

Department of Finance Annual Report and Accounts
For the year ended 31 March 2022

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

on

30 June 2022



© Crown Copyright 2022

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence visit www.nationalarchives.gov.uk/doc/open-government-licence/version/3/.

Where we have identified any third party copyright information, you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this document should be sent to Corporate.Governance@finance-ni.gov.uk or telephone us on (028) 9025 4716.

You can download this publication from our website at <https://www.finance-ni.gov.uk/>.

CONTENTS**Page**

PERFORMANCE REPORT.....	1
Performance Overview	2
Performance Analysis.....	9
ACCOUNTABILITY REPORT.....	29
Corporate Governance Report.....	31
• Directors' Report.....	31
• Statement of Accounting Officer's Responsibilities	35
• Governance Statement.....	36
Remuneration and Staff Report.....	49
Assembly Accountability and Audit Report	67
• Statement of Outturn against Assembly Supply (SOAS)	67
• Other Assembly Accountability Disclosure.....	75
• The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly	80
FINANCIAL STATEMENTS	85
Consolidated Statement of Comprehensive Net Expenditure.....	86
Consolidated Statement of Financial Position	87
Consolidated Statement of Cash Flows.....	88
Consolidated Statement of Changes in Taxpayers' Equity	89
Notes to the Accounts.....	90
Appendix 1: DOF Directorates	117
Appendix 2: Acronyms	123

PERFORMANCE REPORT

PERFORMANCE REPORT

Performance Overview

This section outlines the Department's performance during the financial year and highlights the key issues and risks. It also includes the role and purpose of the Department of Finance (DoF).

Our role and purpose

The Department provides the Northern Ireland Civil Service (NICS) and other public bodies with money, professional services and business support systems, in order to help them deliver excellent, value for money public services.

We do this by:

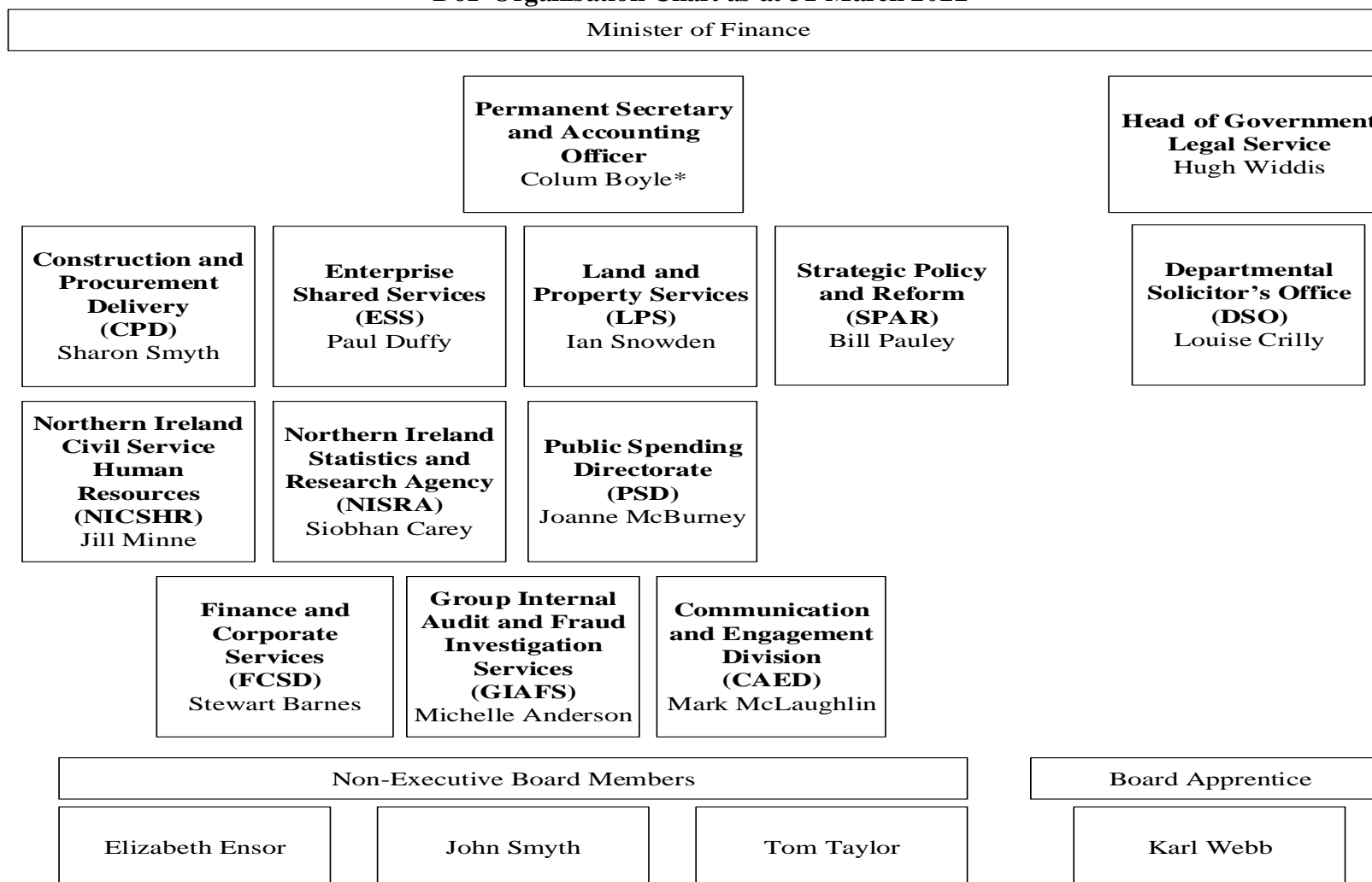
- Managing public expenditure and effectively allocating resources to where they are most needed to support the delