employment Legislation.

The Department has developed a corporate NICS Dignity at Work Policy. The policy reinforces the message that everyone has a part to play in creating a harmonious working environment where everyone is treated with dignity and respect. It also sets out the standards of behaviour that are expected from all staff, and details the means by which staff can discuss in confidence any concerns they might have about unwanted, unreasonable and offensive conduct, and the procedures in place for making a complaint. The policy is currently under review.

The Department has also developed a diversity awareness training package for NICS staff. Whilst this course provides the most important basic details of relevant legislation and policies, the emphasis is personal and practical, focusing on behaviours in the workplace. This is a mandatory training requirement for all NICS staff - all new entrants to the Department will be required to attend the classroom version of the diversity awareness training package whilst all other staff will complete the on-line training package.

In 2014 the Department launched new guidance for line managers when dealing with requests from staff with disabilities for adjustments in the workplace. The guidance highlights the issues to be considered, the importance of keeping records and where to look for additional support. It is also designed to help ensure that any requests for an adjustment in the workplace are handled effectively, efficiently and sympathetically to meet the needs of the individual and the NICS.

Equal Opportunities in the Department

The Department is an Equal Opportunity employer and is fully committed to the elimination of all forms of harassment and bullying, discrimination and victimisation. The Department recognises the legal

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obligations under which it operates and promotes working relationships that are based on mutual trust, respect and understanding. This allows the maximum potential to be made of the wide variety of skills, abilities and attributes available within the Department.

In addition, the Department continues to offer a range of work-life balance and family friendly policies including flexible working hours, career breaks, special leave and alternative working arrangements such as job sharing, part-time and term-time working.

Equality Agenda

The Department remains committed to the promotion of equality of opportunity and human rights. We continue to ensure that all our policies comply with the Human Rights Act 1998 and that the Department continues to fulfill the duties required of it by Section 75 of the Northern Ireland Act 1998.

The current Departmental Equality Scheme, and associated Action Plan, was approved by Equality Commission Northern Ireland (ECNI) in 2012. The Department continued to implement the Action Plan during the year and our progress on this is detailed in the Department's Annual Report to ECNI. A Disability Action Plan was also developed to comply with our duties under the Disability Discrimination Act.

Strategic Equality Branch developed a new screening template for use by officials when considering policies and procedures. This template still contains the four standard questions as recommended by ECNI, but is more closely related to the Department's business and incorporates our Human Rights and Disability duties.

Our Equality consultees are notified of all screening exercises as and when they are completed. The Equality Scheme, Action plan, Annual Progress Report, Disability Action Plan, revised screening template and screening exercises can all be accessed on the Department's website at:

<http://www.dfpni.gov.uk/publications-foi/publications-browse/publication-scheme-who-we-are-what-we-do/departamental-equality-scheme.htm>.

Contact with the Voluntary and Community sector continues through various fora for the benefit of both the sector and the Department and we have contributed to the development of major cross-departmental strategies on Disability and Autism. We are also represented on the Charter Implementation Group on Regional languages and the Sign Language partnership.

Strategic Equality Branch has been involved with the development of a new training course for staff on the equality screening of policies. This course will form part of the suite of courses on Equality matters offered by the Centre for Applied Learning (CAL).

Persons with Disabilities

The Department is committed to ensuring that its policies and practices comply with the requirements of the Disability Discrimination Act 1995 and subsequent amendments. Since 1 January 2007, disability duties task public authorities with promoting positive attitudes towards disabled people and encouraging participation of disabled people in public life. The Department also produces a disability action plan to illustrate how it proposes to fulfil these duties.

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Employee Involvement

The Department recognises the benefit of keeping all employees regularly informed about progress towards achieving aims and objectives. The Department's Corporate and Operational Plans, which set out its priorities, targets and values, are communicated to all staff - plans for Directorates are also available online. Monthly team briefs at a local level keep staff informed about work in progress and the Department's performance against key targets, and give staff the opportunity to feed back issues to senior management. Staff are kept updated by an online Staff Brief, which is issued monthly, as well as interim messages of importance issued by email via a Staff News System. This streamlines the amount of information that staff receive, and helps to ensure that information is communicated in a timely and relevant way which staff can readily understand. A quarterly on-line magazine provides a further opportunity for employees to contribute good news stories providing a mix of business and social articles. Staff have access to a departmental intranet, which contains information and guidance on corporate and staff related matters. There is also a Latest News section and events calendar to keep staff up to date and informed. The Department also consults and negotiates with Trade Union Side, through central, Departmental and local Whitley arrangements.

Health and Safety

The Department is committed to complying with all existing health and safety at work legislation and regulations to ensure staff and visitors enjoy the benefits of a safe working environment. As the majority of DFP staff are office based, hazards in the workplace are a lower risk level than in other work environments, however there are a number of staff involved in higher risk activities, e.g. lone workers, drivers and porters. Hazards are managed through health and safety management, good procedures, housekeeping measures and a clear set of responsibilities for managers and staff at all levels. Premises Officers are instructed to report all accidents/incidents/dangerous occurrences to the Health and Safety Advisor in order that they can be investigated.

A policy statement entitled "Health and Safety Policy Statement, Organisation and Other Arrangements" was circulated to all staff in 2010 and is also available on the intranet. This outlines the Department's commitment towards Health and Safety and makes clear its obligations to staff. It also informs staff of their responsibilities under the Health and Safety legislation. This is currently being updated.

Health and Safety Advice is provided by the Departmental Health and Safety Advisor who provides support on all aspects of health and safety at work for staff in the Department.

Building and Energy Performance Regulations

The Department worked with colleagues from other jurisdictions to address implementation issues arising from the recast Energy Performance of Buildings Directive (EPBD). Throughout the year significant input was provided to Member State reports required by the European Commission. The Department also undertook a series of district council audits to provide assurance of compliance with the EPBD.

Work continues on the development of the planned 3rd amendment to The Building Regulations (Northern Ireland) 2012, programmed for delivery in 2017. To facilitate this, work is progressing on filling vacancies on the Northern Ireland Building Regulations Advisory Committee.

The Department published the 2012-13 Public Sector Energy Consumption Report (PSEC). This detailed energy consumption and expenditure data for approximately 3,000 buildings across the Northern Ireland public sector estate. To further improve energy efficiency in public sector buildings, the Department commenced a review of the 'Energy Manual'. This will provide premises officers and energy managers

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with an insight into key legislative changes and practical steps that can be taken by to improve energy efficiency in buildings.

Fire Safety Unit continued to provide a range of specialist services to ensure the health and safety of staff occupying a diverse range of public sector buildings. This included advice to Premises Officers and Design Teams, carrying out over 400 Fire Risk Assessments, providing fire safety training to 4,700 staff including the development of a new interactive Fire Safety Training video to be released in May 2015. Throughout the year Fire Safety Unit reported on 10 fire occurrences.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) remains important to the Department. The Department continues to demonstrate its commitment to the three elements of its CSR Policy, namely the workplace, social impact/community involvement and the environment. Within the workplace, diversity, work-life balance and health and well-being policies and initiatives continue to be driven forward. The Department works closely with the Business in the Community organisation co-ordinating both team and individual volunteer projects, for the benefit of the community and the environment as well as benefiting staff and the Department. In addition, efficient environmental management practices and sustainability remain a priority for the Department.

Information Assurance

Information Assurance (IA) Self Assessment Exercise

The Departmental Business Plan target for 2014-15 required each business area to achieve Level 3 compliance of the “HMG Information Assurance Maturity Model (IAMM)”. The primary purpose of the review is to provide the Departmental Board, the Accounting Officer and the Senior Information Risk Owner with an independent opinion of the extent to which Departmental business areas have achieved their main IA goals. These are:

- Embedding Information Risk Management Culture within the Business area;
- Implementing best practice IA measures; *and*
- Effective Compliance

The aim of the Self Assessment exercise is to demonstrate that the IA processes are implemented in all critical areas of the business to support the collection, processing, and storage and sharing of information within the Department and the wider NICS. Level 3 Business Enabling is considered to be the minimum baseline standard that the Department needs to achieve for the delivery of effective Information Risk Management measures for business critical systems. The IAMM tool kit provided the mechanism to capture and produce a clear output of the Department’s level of maturity towards IA.

Business area Self Assessments are now complete and final reports have been issued. The aim was for each business area to achieve Level 3 compliance in each of the six IAMM themes. Three business areas received full compliance and the remaining six excelled in the majority of the themes. The outcome has provided a positive assurance for the Department.

The objective for 2015-16 is to consolidate Level 3 compliance with the “HMG IA Maturity Model”.

Information Assurance (IA) Services and IT Health Checks

A framework contract is in place since November 2012 for IA Services and IT Health Checks and continues to provide the specialist expertise required to support a programme of system accreditation

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work. This includes penetration testing of websites and systems to ensure storage, handling and transmission of electronic information.

Security Risk Management Overview (SRMO)

The SRMO is an annual high level compliance assessment against the HMG Security Policy Framework which covers all aspects of personnel, physical and IT security. The assessment is independently reviewed by Internal Audit and approved on behalf of the Permanent Secretary by the Senior Information Risk Owner.

Payment to Suppliers

The Department is committed to the prompt payment of bills for goods and services received in accordance with the Late Payment of Commercial Debts (Interest) Act 1998. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or on presentation of a valid invoice or similar demand, whichever is the later.

The prompt payment performance has reduced slightly compared to 2013-14. The Department's performance in relation to the payment of invoices within 30 days was 95.82%, a decrease of just 2.02% in comparison with the previous year (2013-14: 97.8%). As a result of the late payment of bills in 2014-15 the Department did not incur any interest charges (2013-14: £422).

Additionally, in November 2008 in response to the economic position, the Minister for Finance and Personnel announced that Northern Ireland Departments would aim to ensure that valid invoices are paid within 10 days. In 2014-15 an average of 91.09% of DFP's invoices were paid within 10 days; this represents a decrease of 1.42% on 2013-14 during which an average of 92.4% of DFP's invoices were paid within 10 days.

Full details of performance in terms of paying invoices within 30 days and 10 days can be found at <http://www.accountni.dfpni.gov.uk/index/working-with-suppliers/faqs-3.htm>.

Complaints Handling

The Department is committed to providing a high quality service and, as such, welcomes all feedback, both positive and negative, which is used to assist with the improvement of our services. DFP has a 2-stage complaint process, which is set out in our Customer Service Standards (Standard 9 - Having a Complaints Procedure) on the internet:

<http://www.dfpni.gov.uk/customer-service-standards-dfp.pdf>

Each Directorate/Agency is responsible for keeping a register of complaints received and ensuring that these are investigated in line with the Departmental Complaints Procedure and appropriate responses are issued to each complainant. They will also evaluate any 'lessons learned' from individual cases and see if resulting improvements can be embedded into operating procedures.

In 2014-15 the Department dealt with 1,407 complaints (2013-14; 1,519 complaints). Of these complaints 40% originated in Land and Property Services, 31% in HR Connect, 7% in Properties Division and 12% in NI Direct.

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Gender Analysis at 31 March 2015

	Female staff	Male Staff	Total Staff
Departmental Board	2	9	11
Senior Civil Service	11	22	33
DFP Employees	1,661	1,832	3,493

APPROVED AND SIGNED

A handwritten signature in black ink, appearing to read 'D Sterling', with a large, stylized flourish at the end.

DAVID STERLING
Accounting Officer
Department of Finance and Personnel

Date: 22 June 2015

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STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (NI) 2001, the Department of Finance and Personnel **has directed the Department 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 Department and of its net resource outturn, application of resources, changes in taxpayers' 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 the Department of Finance and Personnel, 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 financial statements; *and*
- prepare the accounts on a going concern basis.

The Department of Finance and Personnel has appointed the Permanent Head of the Department as Accounting Officer of the Department.

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 Department of Finance and Personnel's assets, are set out in the Accounting Officers' Memorandum issued by the Department of Finance and Personnel and published in *Managing Public Money Northern Ireland*.

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GOVERNANCE STATEMENT

The Department of Finance and Personnel is one of twelve Northern Ireland departments created as part of the Northern Ireland Executive by the Northern Ireland Act 1998, the Departments (Northern Ireland) Order 1999 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. The Department is governed under a model with the following responsibilities:

- the Minister for Finance and Personnel reports to the Northern Ireland Executive on all of the functions of the Department;
- the Permanent Secretary has responsibility to the Minister for the day-to-day operation of the departmental functions and as Accounting Officer for the managing and controlling of the resources used by the Department; *and*
- the Departmental Board (the Board) provides collective leadership, strategic direction and has responsibility for operational delivery of the functions of the Department.

The Department's organisation chart is shown at **Annex A**.

This Governance Statement, which has been agreed by the Board, sets out how these responsibilities have been discharged during 2014-15.

Context

The context in which the Department's governance arrangements are required to operate is set out in the [DFP Corporate Plan 2012-15](#) which contains the strategic priorities for DFP over the period. The DFP Business Plan 2014-15 sets out the Department's vision, objectives and targets and how the Department will work to deliver its Departmental level objectives. This plan has been published on the Department's internet site and can be downloaded at www.dfpni.gov.uk.

As the Department with responsibility for securing and allocating the resources available to Northern Ireland through the block grant, DFP plays a key role in fulfilling the Northern Ireland Executive's aim of rebalancing and rebuilding the NI economy and is taking forward a number of key commitments within [Programme for Government 2011 - 2015](#) in this regard, namely:

- continuing to work with the UK government to examine the administrative arrangements and full financial consequences for devolution of the powers to vary the rate of Corporation Tax;
- eliminating Air Passenger Duty on long haul flights from Northern Ireland; *and*
- implementing proposals for the rating of commercial properties which includes enhancements to the Small Business Rates Relief scheme and the introduction of a Large Retail Levy.

In addition to these important economic measures, DFP is also taking forward further commitments in relation to:

- providing guidance to Departments on the inclusion of social clauses in procurement contracts for supplies, services and construction;
- further reductions in the levels of sickness absence across the Northern Ireland Civil Service; *and*
- improving online access to government services by the citizen.

The Department of Finance and Personnel's operational business plan for 2015-16 is a one-year stand-alone plan that draws on the existing Programme for Government commitments and the strategic objectives set in our 2012-15 Corporate Plan. It will be followed by a multi-year corporate plan in line with the next PfG.

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Accounting Officer

The Permanent Secretary as Departmental Accounting Officer is responsible to the Minister and to the Assembly for the proper handling and reporting of the use of public money by the Department under the main principles set out in Managing Public Money NI and for establishing and maintaining a sound system of internal control for the management of resources under his control.

At the beginning of the financial year, the Accounting Officer delegated responsibility to each of his Directors and Chief Executives for the management of budgets within their respective business areas. He receives formal assurances twice yearly from each Director and Chief Executive on risk management, governance, financial management and delegations within their respective areas of responsibility in the format of stewardship statements. Key issues emanating from those statements are reflected in this Governance Statement.

Departmental Board

The Accounting Officer chairs the Board which in 2014-15 met on 11 occasions. In addition to the Permanent Secretary, the Board comprises the Departmental Solicitor, Directors and Chief Executives who head the Department's directorates and agency, including the Director of Finance and the Director of Corporate Services. The Board is further strengthened by the inclusion of two independent members who bring a wide range of skills, experience and external challenge to the work of the Department. Minutes of all Board meetings are published on the departmental website.

During 2014-15 the Board held regular discussions on finance and HR issues, performance against business plan objectives, fraud and whistleblowing, management of departmental risks and articles for the Staff Brief. In addition, the Board also considered and discussed papers in relation to, for example:

- Budget Savings;
- Internal Review actions;
- Customer Survey Report;
- Well Being at Work Survey 2014 – Stress Report and Action Plan;
- Energy Efficiency/Carbon Reduction Plan 2014-17;
- Northern Ireland Digital Transformation Programme;
- Cyber Security;
- Innovation Lab on Procurement;
- Formation of a DFP Casework Committee;
- Information Assurance;
- LPS rate collection;
- Community Planning;
- NICS Live; *and*
- Staff Innovation Scheme.

It is envisaged that the Board will discuss similar issues covering the breadth of the Department's areas of responsibility during 2015-16, including the impact of the Voluntary Exit Scheme and future budget reductions.

The Board is fully committed to the highest standards of corporate governance and complies to the relevant extent with the best practice set out in "*Corporate governance in central government departments: Code of good practice (NI) 2013*" issued under DAO (DFP) 06/13 in April 2013.

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Attendance of non-executive and executive members at Board meetings during 2014-15:

	Number of Meetings attended
Non-executive members	
Stephen Hodkinson	10 of 11
Dolores O'Reilly	10 of 11
Executive members	
Stephen Peover	2 of 2
David Sterling	9 of 9
Des Armstrong	9 of 11
Colum Boyle	6 of 6
Anne Breen	11 of 11
Michael Brennan	8 of 11
Norman Caven	9 of 11
Colin Lewis	10 of 11
Oswyn Paulin	10 of 11
Colin Sullivan	10 of 11
Paul Wickens	8 of 11
John Wilkinson	4 of 5
Brigitte Worth	10 of 11

A formal review of the Board's effectiveness, including a review of the quality of data received, was conducted in March 2014 by the Corporate Improvement Centre. An Improvement Plan was drawn up and agreed by the Board and this is currently being implemented.

Declarations of Interest

Departmental HR maintains a "Register of Interests" for members of the Senior Civil Service, including both Executive and non-Executive Directors on the DFP Board. Declarations include anything which may give rise to conflict with the position of Board member, including:

- Private occupations, such as sitting on the boards of other public bodies;
- Payment for private work;
- Relationships with suppliers and/or consultants with whom DFP does business;
- Gifts or benefits received in connection with work in DFP;
- Membership of professional institutes and/or committees; *and*
- Any other interests that could have a conflict.

For 2014-15, the Accounting Officer has been provided with assurance that no Board members have declared any conflict of interest with the business of the Department.

Relationships with Agencies and Other Bodies

The Permanent Secretary has designated the Chief Executive of the Northern Ireland Statistics and Research Agency (NISRA) as Agency Accounting Officer with responsibility for the propriety and regularity of Agency expenditure.

The Department also has joint responsibility for one North/South body, Special European Union Programmes Body (SEUPB). SEUPB is a grant aided body and expenditure is accounted for in the Departmental accounts via the issue of a grant.

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The Chief Executive Officer of SEUPB is the Accountable Person responsible for the efficient and effective administration of the Body. The responsibilities of the Chief Executive are set out in the Financial Memorandum and include ensuring that appropriate financial and other management controls are in place to safeguard public funds and conform to the requirements of propriety, regularity and financial management. The Chief Executive Officer is responsible for signing the SEUPB accounts and ensuring they are prepared in accordance with relevant guidance.

Departmental Audit and Risk Committee

The Departmental Audit and Risk Committee (DARC) supports the Accounting Officer and the Board on issues of risk, control and governance. In addition, DARC provides assurances and advice to the Accounting Officer on the adequacy of audit coverage both internal and external. DARC is chaired by one of the independent members and operates under the best practice guidance contained within the Audit and Risk Assurance Committee Handbook (NI) issued under DAO (DFP) 05/14 in March 2014.

The Committee met on 4 occasions during the course of 2014-15. The Corporate Risk Register was provided to all meetings and the Committee reviewed in detail departmental level risks in relation to:

- Departmental budgets and managing the risk of over and under spends;
- Levels of collection and debt recovery in relation to domestic and non-domestic rates;
- Managing sickness absence within both the NICS and DFP;
- Implementation of the interim rate rebate scheme;
- Levels of assurance in relation to information risk within NICS;
- Public Sector Reform;
- Reform of Public Service Pension Schemes;
- Peace IV and Interreg VA Programmes;
- Regularity of payments in relation to EU Programmes 2007-13 for which DFP is the Accountable Department; *and*
- Equal Pay vulnerabilities.

The risk profile for the Department has also been reviewed regularly by the Board and DARC, and during the course of the year new controls and management actions have been put in place to mitigate the risks and to minimise the impact should they materialise. This has resulted in the re-grading of risk status, and the inclusion and removal of risks at departmental level as necessary.

The Departmental Board has agreed a Risk Appetite Statement which articulates the amount of risk the Department is prepared to accept, tolerate or be exposed to in pursuit of its strategic objectives or from other inherent issues which although not directly linked to the strategic objectives have an impact on the risk profile of the Department.

In addition to the risk register, the DARC considered papers in relation to a range of corporate governance and internal control issues, including, for example:

- Progress against internal audit plans and development of future plans;
- Progress against internal audit recommendations;
- Departmental Resource Accounts;
- Stewardship Statements provided by all Business Area Directors;
- Reports to Those Charged with Governance and Value for Money reports provided by NI Audit Office;
- Accountability Grids in relation to Public Accounts Committee recommendations; *and*
- Fraud and whistleblowing.

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The Chair of the DARC presents the minutes of each DARC meeting to the Departmental Board, and prepares an annual report outlining the work undertaken by the Committee and providing assurance on the systems of internal control in operation across DFP.

A review of DARC effectiveness was undertaken in February 2015 and an Action Plan was drawn up and agreed by the DARC and is currently being implemented.

All meetings of DARC are attended by representatives from the Northern Ireland Audit Office (NIAO) and the Chair of the Committee holds independent meetings separately with the NIAO and Head of Internal Audit to discuss any particular issues of concern.

Financial Management

Financial Management reporting to the Board plays a significant part in the effective monitoring and management of the Department's financial performance. The Board regularly reviews actual income and expenditure against budgets to form the basis of collective Board decisions about the allocation and use of resources and to ensure that the Department's financial management target of avoiding overspend and managing underspend within a tolerance of 1.5% is met.

The Finance Director provides monthly financial management reports to the Board and provides advice and recommendations on the allocation of departmental resources. This is supported by business areas providing actual and forecast information and analysis of variance against budgets which enables the Board to assess the extent to which corrective action is needed to address the Department's financial position.

As a result of a recommendation highlighted in the March 2014 review of Board Effectiveness, the Board established a process whereby business cases involving significant expenditure are reviewed by a "casework committee" comprising of 3 Departmental Board members who are independent of the business area proposing the project prior to approval being granted. This process commenced in November 2014 and reviewed 7 projects in the period to 31 March 2015.

Governance and Control Framework

The Department's Governance and Control Framework is the system by which the work of the Department is directed and controlled. This includes how the Department plans, sets and monitors achievement of its corporate objectives, how the risks to the achievement of those corporate objectives are identified and managed and what controls are in place to provide assurance that the Board is in control of the risks to achieving the stated objectives.

The Governance and Control Framework contains advice and guidance to business areas on corporate governance and financial management including the approvals necessary for various types of expenditure. It also contains sources of information on the departmental approach to issues such as anti-fraud measures, charging, information security, procurement and whistleblowing arrangements.

A key element of the Governance and Control Framework is the DFP Policy and Framework for Risk Management which sets out the approach to the identification and management of risk at all levels across the Department. The Departmental Board regularly reviews and manages departmental risks on the Corporate Risk Register, by evaluating each risk to determine the likelihood and impact of the risk occurring, and ensuring that controls and mitigating actions are in place. The Corporate Risk Register is supported by further risk registers at Directorate and Agency level.

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Departmental Performance

The DFP Operational Plan 2014-15 sets out the targets and objectives for the year against which performance is reported and monitored. Progress has been reported quarterly to the Board as part of the Corporate Performance Report using a RAG status assessment of each target and narrative on the actions taken to deliver the expected outcomes.

As part of the Corporate Performance Reports, the Board also receives, thoroughly reviews and seeks improvements to information on key departmental statistics in relation to performance in responding to Assembly Questions, FOI and Data Protection requests, prompt payment to suppliers, workforce planning, resourcing and absence management, compliance with performance management framework, procurement and contract activity and expenditure on areas of interest such as external consultancy and hospitality.

Progress against targets in the Operational Plan is also reported twice yearly to the Minister and scrutinised by the Committee for Finance and Personnel at oral evidence sessions with the Permanent Secretary. Other key senior officials also attend evidence sessions on specific areas of departmental business as requested by the Committee.

The Department's Programme for Government commitments have been reported on a quarterly basis to the Office of the First Minister and Deputy First Minister (OFMDFM), and where necessary, further information has been provided of the mitigating actions being taken to minimise the risk of failure to deliver the desired outcomes.

The Operational Plan is supported by lower level plans at Directorate, Agency and Divisional level and is cascaded further into individual staff Personal Performance Agreements.

Level of Assurance

The Accounting Officer is responsible for reviewing the effectiveness of the system of internal control. This review is informed by the information provided in stewardship statements from Directors bi-annually. These stewardship statements are based on assurances provided by managers within business areas on risk management, financial management, compliance with approvals and delegations and on the implementation of Internal Audit recommendations. Further assurance is provided by the Head of Internal Audit on compliance with the controls and actions recommended in audit assignments which have been conducted.

The Department's internal audit function has conducted a programme of work during 2014-15 which has enabled the provision of opinions on the systems of internal control in operation across the Department. The reports by internal audit to senior managers provide an objective and independent assessment of the systems of internal control in operation across DFP together with prioritised recommendations to strengthen controls and implement further improvements.

In his Annual Assurance Report, the Head of Internal Audit provided an overall **satisfactory** opinion on the governance, risk management and control arrangements across DFP. A synopsis of the main findings from each audit was provided to DARC, and the majority of audits were provided with a **satisfactory**, and in some cases, a **substantial** audit opinion.

However, **limited** opinions were provided in the following areas:

- Accounts Payable; The issues identified in Accounts Payable were the controls over the recording of cheques in the Valuables Log and handover to Bill to Cash, no easily accessible central record

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of manual payment requests, no check on lift-off requests and the unavailability and/or adequacy of procedural guidance. Account NI management has taken positive steps to address all the issues identified.

- Properties Division -Estate Management Unit; The main areas of concern were non-retention of Fire Safety Work Progress Monitoring Forms and no evidence of the forms being sent to the Fire Officer and Property Management Branch (PMB) Job Officer, non-retention of Business Case Approvals for requests exceeding £1,500 nor is there a record of submission and approval of the Business Case, no project evaluation upon project completion, TRIM containers with agreements and correspondence in relation to leases not appropriately restricted and the Properties Division Cyclical Maintenance List was inaccurate and not up to date. Properties Division developed an action plan to monitor the implementation of recommendations made and arrangements have been made for Internal Audit to carry out a follow up Audit commencing in June 2015.
- Central Procurement Directorate (CPD) – Direct Award Contracts; CPD’s processes and quality management system are designed for competitive tendering. Procurement Guidance Note (PGN) 03/11 (Award of a contract without a competition) introduced new processes for the treatment of Direct Award Contracts (DACs) including the requirement for Accounting Officer approval before CPD formalise the contract. The internal audit on DACs was carried out against the processes designed for competitive tendering and therefore a number of non compliances were found (e.g. absence of business case approval, absence of tender documents, incomplete quality plans, a lack of formal acceptance of the contractual terms and conditions by both the client and the contractor). Following the audit CPD developed a new quality plan for DACs more applicable to a process which did not involve a tendering procedure and recognising that not all of the issues identified were totally within the control of CPD. Internal Audit conducted a follow up on this review and is satisfied with the positive action taken by management and as such the limited opinion no longer applies.
- DSO – Litigation; The main issues identified were the lack of guidance for use of the Civil Panel List, use of a fees account with Northern Ireland Court and Tribunal Service (NICTS) and the timeliness and authorisation of billing amounts, the absence of Service Level Agreements (SLAs) with clients, inadequate documentation of quality review of cases, plaintiff’s professional fees for High Court cases not agreed to detailed supporting documentation, clients not being invoiced on a timely basis, use of retrospective purchase orders and file storage capacity at Centre House. Internal Audit conducted a follow up on this report and although only three recommendations had been fully implemented Internal Audit were satisfied that a timetable for implementation had been developed and will be monitored by DSO senior management.

Internal Audit conducted follow-ups in those areas where limited audit opinions had been provided in 2013-14, namely ESS HRConnect – Recruitment, CPD Strategic IT Management, CPD Supplies and Service, HRConnect Information Management, NISRA – Economic Labour Market Survey, NISRA – Corporate Services HR and NISRA – Regional Reporting and since most recommendations have been implemented the limited opinions are no longer applicable. Internal Audit also conducted a follow-up in Properties Division – Minor Works, which had received a limited opinion in 2013-14, and reported that management has fully implemented three recommendations, partially implemented six recommendations whilst nine recommendations had not been implemented. However, Internal Audit has met with Properties Division since the follow up and is satisfied that very positive progress is being made towards full implementation.

DSO – Commercial and Property Division received a limited audit opinion in 2012-13. Internal Audit conducted a follow-up review to this report but management had only partially implemented two of the seven recommendations made. Internal Audit has since conducted another full audit and many of the

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same recommendations remain outstanding. The report is still in draft but Internal Audit considers a limited opinion is still appropriate.

Internal Audit also conducted a follow-up to the reports on DSO – Advisory 1-4, DSO Corporate Services and CPD – Business Support Unit where an unacceptable audit opinion had been provided. Many recommendations in the DSO audits have not yet been implemented and so a limited audit opinion now prevails but Internal Audit was satisfied that a satisfactory audit opinion is now appropriate for the Business Support Unit.

DARC was provided with further assurances from the heads of the respective business areas of DSO, NISRA, CPD and ESS that action plans were in place to implement the majority of Internal Audit recommendations made during these audits.

Management was agreed that these audits did not contain control weaknesses which were significant enough to affect the overall audit opinion for DFP.

The Head of Internal Audit reported that he is generally satisfied that senior management has taken action to implement the recommendations made by internal audit to address any control weaknesses identified.

The DARC receives a summary position of the Recommendations Register, which details all agreed Internal Audit Recommendations, at each meeting. This supports DARC in identifying those recommendations which are past due or which require further discussion at DARC level.

The Departmental Security Officer ensures that the risks in relation to personal, physical and IT security are effectively managed and has conducted routine inspections of building and office security, reporting any breaches to senior management for appropriate action.

The Senior Information Risk Owner (SIRO) is a Board member and has clearly defined reporting responsibilities in providing an annual assessment of information risk performance to the Accounting Officer. An Information Risk Register is now operational in the Department and is designed to provide the Board and the SIRO with an oversight of corporate and operational information risks, including risks associated with both the manual and electronic processing of personal and sensitive data.

The Department has an Information Assurance (IA) Framework in place which supports sound governance arrangements. The Department has also adopted the HMG Information Assurance Maturity Model (IAMM) and the Security Policy Framework in developing a strategic approach to IA. The Departmental Board instigated a review in 2014 with the objective that each Business Area achieves Level 3 compliance with the IAMM.

Internal Control Issues

In September 2007 an administrative error in the Lands Register occurred when a caseworker cancelled an existing Lender's mortgage entry relating to a Lands Folio in the Land Register, when a discharged mortgage entry should have been cancelled. This resulted in a case being brought against DFP by a Lender to recoup losses. At the request of management, DFP Internal Audit undertook a review of LPS' processes for the Registration and Release of Mortgages and Charges on the Land Register. LPS Registration Directorate has conducted a review of cases dating back a number of years, including examining five thousand 2014 completed charge cases, a review of charges relating to companies from the period 2005 to 2014 and the isolation and review of incoming correspondence from Solicitors. In addition, LPS Registration Directorate has introduced a Quality Assurance process for current registrations to mitigate any associated risk. Training arrangements and Quality Assurance updates to staff through team briefs remain a priority. Internal Audit considers that the exercises undertaken provide

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assurance that the historical risk of potential error within the Registration and Release of Mortgages and Charges on the Land Register is minimal. Furthermore the introduction of a dedicated Quality Assurance team and the associated processes that have been developed should ensure that the level of error in ongoing and new cases will be further reduced.

The Department has entered into a number of legal settlements during the year, some of which have included confidentiality clauses. During the Department's year-end audit processes it has been recognised that all such clauses should have been subject to Accounting Officer and DFP Supply approval following a commitment made to the PAC in 2010-11. DFP is consulting with the NIAO on this issue as it has become clear that further guidance to all departments is necessary to ensure that there is clarity and consistency around the requirements in this area. In the meantime the Department will take steps to ensure that all further agreements are subject in advance to approval by the Accounting Officer and DFP Supply.

Fraud prevention and awareness

The DFP Fraud Working Group continued to meet and correspond during 2014-15 to consider issues in relation to fraud, raise awareness of anti-fraud measures and disseminate information pertinent to the prevention and detection of fraud. Actions taken during 2014-15 include the update of business area fraud risk assessments and the departmental Fraud Risk Register, the update of the DFP Anti Fraud Policy and Fraud Response Plan, and the commencement of the National Fraud Initiative 2014.

The Department takes a zero tolerance approach to fraud, reporting instances of fraud to the police as necessary. The Department also participates fully in the National Fraud Initiative by investigating matches in relation to payroll, pensions, trade creditors, rates and housing benefit data.

Whistleblowing arrangements are in place and can be used to raise concerns about alleged impropriety, wrongdoing, corruption, fraud or malpractice.

NIAO Value for Money Reports

The Northern Ireland Audit Office presented no value for money studies within DFP during 2014-15.

Conclusion

Taking into account all of the arrangements set out in this Governance Statement, the Department has effective corporate governance structures in place and has satisfactory systems of internal control which have operated effectively during 2014-15.

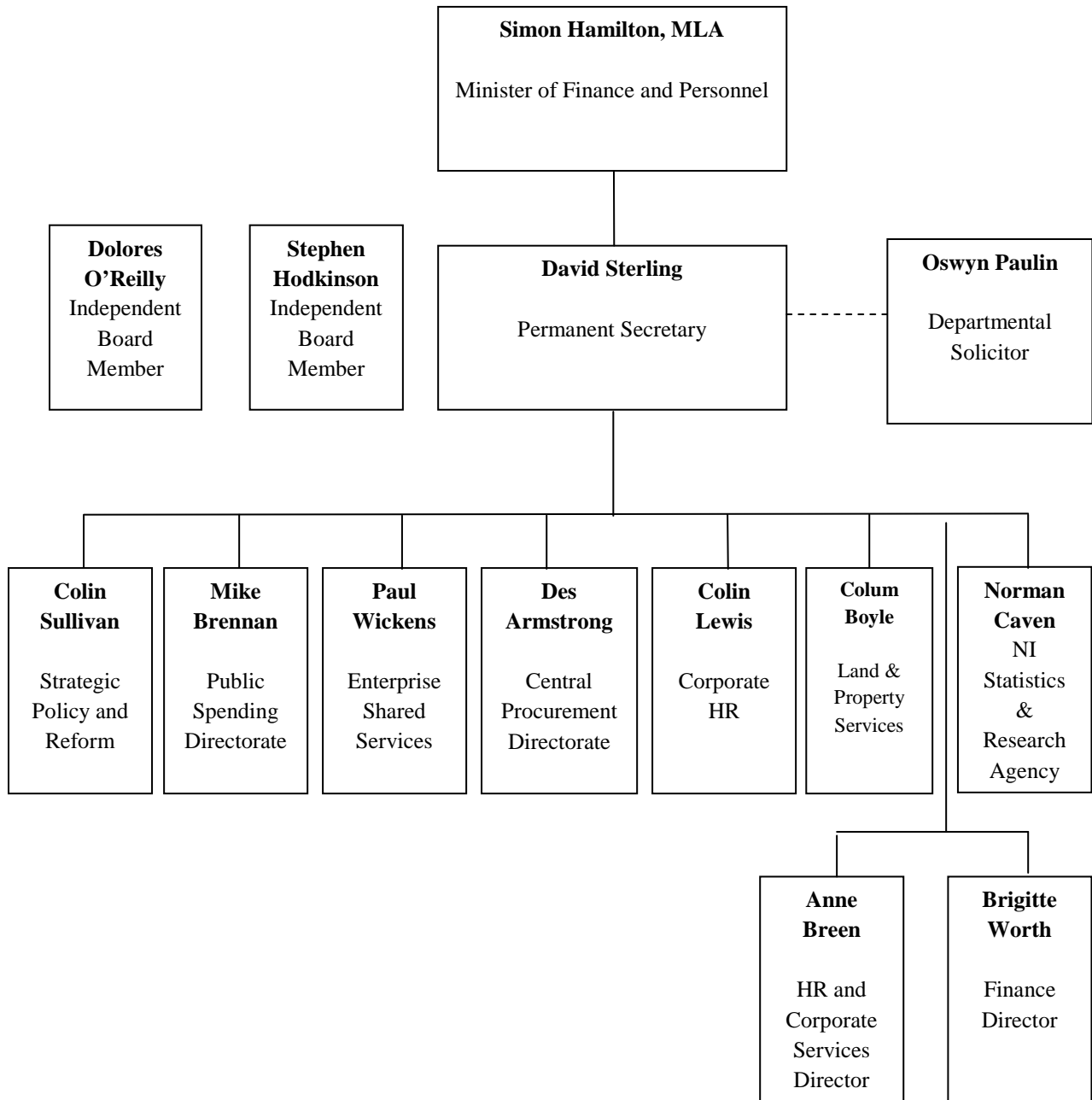
APPROVED AND SIGNED



DAVID STERLING
Accounting Officer
Department of Finance & Personnel
Date: 22 June 2015

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ANNEX A DFP Organisation Chart 2014-15



**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

**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 Department of Finance and Personnel for the year ended 31 March 2015 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. I have also audited the Statement of Assembly Supply 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 Accounting Officer 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, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. I conducted my audit in accordance with 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 Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2015 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2015 and of its net operating cost, cash flows and changes in taxpayers' equity 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) 2001; and
- the information given in the Directors' Report and Strategic 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 and the part of the Remuneration Report to be audited 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 Governance Statement does not reflect compliance with the 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 2015

DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Statement of Assembly Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires the Department of Finance & Personnel to prepare a Statement of Assembly Supply (SOAS) and supporting notes to show resource outturn against the Supply Estimate presented to the Assembly, in respect of each request for resources.

Summary of Resource Outturn 2014-15

Request for resources	Note	Estimate			Outturn			2014-15 £000	2013-14 £000
		Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total	Net Total outturn compared with Estimate: saving/(excess)	Outturn
A	SOAS 2	314,345	(103,391)	210,954	297,636	(100,921)	196,715	14,239	196,616
Total resources	SOAS 3	314,345	(103,391)	210,954	297,636	(100,921)	196,715	14,239	196,616
Non-operating cost Accruing Resources				586			586	-	431

Net cash requirement 2014-15

	Note	Estimate	Outturn	2014-15 £000	2013-14 £000
				Net total outturn compared with Estimate: saving/(excess)	Outturn
Net cash requirement	SOAS 4	239,418	216,197	23,221	187,131

Summary of income payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics)

Note	Income	2014-15 £000 Forecast Receipts	Income	2014-15 £000 Outturn Receipts
Total	SOAS 5	81	81	173

Explanations of variances between Estimate and outturn are given in Note SOAS 2 and in the Management Commentary.

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Notes to the Departmental Resource Accounts (Statement of Assembly Supply)

SOAS 1. Statement of accounting policies

The Statement of Assembly Supply and supporting notes have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel. The Statement of Assembly Supply accounting policies contained in the FReM are consistent with the requirements set out in the 2014-15 Consolidated Budgeting Guidance and Supply Estimates in Northern Ireland Guidance Manual.

SOAS 1.1 Accounting convention

The Statement of Assembly Supply and related notes are presented consistently with Treasury budget control and Supply Estimates in Northern Ireland. The aggregates across government are measured using National Accounts, prepared in accordance with the internationally agreed framework 'European System of Accounts' (ESA95). ESA95 is in turn consistent with the System of National Accounts (SNA93), which is prepared under the auspices of the United Nations.

The budgeting system and the consequential presentation of Supply Estimates and the Statement of Assembly Supply and related notes have different objectives to IFRS-based accounts. The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with relevant Assembly authority, in support of the Government's fiscal framework. The system provides incentives to departments to manage spending well so as to provide high quality public services that offer value for money to the taxpayer.

The Government's objectives for fiscal policy are set out in the Charter for Budget Responsibility. These are to:

- ensure sustainable public finances that support confidence in the economy, promote intergenerational fairness, and ensure the effectiveness of wider government policy; *and*
- support and improve the effectiveness of monetary policy in stabilising economic fluctuations.

SOAS 1.2 Comparison with IFRS-based accounts

Many transactions are treated in the same way in the Statement of Assembly Supply and IFRS-based accounts, but there are a number of differences as detailed below.

SOAS 1.2a Prior Period Adjustments (PPAs)

PPAs resulting from an error in previous recording, or from an accounting policy change initiated by the department, need to be voted by the Assembly in the current year, whereas in IFRS-based accounts (IAS 8) they are treated as adjustments to previous years. (PPAs resulting from a change in accounting policy brought in by a new or modified accounting standard are not included in Estimates, so there is no misalignment).

SOAS 1.2b Unrealised Foreign Exchange Movements

Exchange movements are only recognised in Estimates once they are realised. Under IFRS all exchange movements, whether realised or unrealised, are included in net operating cost.

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RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

Notes to the Departmental Resource Accounts (Statement of Assembly Supply)

SOAS 1.2c Consolidated Fund Extra Receipts (CFERS)

Not all income can be used to fund current budgets and in these cases the income must be surrendered to the NI Consolidated Fund, and are known as Consolidated Fund Extra Receipts (CFERSs). These are not included in Estimates but are recognised as income under IFRS and included in net operating cost.

The Assembly approves limits on the amounts that can be treated as accruing resources and these limits are set out in the Budget Act. Any income generated over this limit is known as an excess accruing resource, and must be excluded from the net resource outturn against Estimate. Like other CFERS this is recognised as income under IFRS and included in net operating cost.

**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

SOAS 2. Analysis of net resource outturn by function

	Outturn						2014-15 £000 Estimate	2013-14 £000		
	Admin	Other Current	Grants	Gross Resource Expenditure	Accruing Resources	Net Total	Net total outturn compared with Estimate	Net total outturn compared with Estimate, adjusted for virements	Prior- year outturn	
Request for Resources A										
Departmental Expenditure in DEL:										
1. Finance and Personnel Policy	45,337	583	182	46,102	(24,713)	21,389	21,177	(212)*	18,175	
2. NICS Shared Services	76,887	60	-	76,947	(16,475)	60,472	60,738	266	62,165	
3. Northern Ireland Statistics and Research Agency	1,340	24,844	-	26,184	(16,641)	9,543	9,617	74	10,211	
4. Land and Property Services	891	59,587	20	60,498	(28,520)	31,978	32,253	275	29,664	
5. EU Peace Programmes	-	-	936	936	(702)	234	232	(2)	299	
6. EU Community Initiatives	-	-	11,348	11,348	(8,510)	2,838	3,120	282	2,523	
7. European Regional Development Fund	-	226	-	226	-	226	350	124	29	
8. NICS Accommodation Services	74,051	-	-	74,051	(5,360)	68,691	68,051	(640)	67,162	
Annually Managed Expenditure (AME):										
9. NICS Shared Services	-	599	-	599	-	599	583	(16)	539	
10. NICS Accommodation Services	-	(191)	-	(191)	-	(191)	10,200	10,391	2,951	
11. Provisions	-	(244)	-	(244)	-	(244)	2,855	3,099	1,395	
12. NICS Equal Pay Claim	-	(125)	-	(125)	-	(125)	-	125	259	
Non-Budget:										
13. Special EU Programmes Body	-	-	1,009	1,009	-	1,009	1,428	419	1,062	
14. Notional Charges	296	-	-	296	-	296	350	54	182	
Resource Outturn	198,802	85,339	13,495	297,636	(100,921)	196,715	210,954	14,239	14,239	196,616

*Excess arising from Accruing Resources Outturn being less than the amount included in the Estimate.

Key to Request for Resources

RfR A: To help the Executive secure the most appropriate and effective use of resources and services for the benefit of the community and deliver quality, cost effective and efficient public services and administration in the Department's areas of executive responsibility.

**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

Explanation of the variation between Estimate and outturn (net total resources):

The net resource outturn was **£196.7m** against an estimated provision of **£211.0m**.

The total underspend was **£14.3m**, split between the departmental expenditure limit (DEL) **£0.2m**, the annually managed expenditure (AME) **£13.6m** and non-budget **£0.5m**.

By definition AME covers areas of expenditure that are more volatile. The main area of underspend is in relation to the reduction in value of office estate as a result of changes in market value, which was less than anticipated.

Explanation of the variation between Estimate and Outturn (net cash requirement):

The Department's net cash requirement outturn was **£216.2m** against an estimated provision of **£239.4m**, a variance of **£23.2m**. The bulk of the variance from estimate (£19.9m) relates to the movement in working capital other than cash.

Detailed explanations of the variances are given in the Management Commentary.

SOAS 3. Reconciliation of outturn to net operating cost and against Administration Budget

SOAS 3.1 Reconciliation of net resource outturn to net operating cost

			2014-15 £000	2013-14 £000	
	Note	Outturn	Supply Estimate	Outturn compared with Estimate	Outturn
Net Resource Outturn	SOAS 2	196,715	210,954	14,239	196,616
Prior Period Adjustments		-	-	-	-
Non-supply income (CFERs)	SOAS 5	(108)	(81)	27	(2,411)
Non-supply expenditure		222	-	(222)	(71)
Net operating cost in Consolidated Statement of Comprehensive Net Expenditure		196,829	210,873	14,044	194,134

SOAS 3.2 Outturn against final Administration Budget

		2014-15 £000	2013-14 £000
	Budget	Outturn	Outturn
Gross Administration Budget	199,934	198,752	193,116
Income allowable against the Administration Budget	(49,149)	(47,705)	(44,349)
Net outturn against final Administration Budget	150,785	151,047	148,767

SOAS Notes 1 to 7 and Notes 1 to 23 form part of these accounts.

**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

SOAS 4. Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £000	Outturn £000	Net Total outturn compared with Estimate: saving/(excess) £000
Resource outturn	SOAS 2	210,954	196,715	14,239
Capital				
Acquisition of property, plant and equipment		54,062	53,541	521
Non-operating Accruing Resources				
Proceeds of asset disposals		(586)	(449)	(137)
Accruals to cash adjustments				
<i>Adjustments to remove non-cash items:</i>				
Non-cash items	3, 4, 5	(47,155)	(33,233)	(13,922)
Changes in working capital other than cash		20,000	57	19,943
Changes in payables falling due after more than one year		-	(2,027)	2,027
Use of provision	16	2,143	1,593	550
Excess cash receipts surrenderable to the Consolidated Fund	SOAS 5	-	-	-
Net cash requirement		239,418	216,197	23,221

SOAS 5. Income payable to the Consolidated Fund

SOAS 5.1 Analysis of income payable to the Consolidated Fund

In addition to Accruing Resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	Note	Forecast 2014-15 £000		Outturn 2014-15 £000	
		Income	Receipts	Income	Receipts
Operating income and receipts – excess Accruing Resources		-	-	-	-
Other operating income and receipts not classified as Accruing Resources		81	<i>81</i>	108	<i>108</i>
		<u>81</u>	<u><i>81</i></u>	<u>108</u>	<u><i>108</i></u>
Non-operating income and receipts – excess Accruing Resources	SOAS 7	-	-	65	<i>65</i>
Amounts collected on behalf of the Consolidated Fund	SOAS 5.2	-	-	-	-
Excess cash surrenderable to the Consolidated Fund	SOAS 4	-	-	-	-
Total income payable to the Consolidated Fund		81	<i>81</i>	173	<i>173</i>

SOAS 5.2 Consolidated Fund Income

Consolidated Fund income shown in note SOAS 5.1 above does not include any amounts collected by the Department where it was acting as agent of the Consolidated Fund rather than as principal. Full details of income collected as agent for the Consolidated Fund are in the Department's Trust Statement, published separately from these financial statements.

SOAS Notes 1 to 7 and Notes 1 to 23 form part of these accounts.

**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

SOAS 6. Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund

	Note	2014-15 £000	2013-14 £000
Operating income	6	101,029	94,804
Adjustments for transactions between RfRs		-	-
Gross income		101,029	94,804
Income authorised to be Accruing Resources		(100,921)	(92,393)
Operating income payable to the Consolidated Fund	SOAS 5.1	108	2,411

SOAS 7. Non-operating income – Excess Accruing Resources

	2014-15 £000	2013-14 £000
Book value of disposals of property, plant and equipment	65	-
Non-operating income – Excess Accruing Resources	65	-

SOAS Notes 1 to 7 and Notes 1 to 23 form part of these accounts.

DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Consolidated Statement of Comprehensive Net Expenditure
for the year ended 31 March 2015

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2014-15			2013-14		
		£000			£000		
		Core Department			Core Department		
		Staff Costs	Other Costs	Income	Staff Costs	Other Costs	Income
Administration Costs:							
Staff costs	3	74,826			74,826		70,665
Other administration costs	4		123,945			123,976	121,532
Operating income	6			(47,761)			(44,723)
Programme Costs:							
Staff costs	3	41,448			61,341		40,114
Programme costs	5		32,755			37,715	33,141
Income	6			(27,472)			(24,988)
Income EU	6			(9,211)			(10,260)
Totals		116,274	156,700	(84,444)	136,167	161,691	(101,029)
Net Operating Cost for the year ended 31 March 2015	SOAS 3			188,530			196,829
							185,481
							194,134

Other Comprehensive Net Expenditure

	2014-15		2013-14	
	£000		£000	
	Core Department	Consolidated	Core Department	Consolidated
Items that will not be reclassified to net operating costs:				
Net gain on revaluation of property, plant and equipment	(8,970)	(8,970)	(11,774)	(11,774)
Net gain on revaluation of intangibles	(916)	(972)	(1,580)	(1,670)
	(9,886)	(9,942)	(13,354)	(13,444)
Total Comprehensive Net Expenditure for the year ended 31 March 2015	178,644	186,887	172,127	180,690

SOAS Notes 1 to 7 and Notes 1 to 23 form part of these accounts.

**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

**Consolidated Statement of Financial Position
as at 31 March 2015**

This statement presents the financial position of the Department. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

		2015 £000		2014 £000	
	Note	Core Department	Consolidated	Core Department	Consolidated
Non-current assets:					
Property, plant and equipment	7	289,302	289,845	252,284	252,523
Intangible assets	8	52,054	55,765	58,746	62,305
Total non-current assets		341,356	345,610	311,030	314,828
Current assets:					
Assets classified as held for sale		500	500	896	896
Inventories	12	-	-	118	118
Trade and other receivables	14	41,966	46,777	41,987	46,005
Cash and cash equivalents	13	32,707	32,964	34,081	34,291
Total current assets		75,173	80,241	77,082	81,310
Total assets		416,529	425,851	388,112	396,138
Current liabilities:					
Trade and other payables	15	(78,465)	(80,353)	(75,215)	(76,742)
Provisions	16	(844)	(858)	(2,170)	(2,170)
Total current liabilities		(79,309)	(81,211)	(77,385)	(78,912)
Non-current assets plus/less net current assets/liabilities		337,220	344,640	310,727	317,226
Non-current liabilities:					
Provisions	16	(111)	(111)	(103)	(103)
Other payables	15	(4,336)	(4,336)	(6,363)	(6,363)
Total non-current liabilities		(4,447)	(4,447)	(6,466)	(6,466)
Total assets less liabilities		332,773	340,193	304,261	310,760
Taxpayers' Equity & other reserves:					
General Fund		257,390	264,360	233,294	239,222
Revaluation Reserve		75,383	75,833	70,967	71,538
Total equity		332,773	340,193	304,261	310,760

Signed:



**David Sterling
Accounting Officer**

Date: 22 June 2015

SOAS Notes 1 to 7 and Notes 1 to 23 form part of these accounts.

DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Consolidated Statement of Cash Flows
for the year ended 31 March 2015

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Department during the reporting period. The statement shows how the Department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Departments' future public service delivery. Cash flows arising from financing activities include Assembly Supply and other cash flows, including borrowing.

	Note	2014-15 £000	2013-14 £000
Cash flows from operating activities			
Net operating cost		(196,829)	(194,134)
Adjustments for non-cash transactions	3, 4, 5	33,233	39,332
Increase in trade and other receivables		(772)	(5,431)
<i>Less movements in receivables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure</i>		(2,851)	(183)
Decrease in inventories		118	23
Increase in trade and other payables		2,696	2,784
<i>Less movements in payables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure</i>		4,268	4,182
Use of provisions	16	(1,593)	(2,318)
Net cash outflow from operating activities		(161,730)	(155,745)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(46,976)	(17,971)
Purchase of intangible assets	8	(6,565)	(6,718)
Proceeds of disposal of property, plant and equipment		449	282
Net cash outflow from investing activities	SOAS 4	(53,092)	(24,407)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		215,023	183,106
From the Consolidated Fund (Supply) – prior year		4,025	4,208
From the Consolidated Fund (non-Supply)		-	-
Capital element of payments in respect of finance leases and on-balance-sheet (SoFP) PFI and other service concession arrangements		(2,030)	(2,430)
Net financing		217,018	184,884
Net increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		2,196	4,732
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		-	-
Payments of amounts due to the Consolidated Fund		(2,411)	(4,163)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(215)	569
Cash and Cash equivalents at the beginning of the period	13	30,006	29,437
Cash and Cash equivalents at the end of the period	13	29,791	30,006

SOAS Notes 1 to 7 and Notes 1 to 23 form part of these accounts.

DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Consolidated Statement of Changes in Taxpayers' Equity
for the year ended 31 March 2015

This statement shows the movement in the year on the different reserves held by the Department, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). Financing and the balance from the provision of services are recorded here. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure.

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2013		242,848	63,700	306,548
Net Assembly Funding – drawn down		183,106	-	183,106
Net Assembly Funding – deemed		-	-	-
Supply receivable/(payable) adjustment	14	4,025	-	4,025
Amounts repayable to the Consolidated Fund				
- Operating income		(2,179)	-	(2,179)
- Excess Accruing Resources		(232)	-	(232)
- Non-operating income		-	-	-
Comprehensive Net Expenditure for the Year		(194,134)	13,444	(180,690)
Non-Cash Adjustments:				
Non-cash charges – auditor's remuneration	4	88	-	88
Non-cash charges – other notional costs	3, 4	94	-	94
Movements in reserves:				
Transfers between reserves		5,606	(5,606)	-
Balance at 31 March 2014		239,222	71,538	310,760
Net Assembly Funding – drawn down		215,023	-	215,023
Net Assembly Funding – deemed		-	-	-
Supply receivable/(payable) adjustment	14	1,174	-	1,174
Amounts repayable to the Consolidated Fund				
- Operating income	SOAS 5	(108)	-	(108)
- Excess Accruing Resources	SOAS 5	-	-	-
- Non-operating income		(65)	-	(65)
Comprehensive Net Expenditure for the Year		(196,829)	9,942	(186,887)
Non-Cash Adjustments:				
Non-cash charges – auditor's remuneration	4	224	-	224
Non-cash charges – other notional costs	3, 4	72	-	72
Movements in reserves:				
Transfers between reserves		5,647	(5,647)	-
Balance at 31 March 2015		264,360	75,833	340,193

Included within the revaluation reserve is £8.1m relating to intangibles, the balance of which at 31 March 2014 was £9.4m. During the accounting period, movements were charged at £1.3m.

SOAS Notes 1 to 7 and Notes 1 to 23 form part of these accounts.

**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

Notes to the Departmental Resource Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2014-15 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance and Personnel. The accounting policies contained in the *FReM* apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the *FReM* permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Department of Finance and Personnel for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Department of Finance and Personnel are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the *FReM* also requires the Department to prepare one additional primary statement. The *Statement of Assembly Supply* and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

Management have reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. With the exception of the following, management consider that these are unlikely to have a significant impact on the accounts in the period of initial application.

The IASB have issued new and amended standards (IFRS 10, IFRS 11 and IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards are effective from January 2013, with EU adoption from 1 January 2014.

Accounting boundary IFRSs are currently adapted in the *FReM* so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A review of the NI financial process, which will bring NI departments under the same adaptation, has been presented to the Executive, but a decision has yet to be made. Should the Executive agree to the recommendations, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

The IASB have issued IFRS 13 *Fair Value Measurement*, setting out the principles for the calculation and disclosure of fair value in financial statements. This standard is not yet EU adopted and the application is subject to further review by Treasury and the other Relevant Authorities before further due process consultation. The impact on the accounts in the period of initial application cannot be assessed at this stage.

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 and intangible assets. Inventories have not been revalued to current cost, as their value is not deemed to be material.

**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

Notes to the Departmental Resource Accounts

1.2 Basis of consolidation

These accounts comprise a consolidation of the non-agency parts of the Department (the core Department) and those entities which fall within the departmental boundary as defined in the *FReM*, interpreted for Northern Ireland. Transactions between entities included in the consolidation are eliminated.

A list of all those entities within the departmental boundary is given at Note 21.

1.3 Property, plant and equipment and intangible assets

Expenditure on property, plant and equipment of over £1,000 is capitalised, with the exception of computer equipment, which is capitalised if expenditure is over £500, and telecoms equipment, which has a capitalisation threshold of £5,000.

Databases, internally developed software and associated licenses costing greater than £500, and purchased software and associated licences costing greater than £1,000, are capitalised under intangible assets.

Capitalisation only occurs if the asset has an expected useful economic life of more than one year.

On initial recognition property, plant and equipment and intangible assets are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as “under construction” are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

All property, plant and equipment and intangible assets are carried at fair value.

Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenues Rating and Valuation (IRRV). Professional revaluations of land and buildings are undertaken every five years. A full professional valuation of land and buildings was undertaken by Land and Property Services (LPS) as at 1 April 2010. In addition, such assets are revalued annually, between professional valuations, using indices provided by LPS, a directorate within DFP. Properties are valued on the basis of open market value existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost.

Previously an interim valuation was performed in the third year of every five-year cycle, however this was amended during 2013-14. The current policy is to revalue annually those properties that have undergone significant works, or where a new property has been brought into use.

Professional valuations of antiques and artwork are undertaken every 5 years. Kim Mawhinney, Head of Art at National Museums Northern Ireland, undertook the most recent valuation as at 1 April 2012. Antiques and artwork are not subject to annual indexation.

**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

Notes to the Departmental Resource Accounts

With the exception of the above, and items under construction, fair value is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS). The indexation calculation reflects the annual movement in indices from December to December.

1.4 Depreciation

Property, plant and equipment 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. Depreciation is charged in the month of acquisition.

No depreciation is provided on freehold land and antique/artwork collections since they have unlimited or very long established useful lives. Items under construction are not depreciated until they are commissioned. Capital expenditure on leasehold improvements is depreciated over the remaining term of the lease.

Depreciable assets normally have useful lives in the following ranges:

Buildings	1-60 years
Motor vehicles	3-25 years
Plant and machinery	3-30 years
IT assets	3-12 years
Furniture and fittings	up to 10 years

The overall useful life of the Department's buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on these assets at the same rate as if separate components had been identified and depreciated at different rates.

1.5 Donated assets

The Department has a number of donated assets, including antiques within the Government Art Collection and refurbishment work undertaken at the Maynard Sinclair Pavilion in 2002-03 and 2003-04.

Donated assets are capitalised at their current value on receipt, and this value is recognised as income. Donated assets are revalued, depreciated and subject to impairment review in the same way as other non-current assets.

1.6 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Department, the asset is recorded as a non-current asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the Statement of Comprehensive Net Expenditure 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 Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Notes to the Departmental Resource Accounts

1.7 Inventories

Finished goods and goods for resale are valued at cost. Inventories are valued at net realisable value only when they either cannot or will not be used.

1.8 Service concession arrangements

The *FReM* requires that service concession arrangements should be accounted for in accordance with IFRIC 12 where the government body controls the use of the asset and the residual interest in the asset at the end of the arrangement. The Department therefore recognises assets that fall within this definition as non-current assets together with a liability to pay for them. The services received under the contract are recorded as operating expenses.

1.9 Operating income

Operating income is income which relates directly to the operating activities of the Department. It principally comprises fees and charges for services provided on a full cost basis to external customers as well as public repayment work.

It includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with the *FReM*, is treated as operating income. Operating income is stated net of VAT.

1.10 Administration and programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs under the administrative cost control regime set by the Department of Finance and Personnel.

1.11 Foreign exchange

Transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction. At the end of the reporting period monetary items are translated at the closing rate applicable at the period end date.

1.12 Grants payable

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Grants relating to activity occurring over a specific time period, usually a financial year, are recorded as expenditure for that period.

1.13 Employee benefits including pensions

Under the requirements of IAS 19: *Employee Benefits*, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end.

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) which are described in Note 3. The scheme is an

DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Notes to the Departmental Resource Accounts

unfunded defined benefit scheme. In 2014-15 members paid contributions of between 1.5% and 8.85% dependent on the pension arrangements to which they belong and their annual full-time equivalent rate of pensionable earnings. The Department recognises the expected cost of pension provision 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).

The Department is required to meet the additional cost of benefits beyond the normal PCSPS(NI) benefits in respect of employees who retire early or who qualify for Injury Benefits. The Department provides in full for the cost of the early retirement once it has been agreed and annually expenses the costs of Injury Benefit awards.

1.14 Provisions

The Department provides for legal or constructive obligations, which are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation. These relate to early departure charges, potential legal actions and provision for liabilities in respect of contracts. Where the effect of the time value of money is significant the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury.

1.15 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Department discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of *Managing Public Money Northern Ireland*.

These comprise:

- a. 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 Assembly by departmental Minute prior to the Department entering into the arrangement; *and*
- b. 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 IAS 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 IAS 37 are stated at the amounts reported to the Assembly.

1.16 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. VAT is recoverable on a departmental basis.

**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

Notes to the Departmental Resource Accounts

1.17 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when, it is extinguished.

The Department has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

In accordance with IAS 39 *Financial Instruments: Recognition and Measurement* trade receivables, cash and other receivables are classified as 'loans and receivables'. Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

The Department assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired.

The Department measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the Statement of Comprehensive Net Expenditure to the extent that a provision was not previously recognised.

Financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

1.18 Insurance

Only insurance costs in respect of motor vehicles are charged to the Statement of Comprehensive Net Expenditure.

DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Notes to the Departmental Resource Accounts

Departments do not generally insure. Cover for insurance is not provided against the following: fire, explosion, common-law third party and similar risks. Notional insurance premiums are not charged to the Statement of Comprehensive Net Expenditure. Instead expenditure in connection with uninsured risks is charged as incurred.

1.19 Comparatives

Comparative figures for the 2013-14 year are shown for those items listed in the primary schedules and associated notes, in compliance with the disclosure requirements of *FReM* unless otherwise stated.

1.20 Exceptional items

In accordance with *FReM*, disclosure of exceptional items is included under either administration or programme expenditure as appropriate. There were no exceptional items in 2014-15.

1.21 Third party assets

Third party assets are assets for which the Department acts as custodian or trustee but in which neither the Department nor government more generally has a direct beneficial interest. Third party assets are not public assets, and hence are not recorded in the primary financial statements.

1.22 Government grants receivable

Grants receivable for revenue purposes are recognised in the Statement of Comprehensive Net Expenditure so as to match them with the expenditure towards which they are intended to contribute.

Grants received as a contribution towards a non-current asset are recognised as income and taken through the Statement of Comprehensive Net Expenditure, unless the funder imposes a condition requiring that the future economic benefits embodied in the grant are consumed as specified by the grantor or must be returned to them. Assets funded by government grant are revalued, depreciated and subject to impairment review in the same way as other non-current assets.

1.23 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.

**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

Notes to the Departmental Resource Accounts

2. Statement of Operating Costs by Operating Segment

Reportable segment			2014-15 £000		2013-14 £000	
	Gross expenditure	Income	Net expenditure	Gross expenditure	Income	Net expenditure
Corporate Human Resources	10,785	(6,984)	3,801	9,530	(6,011)	3,519
Central Procurement Directorate	17,744	(13,069)	4,675	14,927	(11,333)	3,594
Corporate Services Division	4,648	(276)	4,372	4,950	(338)	4,612
Departmental Solicitors Office	7,556	(3,581)	3,975	7,347	(3,562)	3,785
Enterprise Shared Services	147,742	(21,819)	125,923	150,704	(21,680)	129,024
EU Programmes	7,398	(4,302)	3,096	9,526	(6,074)	3,452
Finance Division	1,536	(347)	1,189	1,827	(344)	1,483
Land and Property Services	59,066	(37,217)	21,849	55,914	(34,726)	21,188
Northern Ireland Statistics and Research Agency	24,679	(16,585)	8,094	23,362	(14,833)	8,529
Other Bodies	673	-	673	679	-	679
Public Spending Directorate	3,234	(19)	3,215	3,036	(31)	3,005
Strategic Policy and Reform Directorate	5,008	(558)	4,450	2,570	-	2,570
Centrally Managed	1,147	-	1,147	1,607	-	1,607
Total	291,216	(104,757)	186,459	285,979	(98,932)	187,047

Description of segments

The reportable segments detailed above are those reported monthly to the Departmental Board in the Financial Highlight Report. Refer to Appendix 1 for the key roles and responsibilities of each segment. During 2014-15 Corporate Services Group was split at Board reporting level into three separate areas for greater transparency and accountability in reporting. During 2013-14 the former Central Finance Group became two separate directorates: Public Spending Directorate and Strategic Policy and Reform Directorate.

**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

Notes to the Departmental Resource Accounts

2.1 Reconciliation between Operating Segments and CSoCNE

Reportable segment	Total net expenditure reported for operating segments	Notional Costs	Cost of Rate Collection Income	Capital Grants	Consolidated Fund Extra Receipts	Adjustment of Unrealised Exchange Gains/Losses and Non Budget SEUPB	Reallocation of Centrally Managed	2014-15
								£000
								Total net expenditure per the Consolidated Statement of Comprehensive Net Expenditure
Corporate Human Resources Central Procurement Directorate Corporate Services Division	3,801	22	-	-	-	-	-	3,823
Departmental Solicitors Office Enterprise Shared Services	4,675	-	-	-	-	-	-	4,675
EU Programmes Finance Division Land and Property Services Northern Ireland Statistics and Research Agency Other Bodies Public Spending Directorate Strategic Policy and Reform Directorate Centrally Managed	4,372	-	-	-	-	-	-	4,372
	3,975	-	-	-	-	-	-	3,975
	125,923	76	-	-	-	-	-	125,999
	3,096	-	-	1,668	(41)	(234)	-	4,489
	1,189	106	-	-	(15)	-	676	1,956
	21,849	60	8,748	-	(52)	-	298	30,903
	8,094	32	-	-	-	-	173	8,299
	673	-	-	-	-	-	-	673
	3,215	-	-	-	-	-	-	3,215
	4,450	-	-	-	-	-	-	4,450
	1,147	-	-	-	-	-	(1,147)	-
Total	186,459	296	8,748	1,668	(108)	(234)	-	196,829

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Notes to the Departmental Resource Accounts

Reportable segment	Total net expenditure reported for operating segments	Notional Costs	Cost of Rate Collection Income	Capital Grants	Consolidated Fund Extra Receipts	Adjustment of Unrealised Exchange Gains/Losses and Non Budget SEUPB	Reallocation of Centrally Managed	2013-14
								£000
								Total net expenditure per the Consolidated Statement of Comprehensive Net Expenditure
Corporate Human Resources Central	3,519	-	-	-	-	-	-	3,519
Procurement Directorate	3,594	-	-	-	-	-	-	3,594
Corporate Services Group	6,774	128	-	-	(23)	-	1,493	8,372
Departmental Solicitors Office	3,785	-	-	-	-	-	-	3,785
Enterprise Shared Services	129,024	3	-	-	-	-	-	129,027
EU Programmes	3,452	-	-	843	(2,149)	(454)	-	1,692
Land and Property Services	21,188	-	8,695	-	(7)	-	41	29,917
Northern Ireland Statistics and Research Agency	8,529	51	-	-	-	-	73	8,653
Public Spending Directorate	3,005	-	-	-	-	-	-	3,005
Strategic Policy and Reform Directorate	2,570	-	-	-	-	-	-	2,570
Centrally Managed	1,607	-	-	-	-	-	(1,607)	-
Total	187,047	182	8,695	843	(2,179)	(454)	-	194,134

3. Staff numbers and related costs

Staff costs comprise:

	Permanently employed staff*	Others	Minister	2014-15	2013-14
				£000	£000
				Total	Total
Wages and salaries	103,383	4,177	38	107,598	102,795
Social security costs	7,825	60	4	7,889	7,493
Other pension costs	20,672	-	8	20,680	19,206
Sub Total	131,880	4,237	50	136,167	129,494
Less recoveries in respect of outward secondments	(9,888)	-	-	(9,888)	(9,040)
Total net costs **	121,992	4,237	50	126,279	120,454
Of which:					
	Charged to Administration		Charged to Programme	Total	Total
Core Department	74,379		41,110	115,489	110,015
Agency	-		10,790	10,790	10,439
Total net costs	74,379		51,900	126,279	120,454

*Permanently employed staff includes the cost of the Department's Special Adviser who is paid in the pay band £59,037-£91,809 (2013-14: £58,452 – £91,809).

** Of the total, £1,300k has been charged to capital (2013-14: £1,032k).

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Notes to the Departmental Resource Accounts

The Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) is an unfunded multi-employer defined benefit scheme which produces its own resource account, but DFP is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2015.

For 2014-15, employers' contributions of £20,411k were payable to the PCSPS(NI) (2013-14: £19,105k) at one of four rates in the range 18 to 25 per cent (2013-14: 18 to 25 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during 2014-15. The valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2015-16, the new rates will range from 20.8 to 26.3 per cent. The contribution rates are set to meet the cost of benefits accruing during 2014-15 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account; a stakeholder pension with an employer contribution. Employers' contributions of £40,551 (2013-14: £37,383) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent (2013-14: 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 £2,713 (2013-14: £2,587), 0.8 per cent (2013-14: 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 due to the partnership pension providers at the reporting period date were £Nil (2013-14: £Nil). Contributions prepaid at that date were £Nil (2013-14: £Nil).

Ministerial responsibility for the Department of Finance and Personnel for the 2014-15 financial year rested with Simon Hamilton, MLA. His Ministerial salary and allowances were paid by the Northern Ireland Assembly and have therefore been treated as a notional cost in these resource accounts. Details of his Ministerial salary, allowances and other benefits are given above. These amounts do not include costs relating to the Minister's role as MLA which are disclosed elsewhere.

Ill-health retirements

Ten persons (2013-14: fifteen persons) retired early on ill-health grounds during the year. The total additional accrued pension liabilities in the year amounted to £16,549 (2013-14: £29,917).

**DEPARTMENT OF FINANCE AND PERSONNEL
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Notes to the Departmental Resource Accounts

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the Department as well as in agencies and other bodies included within the consolidated departmental resource account.

Activity	Permanent staff	Others	Ministers	Special Advisers	Staff on inward secondment	Agency, temporary and contract staff	2014-15	2013-14
							Number	Number
							Total	Total
Corporate Human Resources	206	-	-	-	-	5	211	197
Central Procurement Directorate	331	-	-	-	-	10	341	316
Corporate Services Group	137	-	1	1	-	1	140	191
Departmental Solicitors Office	122	-	-	-	-	8	130	125
Enterprise Shared Services	818	-	-	-	1	12	831	879
Land and Property Services	1,082	-	-	-	-	111	1,193	1,186
Northern Ireland Statistics and Research Agency	406	-	-	-	-	88	494	470
Public Spending Directorate	62	-	-	-	-	-	62	39
Strategic Policy & Reform Directorate	86	-	-	-	1	3	90	75
Staff engaged on capital projects *	-	-	-	-	-	-	-	-
Total	3,250	-	1	1	2	238	3,492	3,478
Of which:								
Core Department	2,844	-	1	1	2	150	2,998	3,008
Agency	406	-	-	-	-	88	494	470

* The Department does not employ any staff exclusively for capital projects.

3.1 Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Core Department			Core Department and Agency		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0 (2013-14: 0)	2 (2013-14: 2)	2 (2013-14: 2)	0 (2013-14: 0)	2 (2013-14: 3)	2 (2013-14: 3)
£10,000 - £25,000	0 (2013-14: 0)	4 (2013-14: 3)	4 (2013-14: 3)	0 (2013-14: 0)	4 (2013-14: 3)	4 (2013-14: 3)
£25,000 - £50,000	0 (2013-14: 0)	3 (2013-14: 1)	3 (2013-14: 1)	0 (2013-14: 0)	3 (2013-14: 1)	3 (2013-14: 1)
£50,000 - £100,000	0 (2013-14: 0)	0 (2013-14: 2)	0 (2013-14: 2)	0 (2013-14: 0)	0 (2013-14: 2)	0 (2013-14: 2)
£100,000 - £150,000	0 (2013-14: 0)	0 (2013-14: 0)	0 (2013-14: 0)	0 (2013-14: 0)	0 (2013-14: 0)	0 (2013-14: 0)
£150,000 - £200,000	0 (2013-14: 0)	0 (2013-14: 0)	0 (2013-14: 0)	0 (2013-14: 0)	0 (2013-14: 0)	0 (2013-14: 0)
Total number of exit packages	0 (2013-14: 0)	9 (2013-14: 8)	9 (2013-14: 8)	0 (2013-14: 0)	9 (2013-14: 9)	9 (2013-14: 9)
Total resource cost/£k	0 (2013-14: 0)	£187k (2013-14: £231k)	£187k (2013-14: £231k)	0 (2013-14: 0)	£187k (2013-14: £237k)	£187k (2013-14: £237k)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs are accounted for in full in the year of departure. Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

**DEPARTMENT OF FINANCE AND PERSONNEL
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Notes to the Departmental Resource Accounts

4. Other Administration Costs

		2014-15 £000		2013-14 £000	
Note	Core Department	Consolidated	Core Department	Consolidated	
Rentals under operating leases:					
	Other Operating Leases	16,637	16,637	14,343	14,343
	Hire of Plant and Machinery	97	97	58	58
Interest charges:					
	Finance Leases	611	611	813	813
Non-cash items:					
Depreciation:					
	Departmental Estate	11,592	11,592	13,234	13,234
	Other Property, Plant and Equipment	6,368	6,368	6,665	6,665
	Amortisation of Intangible Assets	11,717	11,717	11,038	11,038
	(Profit)/Loss on Disposal of Assets	93	93	(2)	(2)
	Permanent Diminution in Value of Assets	345	345	381	381
	Auditor's Remuneration and Expenses	214	224	78	88
	Other Notional Costs	1	22	3	44
Other expenditure:					
	Accounting and Information Technology	28,811	28,811	26,960	26,960
	Rates	17,375	17,375	16,982	16,982
	Costs of Government Estate	12,296	12,296	14,098	14,098
	Accommodation, Maintenance and Utilities	9,794	9,794	10,475	10,475
	Personnel and Training Costs	3,288	3,288	2,788	2,788
	Other Sundry	2,233	2,233	1,687	1,687
	Travel and Subsistence and Hospitality	1,014	1,014	964	964
	Printing, Stationery and Advertising	744	744	770	770
	Legal Costs	671	671	192	192
	Bad Debts and Bad Debt Provision	44	44	5	5
Total		123,945	123,976	121,532	121,583

During 2014-15 the Department purchased the following non-audit services from its auditor, the Northern Ireland Audit Office:

Participation in the 2014-15 National Fraud Initiative £21k (2013-14: £7k).

**DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

Notes to the Departmental Resource Accounts

5. Programme Costs

		2014-15 £000		2013-14 £000	
	Note	Core Department	Consolidated	Core Department	Consolidated
EU Grant Expenditure		10,661	10,661	10,488	10,488
Other Grant Expenditure		2,836	2,836	2,061	2,061
PFI Service Charges		5,719	5,719	4,417	4,417
Legal Expenditure		15	32	91	91
Non-cash items:					
Depreciation:					
Departmental Estate		1,025	1,025	1,106	1,106
Other Property, Plant and Equipment		602	730	644	819
Amortisation of Intangible Assets		1,668	2,279	1,529	2,127
Loss on Disposal of Assets		112	114	145	150
Permanent Diminution in Value of Assets		(1,615)	(1,615)	2,053	2,053
Provisions:					
Provided for in year	16	814	828	2,214	2,214
Provisions not required written back	16	(539)	(539)	(635)	(635)
Other expenditure:					
Accounting and Information Technology		3,519	4,480	3,027	3,705
Registrar Charges		-	2,333	-	2,273
Bad Debts and Bad Debt Provision		2,525	2,525	2,247	2,247
Accommodation, Maintenance and Utilities		2,040	2,401	1,559	1,880
Interest Payable		43	43	114	114
Other Costs		1,262	1,575	524	1,037
Travel and Subsistence and Hospitality		571	626	591	641
Printing, Stationery and Advertising		391	472	357	409
Personnel and Training Costs		459	542	454	505
Hire of Plant and Machinery		161	161	177	177
Other Operating Leases		35	35	20	21
Exchange Losses/(Gains)		451	452	(42)	(39)
Total		32,755	37,715	33,141	37,861

6. Income

	2014-15 £000	2013-14 £000
Admin:		
Sales and Recharges	41,816	38,093
Recovery of Accommodation and Facilities Cost	2,186	2,572
Buildings	1,103	1,067
Other Fees, Levies and Charges	1,812	1,805
Other Income	397	693
Recovery of Seconded Costs	447	493
	47,761	44,723
Programme:		
Sale of Maps and Mapping Data (including Royalties and Licences)	9,950	10,022
Other Fees, Levies and Charges	12,942	10,433
Sales and Recharges	9,057	7,955
Recovery of Seconded Costs	9,441	8,547
Mapping and Geodetic Services	2,513	2,787
EU Grant Income (Current)	4,206	7,730
EU Grant Income (Capital)	5,005	2,530
Other Income	154	77
	53,268	50,081
Total	101,029	94,804
Of which:		
Core Department	84,444	79,971

**DEPARTMENT OF FINANCE AND PERSONNEL
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Notes to the Departmental Resource Accounts

7. Property, plant and equipment

7(a) Property, plant and equipment for the year ended 31 March 2015

	Land £000	Buildings including Dwellings £000	Antiques £000	Assets Under Construction £000	Transport £000	Plant & Machinery £000	Information Technology £000	Furniture & Fittings £000	Total £000
Cost or Valuation									
At 1 April 2014	68,304	215,609	1,952	-	444	3,252	45,594	27,113	362,268
Reclassifications	-	-	-	-	-	-	-	-	-
Additions	-	39,783	-	120	-	124	5,406	1,543	46,976
Donations	-	-	-	-	-	-	-	-	-
Disposals	(35)	(2,105)	-	-	-	(204)	(5,434)	(93)	(7,871)
Revaluations (Note b)	(966)	9,137	9	-	(1)	62	9	28	8,278
Impairments charged to SoCNE (Note b)	4	1,531	-	-	-	-	(10)	-	1,525
Indexations charged to Reserves (Note b)	-	-	-	-	-	-	-	-	-
Net Transfers	-	-	-	-	-	-	-	-	-
At 31 March 2015	67,307	263,955	1,961	120	443	3,234	45,565	28,591	411,176
Depreciation									
At 1 April 2014	-	60,809	-	-	315	1,933	28,525	18,163	109,745
Reclassifications	-	-	-	-	-	-	-	-	-
Charged in year	-	10,991	-	-	38	285	6,709	1,692	19,715
Disposals	-	(1,968)	-	-	-	(188)	(5,309)	(81)	(7,546)
Revaluations (Note b)	-	(711)	-	-	(6)	20	(8)	17	(688)
Impairments charged to SCNE (Note b)	-	98	-	-	-	7	-	-	105
Indexation charged to Reserves (Note b)	-	-	-	-	-	-	-	-	-
Net Transfers	-	-	-	-	-	-	-	-	-
At 31 March 2015	-	69,219	-	-	347	2,057	29,917	19,791	121,331
Carrying amount at 31 March 2015	67,307	194,736	1,961	120	96	1,177	15,648	8,800	289,845
Carrying amount at 31 March 2014	68,304	154,800	1,952	-	129	1,319	17,069	8,950	252,523
Asset financing:									
Owned	67,307	185,533	1,906	120	96	1,177	15,648	8,800	280,587
UK Grant Funded	-	-	-	-	-	-	-	-	-
EU Grant Funded	-	7,948	-	-	-	-	-	-	7,948
Donated	-	999	55	-	-	-	-	-	1,054
Finance leased	-	256	-	-	-	-	-	-	256
Carrying amount at 31 March 2015	67,307	194,736	1,961	120	96	1,177	15,648	8,800	289,845

DEPARTMENT OF FINANCE AND PERSONNEL
RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Notes to the Departmental Resource Accounts

7(b) Property, plant and equipment for the year ended 31 March 2014

	Land £000	Buildings including Dwellings £000	Antiques £000	Assets Under Construction £000	Transport £000	Plant & Machinery £000	Information Technology £000	Furniture & Fittings £000	Total £000
Cost or Valuation									
At 1 April 2013	71,608	203,611	1,952	183	455	2,973	41,727	24,444	346,953
Reclassifications	39	286	-	(183)	-	-	-	-	142
Additions	-	6,585	-	-	41	223	8,569	2,553	17,971
Donations	-	-	-	-	-	-	-	-	-
Disposals	-	(425)	-	-	(52)	(63)	(4,598)	(4)	(5,142)
Revaluations (Note b)	(3,184)	9,193	-	-	-	119	(34)	120	6,214
Impairments charged to SoCNE (Note b)	(159)	(3,641)	-	-	-	-	(44)	-	(3,844)
Indexations charged to Reserves (Note b)	-	-	-	-	-	-	-	-	-
Net Transfers	-	-	-	-	-	-	(26)	-	(26)
At 31 March 2014	68,304	215,609	1,952	-	444	3,252	45,594	27,113	362,268
Depreciation									
At 1 April 2013	-	56,343	2	(1)	326	1,683	26,049	16,096	100,498
Reclassifications	-	(104)	-	1	-	-	-	-	(103)
Charged in year	-	12,378	-	-	43	261	7,112	2,030	21,824
Disposals	-	(425)	-	-	(52)	(61)	(4,568)	(4)	(5,110)
Revaluations (Note b)	-	(5,600)	(2)	-	(2)	50	(47)	41	(5,560)
Impairments charged to SoCNE (Note b)	-	(1,783)	-	-	-	-	(8)	-	(1,791)
Indexation charged to Reserves (Note b)	-	-	-	-	-	-	-	-	-
Net Transfers	-	-	-	-	-	-	(13)	-	(13)
At 31 March 2014	-	60,809	-	-	315	1,933	28,525	18,163	109,745
Carrying amount at 31 March 2014	68,304	154,800	1,952	-	129	1,319	17,069	8,950	252,523
Carrying amount at 31 March 2013	71,608	147,268	1,950	184	129	1,290	15,678	8,348	246,455
Asset financing:									
Owned	68,304	145,057	1,906	-	129	1,319	17,069	8,950	242,734
UK Grant Funded	-	-	-	-	-	-	-	-	-
EU Grant Funded	-	8,243	-	-	-	-	-	-	8,243
Donated	-	979	46	-	-	-	-	-	1,025
Finance leased	-	521	-	-	-	-	-	-	521
Carrying amount at 31 March 2014	68,304	154,800	1,952	-	129	1,319	17,069	8,950	252,523

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7(c) Analysis of property, plant and equipment

	Land £000	Buildings including Dwellings £000	Antiques £000	Assets Under Construction £000	Transport £000	Plant & Machinery £000	Information Technology £000	Furniture & Fittings £000	Total £000
The carrying amount of property, plant and equipment comprises:									
Core Department 2015	67,307	194,692	1,961	-	96	1,172	15,274	8,800	289,302
Agency 2015	-	44	-	120	-	5	374	-	543
Core Department 2014	68,304	154,800	1,952	-	129	1,313	16,836	8,950	252,284
Agency 2014	-	-	-	-	-	6	233	-	239
Core Department 2013	71,608	147,268	1,950	184	129	1,276	15,272	8,348	246,035
Agencies 2013	-	-	-	-	-	14	406	-	420

Notes:

- Included within buildings are dwellings, the carrying amount of which at 31 March 2014 was £299k (Cost £360k, Accumulated Depreciation £61k). During the accounting period, depreciation was charged at £16k. The closing carrying amount as at 31 March 2015 was £310k (Cost £394k, Accumulated Depreciation £84k).
- Details of the basis of valuation can be found at Note 1.3.
- The depreciation charged during the accounting period in respect of assets held under finance leases was £229k (2013-14: £645k).

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8. Intangible assets

Intangible assets comprise internally developed software and databases, purchased software and software licences for the Department and its agencies consolidated into these statements.

8(a) Intangible assets for the year ended 31 March 2015

	Assets Under Construction £000	Software Licences £000	Information Technology £000	Total £000
Cost or valuation				
At 1 April 2014	261	9,683	127,901	137,845
Reclassifications	(67)	(48)	115	-
Additions	479	1,557	4,529	6,565
Disposals	-	-	(990)	(990)
Revaluations	-	141	1,996	2,137
Impairments charged to SoCNE	-	-	-	-
Indexation charged to Reserves	-	-	-	-
Transfers	-	-	-	-
At 31 March 2015	673	11,333	133,551	145,557
Amortisation				
At 1 April 2014	-	5,373	70,167	75,540
Reclassifications	-	1	(1)	-
Charged in year	-	1,434	12,562	13,996
Disposals	-	-	(909)	(909)
Revaluations	-	32	1,133	1,165
Impairments charged to SoCNE	-	-	-	-
Indexation charged to Reserves	-	-	-	-
Transfers	-	-	-	-
At 31 March 2015	-	6,840	82,952	89,792
Carrying amount at 31 March 2015	673	4,493	50,599	55,765
Carrying amount at 31 March 2014	261	4,310	57,734	62,305
Asset financing:				
Owned	673	4,489	44,164	49,326
UK Grant Funded	-	4	409	413
EU Grant Funded	-	-	-	-
Donated	-	-	-	-
Finance leased	-	-	6,026	6,026
Carrying amount at 31 March 2015	673	4,493	50,599	55,765

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8(b) Intangible assets for the year ended 31 March 2014

	Assets Under Construction £000	Software Licences £000	Information Technology £000	Total £000
Cost or valuation				
At 1 April 2013	204	8,853	124,173	133,230
Reclassifications	(139)	-	139	-
Additions	194	1,751	4,773	6,718
Disposals	-	(1,108)	(4,310)	(5,418)
Revaluations	2	186	3,126	3,314
Impairments charged to SoCNE	-	1	-	1
Indexation charged to Reserves	-	-	-	-
Transfers	-	-	-	-
At 31 March 2014	261	9,683	127,901	137,845
Amortisation				
At 1 April 2013	-	4,960	61,045	66,005
Reclassifications	-	-	-	-
Charged in year	-	1,433	11,732	13,165
Disposals	-	(1,105)	(4,171)	(5,276)
Revaluations	-	83	1,561	1,644
Impairments charged to SoCNE	-	2	-	2
Indexation charged to Reserves	-	-	-	-
Transfers	-	-	-	-
At 31 March 2014	-	5,373	70,167	75,540
Carrying amount at 31 March 2014	261	4,310	57,734	62,305
Carrying amount at 31 March 2013	204	3,893	63,128	67,225
Asset financing:				
Owned	261	4,309	49,263	53,833
UK Grant Funded	-	1	542	543
EU Grant Funded	-	-	-	-
Donated	-	-	-	-
Finance leased	-	-	7,929	7,929
Carrying amount at 31 March 2014	261	4,310	57,734	62,305

8(c) Analysis of intangible assets

	Assets Under Construction £000	Software Licences £000	Information Technology £000	Total £000
The carrying amount of intangible assets comprises:				
Core Department 2015	673	4,335	47,046	52,054
Agency 2015	-	158	3,553	3,711
Core Department 2014	261	4,302	54,183	58,746
Agency 2014	-	8	3,551	3,559
Core Department 2013	204	3,880	59,215	63,299
Agencies 2013	-	13	3,913	3,926

Notes:

- a. The amortisation charged during the accounting period in respect of assets held under finance leases was £1,998k (2013-14: £1,946k).

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9. Impairments

	2014-15 £000	2013-14 £000
Charged direct to the Statement of Comprehensive Net Expenditure	(1,270)	2,434
Taken through the Revaluation Reserve	(9,942)	(13,444)
Total impairment charge for the year	(11,212)	(11,010)

10. Capital and other commitments

10.1 Capital commitments

	2014-15 £000		2013-14 £000	
	Core Department	Consolidated	Core Department	Consolidated
Contracted capital commitments at 31 March not otherwise included in these financial statements:				
Property, plant and equipment	7,585	7,585	1,184	1,184
Intangible assets	956	3,366	808	808
Total	8,541	10,951	1,992	1,992

10.2 Commitments under leases

10.2.1 Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2014-15 £000		2013-14 £000	
	Core Department	Consolidated	Core Department	Consolidated
Land and Buildings				
Not later than one year	9,690	9,690	9,041	9,041
Later than one year and not later than five years	29,863	29,863	30,251	30,251
Later than five years	31,072	31,072	17,972	17,972
	70,625	70,625	57,264	57,264
Other				
Not later than one year	18	18	37	42
Later than one year and not later than five years	11	11	14	14
Later than five years	-	-	-	-
	29	29	51	56

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10.2.2 Finance leases

Total future minimum lease payments under finance leases are given in the table below for each of the following periods.

	2014-15 £000		2013-14 £000	
	Core Department	Consolidated	Core Department	Consolidated
Buildings:				
Not later than one year	16	16	191	191
Later than one year and not later than five years	-	-	16	16
Later than five years	-	-	-	-
	16	16	207	207
<i>Less interest element</i>	(1)	(1)	(19)	(19)
Present value of obligations	15	15	188	188

10.3 Commitments under PFI and other service concession arrangements

10.3.1 Off-balance sheet (SoFP)

A contract was awarded in July 1999 to BT (formerly BT Syntegra) to design, implement and manage the IT infrastructure for land registration systems. The service commencement date of this contract was July 2004. This contract will run for 15 years to July 2019. The requirements of IFRIC 12, IFRIC 4 and IAS 17 have been considered and it has been concluded that the appropriate accounting treatment is to classify the contract as an operating lease. All lease payments are expensed in the year incurred.

10.3.2 On-balance sheet (SoFP)

The *FReM* requires that service concession arrangements should be accounted for in accordance with IFRIC 12 where the government body controls the use of the asset and the residual interest in the asset at the end of the arrangement. The Department therefore recognises assets that fall within this definition as non-current assets together with a liability to pay for them. The services received under the contract are recorded as operating expenses.

The Department has one contract which is classified as a service concession agreement. This contract is in relation to the Account NI financial accounting system, including the design, build and test of the financial system and provision of related hardware. This twelve year contract was entered into on 9th March 2006 by DFP on behalf of the Northern Ireland Civil Service and includes anticipated refresh of the hardware and software. The contractor is required to meet specified service availability and service performance indicators under the contract. Failure to provide the specified level of service may result in non payment of service charges, cost recovery, delay payments, compensation and even contract termination. Variations to the contract are managed via a change control process and there have been a number of such variations since the commencement of the contract. On expiry of the contract the Department may elect to have the asset transferred to it for zero cost, with any additional changes to the asset as a result of the change control process that have not been recovered by the contractor at this time being paid for at cost.

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Details of the imputed finance lease charges are given in the table below for each of the following periods.

	2014-15 £000		2013-14 £000	
	Core Department	Consolidated	Core Department	Consolidated
Total obligations under on-balance sheet (SoFP) service concession arrangements for the following periods comprise:				
Not later than one year	2,450	2,450	2,450	2,450
Later than one year and not later than five years	4,695	4,695	7,145	7,145
Later than five years	-	-	-	-
	<u>7,145</u>	<u>7,145</u>	<u>9,595</u>	<u>9,595</u>
<i>Less interest element</i>	(796)	(796)	(1,391)	(1,391)
<i>Present value of obligations</i>	<u>6,349</u>	<u>6,349</u>	<u>8,204</u>	<u>8,204</u>

10.3.3 Charge to the Statement of Comprehensive Net Expenditure and future commitments

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on-balance sheet (SoFP) PFI and other service concession arrangement transactions was £2.9m (2013-14: £2.9m); and the payments to which the Department and its agencies are committed are as follows:

	2014-15 £000		2013-14 £000	
	Core Department	Consolidated	Core Department	Consolidated
Not later than one year	4,002	4,002	3,930	3,930
Later than one year and not later than five years	10,254	10,254	14,350	14,350
Later than five years	-	-	-	-
	<u>14,256</u>	<u>14,256</u>	<u>18,280</u>	<u>18,280</u>

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of off-balance sheet (SoFP) PFI and other service concession arrangement transactions was £5.7m (2013-14: £4.4m); and the payments to which the Department and its agencies are committed are as follows (financial commitments have been disclosed on the basis that the option to break will not be exercised):

	2014-15 £000		2013-14 £000	
	Core Department	Consolidated	Core Department	Consolidated
Not later than one year	5,700	5,700	4,400	4,400
Later than one year and not later than five years	18,850	18,850	19,600	19,600
Later than five years	-	-	1,200	1,200
	<u>24,550</u>	<u>24,550</u>	<u>25,200</u>	<u>25,200</u>

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10.4 Other financial commitments

The Department and its agencies have entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements) for maintenance and construction work to buildings within the NICS estate, for NI Direct, the Rating system and for a number of reform projects, including Records NI, Network NI, IPT replacement phone system, HR Shared Services and Data Accommodation. The payments to which the Department and its agencies are committed are as follows:

	2014-15 £000		2013-14 £000	
	Core Department	Consolidated	Core Department	Consolidated
Not later than one year	21,410	22,322	21,548	22,402
Later than one year and not later than five years	60,828	63,313	68,601	69,664
Later than five years	17,025	19,064	29,978	29,978
Total	99,263	104,699	120,127	122,044

11. Financial instruments

IFRS 7 *Financial Instruments: Disclosures* requires disclosure that enables evaluation of the significance of financial instruments for the Department's financial position and performance, the nature and extent of risks arising from financial instruments to which the Department is exposed during the period and at the reporting date, and how the Department manages those risks. As a result of the non-trading nature of its activities and the way in which government departments are financed, the Department of Finance and Personnel is not exposed to the degree of financial risk faced by business entities.

Classification of financial instruments

All departmental financial instruments are measured at amortised cost. The Department's financial assets are classified as loans and receivables and comprise trade and other debtors (Note 14) and cash at bank and in hand (Note 13). The Department's financial liabilities comprise payables excluding tax liabilities, accruals and deferred income (Note 15). The carrying value of these financial assets and liabilities, as disclosed in the notes to the accounts, approximates to fair value because of their short maturities.

The following table shows the net gains/losses recognised through the Statement of Comprehensive Net Expenditure by measurement category:

	From interest	At fair value	From subsequent measurement		2015	Net gain/(loss)
			Currency translation	Impairment /reversal of impairment		2014
Loans and receivable	-	-	(660)	(2,569)	(3,229)	(2,244)
Financial liabilities measured at amortised cost	(611)	-	205	-	(406)	(783)
Total	(611)	-	(455)	(2,569)	(3,635)	(3,027)

Finance costs from financial liabilities measured at amortised cost consist of interest charges in relation to finance lease liabilities (Note 4).

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The net currency translation gains or losses on financial assets classified as loans and receivables are attributable to monies due from the EU in respect of grant payments. The net currency translation gains or losses on financial liabilities are attributable to exchange gains or losses arising on the settlement of invoices issued to DFP in other currencies.

The impairment/reversal of impairment relates to bad debts written off or provided.

Late payment charges in respect of payables are disclosed in the Management Commentary.

The Department recognised all the components of net gain/loss through the Statement of Comprehensive Net Expenditure.

Risk management

Financial risks include credit risk, liquidity risk and market risks (currency and interest rate).

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Department is not exposed to significant credit risk and manages its exposure via credit risk management policies which require review of the credit history of the organisations that the Department wishes to trade with. Publicly available credit information from recognised providers is utilised for this purpose where necessary. The maximum exposure to credit risk is represented by the carrying amounts of the trade receivables carried in the Statement of Financial Position.

Liquidity risk

The Department's net revenue resource requirements are financed by resources voted annually by the Assembly, as is its capital expenditure. The Department of Finance and Personnel is not, therefore, exposed to significant liquidity risks.

Currency risk

Currency risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Department receives reimbursement of certain grant payments from the European Union (EU). Transactions with the EU are denominated in euro and therefore exposed to currency risk. The revenue due from the EU is recognised as a receivable when it is initially paid to grant recipients. However, only when the Department submits claims to the EU is the relevant portion of the receivable subject to exchange rate risk. The exchange risk on receivables is offset by EU advances received, which are included within payables. At 31 March 2015 the net exposure was £2.8m (31 March 2014: £4.0m).

Sensitivity analysis

Based on the balance denoted in euro at 31 March 2015, a 15% weakening or strengthening of sterling against the euro would have increased or decreased the exchange rate movement by £423k respectively (31 March 2014: movement of £603k). This movement is attributable to the foreign exchange gains or losses on translation of the euro denominated receivables and payables with the EU as described above.

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Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

All of the Department's financial assets and liabilities carry nil or fixed rates of interest. The Department is therefore not exposed to any interest rate risk.

12. Inventories

	2015 £000		2014 £000	
	Core Department	Consolidated	Core Department	Consolidated
Stationery	-	-	63	63
Maps	-	-	55	55
	-	-	118	118

13. Cash and Cash Equivalents

	2015 £000		2014 £000	
	Core Department	Consolidated	Core Department	Consolidated
Balance at 1 April	29,796	30,006	29,280	29,437
Net change in cash and cash equivalent balances	(262)	(215)	516	569
Balance at 31 March	29,534	29,791	29,796	30,006
The following balances at 31 March were held at:				
Commercial banks and cash in hand	32,707	32,964	34,081	34,291
Overdrawn account at commercial bank shown as payables	(3,173)	(3,173)	(4,285)	(4,285)
Balance at 31 March	29,534	29,791	29,796	30,006

14. Trade receivables and other current assets

	2015 £000		2014 £000	
	Core Department	Consolidated	Core Department	Consolidated
Amounts falling due within one year:				
Trade receivables	5,270	6,757	5,993	7,850
Other receivables	16,772	16,772	10,393	10,393
Prepayments and accrued income	12,954	16,278	13,391	15,552
Amounts due from EU	5,796	5,796	8,185	8,185
Amounts due from the Consolidated Fund in respect of Supply	1,174	1,174	4,025	4,025
	41,966	46,777	41,987	46,005

Included within prepayments and accrued income is £535 (2013-14: £391) that will be due to the Consolidated Fund once the debts are collected.

There were no amounts due to the Department in more than one year outstanding at 31 March 2015 or at 31 March 2014.

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The following table shows the impairment of trade and other receivables through the allowance account at the period end:

	2015		2014	
	£000		£000	
	Core Department	Consolidated	Core Department	Consolidated
Balance at 1 April	(3,613)	(3,613)	(2,923)	(2,923)
Impairment losses recognised/derecognised on receivables	(2,554)	(2,554)	(2,252)	(2,252)
Amounts written off as uncollectable	1,456	1,456	1,562	1,562
Balance at 31 March	(4,711)	(4,711)	(3,613)	(3,613)

In determining the recoverability of a trade receivable, the Department considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

No interest is charged on the trade receivables. The Department has provided fully for all receivables where there is evidence to suggest the debt is not recoverable.

The following table shows the aging of trade debts past due but not impaired; no provision has been made where there has not been a significant change in credit quality and the Department believes that the amounts are still fully recoverable:

	2015		2014	
	£000		£000	
	Core Department	Consolidated	Core Department	Consolidated
Neither past due nor impaired trade receivables	4,379	5,579	5,197	7,003
1-30 days	518	686	379	417
31-60 days	81	173	130	132
61-90 days	90	90	140	140
91-180 days	103	128	66	76
181-360 days	86	88	58	59
361 days plus	131	131	102	102
Gross carrying value	5,388	6,875	6,072	7,929
Less: impairment	(118)	(118)	(79)	(79)
Net carrying value	5,270	6,757	5,993	7,850

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14.1 Intra-government balances

	Amounts falling due within one year	
	2015	2014
	£000	£000
Balances with other central government bodies	26,306	26,150
Balances with local authorities	508	272
Balances with NHS bodies	153	382
Balances with public corporations and trading funds	523	600
<i>Subtotal: intra-government balances</i>	27,490	27,404
Balances with bodies external to government	19,287	18,601
Total receivables at 31 March	46,777	46,005

15. Trade payables and other current liabilities

	2015		2014	
	Core	Consolidated	Core	Consolidated
	Department	£000	Department	£000
Amounts falling due within one year:				
Bank overdraft	3,173	3,173	4,285	4,285
Other taxation and social security	30,852	30,852	31,753	31,753
Trade payables	39	58	373	373
Other payables	1,098	1,098	1,140	1,140
Accruals and deferred income	41,104	42,973	33,224	34,751
Current part of finance leases	2,026	2,026	2,029	2,029
Consolidated Fund extra receipts due to be paid to the Consolidated Fund received receivable	173	173	612	612
Amounts due from EU due to be paid to Consolidated Fund received receivable	-	-	-	-
	-	-	1,799	1,799
	-	-	-	-
	78,465	80,353	75,215	76,742
Amounts falling due after more than one year:				
Finance leases	4,336	4,336	6,363	6,363
	4,336	4,336	6,363	6,363

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15.1 Intra-government balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2015 £000	2014 £000	2015 £000	2014 £000
Balances with other central government bodies	33,377	35,556	-	-
Balances with local authorities	573	591	-	-
Balances with NHS bodies	1	-	-	-
Balances with public corporations and trading funds	207	217	-	-
<i>Subtotal: intra-government balances</i>	34,158	36,364	-	-
Balances with bodies external to government	46,195	40,378	4,336	6,363
Total payables at 31 March	80,353	76,742	4,336	6,363

16. Provisions for liabilities and charges

Provisions for the year ended 31 March 2015

	Core Department				Consolidated			
	Early Departure Costs £000	Legal Claims £000	Equal Pay £000	Total £000	Early Departure Costs £000	Legal Claims £000	Equal Pay £000	Total £000
Balance at 1 April 2014	158	1,365	750	2,273	158	1,365	750	2,273
Provided in the year	1	813	-	814	15	813	-	828
Provisions not required written back	(3)	(411)	(125)	(539)	(3)	(411)	(125)	(539)
Provisions utilised in the year**	(52)	(916)	(625)	(1,593)	(52)	(916)	(625)	(1,593)
Balance as at 31 March 2015	104	851	-	955	118	851	-	969

Analysis of expected timing of cash flows

	Core Department				Consolidated			
	Early Departure Costs £000	Legal Claims £000	Equal Pay £000	Total £000	Early Departure Costs £000	Legal Claims £000	Equal Pay £000	Total £000
Not later than one year	44	800	-	844	58	800	-	858
Later than one year and not later than five years	60	51	-	111	60	51	-	111
Later than five years	-	-	-	-	-	-	-	-
Balance as at 31 March 2015	104	851	-	955	118	851	-	969

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Provisions for the year ended 31 March 2014

	Core Department				Consolidated			
	Early Departure Costs £000	Legal Claims £000	Equal Pay £000	Total £000	Early Departure Costs £000	Legal Claims £000	Equal Pay £000	Total £000
Balance at 1 April 2013	140	1,172	1,700	3,012	140	1,172	1,700	3,012
Provided in the year*	220	1,735	259	2,214	220	1,735	259	2,214
Provisions not required written back	(25)	(610)	-	(635)	(25)	(610)	-	(635)
Provisions utilised in the year**	(177)	(932)	(1,209)	(2,318)	(177)	(932)	(1,209)	(2,318)
Balance as at 31 March 2014	158	1,365	750	2,273	158	1,365	750	2,273

Analysis of expected timing of cash flows

	Core Department				Consolidated			
	Early Departure Costs £000	Legal Claims £000	Equal Pay £000	Total £000	Early Departure Costs £000	Legal Claims £000	Equal Pay £000	Total £000
Not later than one year	55	1,365	750	2,170	55	1,365	750	2,170
Later than one year and not later than five years	103	-	-	103	103	-	-	103
Later than five years	-	-	-	-	-	-	-	-
Balance as at 31 March 2014	158	1,365	750	2,273	158	1,365	750	2,273

*Includes an amount of £800k reclassified from creditors to provisions in 2013-14.

**Provisions utilised in year of £1,593k (2013-14: £2,318k) is made up of £349k (2013-14: £1,960k) reclassified as creditors as the amounts involved have crystallised and are known with certainty and £1,244k (2013-14: £358k) paid during the year.

16.1 Early departure costs

The Department and its agency meet the additional costs of benefits beyond the normal PCSPS(NI) benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS(NI) over the period between early departure and normal retirement date. The Department and its agency provide for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments.

16.2 Legal claims

This represents public liability, employer liability, contract and compensation claims and dilapidations as advised by the business areas within the Department.

Public liability claims include personal injury claims. Employer liability claims include legal costs that will have to be borne by the Department and relate to accidents or injury caused due to faults in the fabric of a departmental building.

Contract claims are associated with claims made by contractors for unforeseen delays in the completion of projects or cost over-runs, which are outside of their control. The provisions details are based on evaluations made by qualified professional and technical personnel employed by DFP.

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A discount rate has not been applied on any of the provisions as the time value of money is not significant.

17. Contingent liabilities disclosed under IAS 37

The Department has the following contingent liabilities:

Voluntary Exit Scheme (VES)

The Northern Ireland Civil Service launched a Voluntary Exit Scheme (VES) across all departments on 2 March 2015. The closing date for applications was 27 March 2015. At the balance sheet date, there is a possible obligation on the department which may give rise to a liability should any of the Department's employees apply and be successful. It is not possible, at the balance sheet date, to quantify what this potential liability may be.

Public/employer liability cases

There are currently 4 cases (2013-14: 5 cases) pending against the Department. The maximum that will be payable cannot be accurately estimated.

Industrial tribunal cases

There are currently 19 industrial tribunal cases (2013-14: 11 cases) pending. It is not known when or at what value settlement will be reached.

Other legal issues

The Department is considering a judgement and the potential for any financial implications it may have. The Department considers that the obligation cannot be regarded as probable and that a reliable estimate cannot be made, at this point in time, of the potential liability. This is as a result of the complexities associated, including establishing clearly the extent to which valid claims may be made and the size of any resulting payments. Consequently, the Department does not consider that it is appropriate to make a provision under the criteria set out in IAS 37.

Tax Compliance

The Department is working with HMRC to ensure full tax compliance in all areas. It is expected that some revision to existing practices will be required but it is not possible to accurately estimate any potential liabilities at this stage.

18. Losses and special payments

In 2014-15 there were losses and special payments to the value of £3,869k which represented 23,829 cases, of which £3,869k representing 23,819 cases related to the core Department (2013-14: £5,070k which represented 27,466 cases, of which £5,066k representing 27,449 cases related to the core Department). During 2014-15 three of these special payments (2013-14: two) were in excess of £250,000, and additional details on these payments are provided below.

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On the advice of DSO and Counsel two amounts of money in excess of £250k were approved during 2014-15 in respect of legal claims relating to an employment case and a procurement case. A negotiated settlement in the employment case diminished the risks in defending the claims whilst avoiding any contractual requirements on the part of the Department going forward.

Also on the advice of DSO and Counsel, an amount in excess of £250k was set aside during 2014-15 in respect of an ongoing legal claim relating to an employers' liability case. DFP are still taking legal advice and DSO have advised that further evidence and reports are being assessed.

During 2012-13 an amount of money in excess of £250k was set aside in respect of an ongoing compensation claim relating to an error in the Land Register when a caseworker cancelled an existing Lender's mortgage entry relating to a Lands Folio in the Land Register, when a discharged mortgage entry should have been cancelled. This case was settled in 2014-15 for an amount in excess of £250k.

19. Related-party transactions

The Department is the parent of the agency shown in Note 21. This body is regarded as a related party with which the Department has had various material transactions during the year.

The Department of Finance and Personnel has also had a number of transactions with other government departments and other central government bodies.

No minister, board member, key managerial staff or other related parties have undertaken any material transactions with the Department of Finance and Personnel during the year.

20. Third-party assets

The Department is responsible for the upkeep of the Ulster Memorial Tower in Thiepval, France. This is not a departmental asset and is not included in the Statement of Financial Position.

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21. Entities within the departmental boundary

The entities within the boundary during 2014-15 were as follows:

DFP Core Directorates

- Central Procurement Directorate;
- Corporate Human Resources;
- Corporate Services Group;
- Departmental Solicitor's Office;
- Enterprise Shared Services;
- Land and Property Services;
- Public Spending Directorate; *and*
- Strategic Policy and Reform Directorate.

Supply Financed Agency

- Northern Ireland Statistics and Research Agency.

The annual reports and accounts of this body are published separately.

Arms Length Bodies

- Construction Industry Forum Northern Ireland;
- Lay Observer for Northern Ireland;
- Northern Ireland Building Regulations Advisory Committee;
- Public Service Commission for Northern Ireland; *and*
- Statistics Advisory Committee.

The Department also has joint responsibility for one North/South body, Special European Union Programmes Body (SEUPB). SEUPB is a grant aided body and expenditure in respect of the SEUPB is accounted for in the departmental accounts via the issue of grant. SEUPB produces separate accrual based accounts.

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22. Business activities attracting fees and charges

This note is provided for fees and charges purposes and not for IFRS 8 purposes. Information is provided in relation to services where the full cost of the service is in excess of £1m.

	£000 Income	£000 Full Cost	2014-15 £000 Surplus/ (deficit)	2013-14 £000 Surplus/ (deficit)
Central Management of the Civil Service Pension Scheme	2,030	2,032	(2)	-
Employer Pension Services	3,280	3,278	2	(2)
Enterprise Shared Services - Properties Division	1,975	1,755	220	497
Central Procurement Directorate	13,070	12,981	89	129
Departmental Solicitor's Office – Litigation services	3,581	4,393	(812)	(848)
Land & Property Services – Land Registers	14,150	13,494	656	471
Land & Property Services – Mapping	12,644	12,061	583	1,649
Land & Property Services – Client Services	1,577	2,812	(1,235)	(1,360)
Northern Ireland Statistics & Research Agency	14,787	14,427	360	348
Enterprise Shared Services - Centre for Applied Learning	1,870	2,176	(306)	(241)
Enterprise Shared Services – Service Management Division	10,606	13,878	(3,272)	(3,693)
Strategic Policy and Reform Directorate - Business Consultancy Service	559	1,056	(497)	(1,064)
Occupational Health Service	1,697	1,697	-	-
Total	81,826	86,040	(4,214)	(4,114)

	Financial Objective	Commentary
Central Management of the Civil Service Pension Scheme	To recover the full costs associated with the management of the Principal Civil Service Pension Scheme (NI) including the payment of pensions and associated arrangements.	Objective not achieved.
Employer Pension Services	To recover the full costs of providing pension services to current employees who are members of the Principal Civil Service Pension Scheme (NI) on behalf of their employers.	Objective achieved.
Enterprise Shared Services - Properties Division	To recover full costs associated with property management services provided to the wider public sector.	Objective achieved.
Central Procurement Directorate	100% cost recovery on chargeable services in relation to professional procurement services to the NICS and other public sector bodies.	Objective achieved.
Departmental Solicitor's Office – Litigation services	97% cost recovery on litigation and Commercial and Property services.	Achieved 82% of cost of these two divisions (including share of corporate overhead) recovered as hard charges. When recovery of notional charges and cost of work carried out for parent

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	Financial Objective	Commentary
		Department is taken into account recovery is 89%. DSO commenced hard charging for Commercial & Property and some areas of Litigation work during 2010/11. An undertaking was given that work commenced prior to this change would be completed on the former (notionally charged) basis. During 2014/15 a reducing, but still significant amount of C&P work was completed on the legacy notional-charge basis. Additionally Commercial & Property work volumes continued to be adversely affected during the year by the economic climate, its impact on the property market, and continued uncertainties around a major road scheme.
Land & Property Services – Land Registers	To recover the costs of services in relation to land registers, registry of deeds and statutory charges registry.	100% cost recovery was achieved in the current financial year (2013-14:100%)
Land & Property Services – Mapping	To recover the full cost of mapping services provided.	100% cost recovery was achieved in the current financial year (2013-14: 100%)
Land & Property Services – Client Services	To recover the full costs of services provided.	100% cost recovery would have been achieved (2013-14:100%) if the notional income earned of £1,245k (2013-14: £1,365k) was included in the Net Expenditure. In these circumstances the surplus would be £10k (2013-14: surplus of £5k).
Northern Ireland Statistics & Research Agency	To recover the cost of activities in relation to the General Registry Office and NISRA statistics and out-posted statisticians, for which core funding is not provided by DFP.	Objective achieved.
Enterprise Shared Services - Centre for Applied Learning	To recover the full costs of service delivery of generic training to NICS Departments and other public sector customers.	Objective would have been achieved if departmental contribution of £310k from DFP which has been baselined had been included as income.
Enterprise Shared Services – Service Management Division	To recover the full cost of the delivery of the HR Connect contract, with the exception of a centrally managed budget which has been baselined for recruitment (TSR),	Objective Achieved. DFP Service charges of £1,599k have not been included as income. £1,275k of the DFP service charge has been baselined and the balance of £324k was transferred in

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	Financial Objective	Commentary
	Change Control (CP) and Service Management (SMD) costs on behalf of Departments who participated in the original budget realignment in 2008/09.	year. TSR (Recruitment) Costs of £496k and Change Controls of £753k were incurred during the year which were not recharged but funded from the centrally managed baselined transfers. Additionally SMD Salary costs of £556k were paid and also £83k for ESS2020 Salaries which was agreed would be covered from within ESS.
Strategic Policy and Public Reform Directorate - Business Consultancy Service	To recover the full costs of business consultancy services provided to NICS and other public sector bodies.	Objective would have been achieved if Departmental transfers (102k) and notional income (562k) were included. If these were included, a surplus would have been realised of £167k.
Occupational Health Service	To recover the full costs associated with the management of NICS OHS and medical advisory services provided to the Driver and Vehicle Agency, Health and Social Care NI Pensions Scheme and Teachers Superannuation Scheme NI.	Objective achieved.

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23. Events after the reporting period

Since 31 March 2015, applications for the Voluntary Exit Scheme have been processed and conditional offers issued to the first tranche of staff. The funding position is not confirmed and therefore there is no obligation arising since the balance sheet date. If funding becomes available the latest estimate of the cost to the Department is £9.5m.

There were no other events after the financial period requiring adjustment to or disclosure in these accounts.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 29 June 2015.

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Appendix 1

DFP CORE DIRECTORATES

Central Procurement Directorate (CPD)

Supports the DFP Minister and the Executive in the delivery of the legislative framework for the operation of public procurement within Northern Ireland in compliance with EU legislation, including liaison with Cabinet Office on EU and legislative matters.

Supports the Procurement Board in all aspects of public procurement policy within the Northern Ireland Public Sector, including the development and dissemination of approved policies and monitoring their implementation across Northern Ireland Departments, Agencies, NDPBs and public corporations.

Helps Northern Ireland Departments obtain best value for money in the procurement of the supplies, services and construction works that are needed to deliver their objectives.

Provides expert advice and professional services during the procurement lifecycle, from initial concept to completion and realisation of benefits. CPD works in partnership with suppliers, potential suppliers and industry representatives to make them aware of the opportunities available in the public sector market.

Works with stakeholders to promote equality of opportunity and sustainable development in the delivery of public procurement contracts.

Corporate Human Resources (CHR)

Seeks to ensure that all 12 Departments comply with the law and with Government policies where these relate to the employment and management of Northern Ireland Civil Service (NICS) staff.

Ensures that corporate NICS human resources policies and services are in place to support Departments and Agencies in achieving their business objectives.

Statutory approval of specific personnel related matters in respect of North/South Bodies and Tourism Ireland Limited; includes advice to Departments on personnel policies for those Bodies.

Administers the Principal Civil Service Pension Scheme (Northern Ireland), the Civil Service Compensation Scheme (Northern Ireland) and Injury Benefit Scheme on behalf of NICS Departments, their Agencies and NDPBs.

Seeks to provide a co-ordinated approach across public service pensions.

Provides welfare and occupational health services to support Departments.

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Corporate Services Group (CSG)

Provides central support for the Minister, and for the overall management and governance of DFP.

Provides Departmental Human Resources (DHR) and financial services to DFP.

Provides internal consultancy for organisational design (JEGs/JESP analysis) and improvement services to DFP.

Provides information assurance, ICT systems development and ICT support services to DFP.

Departmental Solicitors Office (DSO)

Provides legal advice to the Northern Ireland Executive, Ministers, Departments, their Agencies and NDPBs; represents Departments in litigation and in property and commercial transactions; and develops proposals for civil law reform.

Enterprise Shared Services (ESS)

Provides shared services such as HR, finance, IT, training and properties to the Northern Ireland Civil Service, and a number of services are also provided to the wider public sector. ESS is also responsible for digital transformation, including NI Direct – the official government website for Northern Ireland citizens.

Provides ICT infrastructure, common IT services, electronic records management and network services to NICS Departments and the wider public sector.

Provides information management, assurance and ICT strategies and policies for the NICS.

Provides financial processing and accounting services primarily to NICS Departments.

Provides generic training services primarily to NICS Departments.

Manages the delivery of HR services primarily to NICS Departments.

Provides office estates services, property management services and fire safety services to NICS Departments and the wider public sector.

Prepares the NI Building Regulations and supporting guidance, and regulations that transpose EU Directives on the Energy Performance of Buildings.

Promotes energy efficiency across the public sector and sustainable development practices across the Department.

Provides citizen facing services through the NI Direct Programme.

Manages the NICS Digital Transformation Programme and provides support to Departments in the transformation and digital delivery of their citizen facing services.

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Responsible for developing an Open Data strategy and action plan for NICS Departments and the wider public sector.

Land & Property Services (LPS)

Collects rates on behalf of central government and councils.

Provides National Mapping for Northern Ireland.

Collects, manages and publishes spatial data for use by the public and private sectors.

Administers various rate related reliefs including Housing Benefit, Rate Relief, Lone Pensioner Allowance, Disabled Persons Allowance, and a number of business related reliefs, to help those in need pay their rates and provide assistance to business.

Maintains domestic and non-domestic rating valuation lists and carries out periodic comprehensive revaluations.

Maintains a complete and accurate Land Register, Registry of Deeds and Statutory Charges Register and provides land information services relating to those Registers for conveyancing purposes.

Delivers a property valuation, estate management and property data services to the public sector.

Public Spending Directorate (PSD)

Supports the DFP Minister and the Executive in the allocation and effective use of available resources through planning, managing and monitoring public expenditure, in line with the priorities set by the Executive.

Maintains a framework of guiding principles and delegations which support decisions on the management of public expenditure, maximise the achievement of value for money and promote accountability.

Acts on behalf of the Finance Minister in overseeing the spending of Departments and is directly accountable for the fulfilment of DFP's Treasury Officer of Accounts role.

Provides advice, guidance and support to departments and their sponsored bodies in relation to public audit business, financial reporting, accountability, corporate governance, fraud and internal audit policy.

Oversees departments' relationships with the Public Accounts Committee and the Northern Ireland Audit Office; management of the NI Consolidated Fund and maintain appropriate banking arrangements across the NICS.

Deals with budget and other financial issues relevant to North/South bodies, and other aspects of North/South co-operation.

Delivers high quality, efficient and effective services to the citizen, NICS Departments and the wider public sector.

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Strategic Policy and Reform Directorate (SPAR)

Provides strategic economic and fiscal policy advice and guidance to Finance Minister, Senior Management Team and other Departments.

Co-ordinates NI's work on EU Structural Funds and is the Northern Ireland Sponsor Department for the Special EU Programmes Body working in partnership in the delivery of the PEACE and INTERREG Programmes.

Leads the reform of the rating system.

Leads on Public Sector Reform across the wider public sector through business improvement and the introduction and implementation of innovative best practice.

EXECUTIVE AGENCY

Northern Ireland Statistics and Research Agency (NISRA)

Provides statistical and social research services to support decision making by Northern Ireland Ministers and Departments and to inform elected representatives and the wider community through the dissemination of reliable, impartial and objective official statistics.

Carries out the decennial Census.

Administers marriage laws.

Provides a system for the civil registration of births, marriages, civil partnerships, adoptions and deaths in Northern Ireland.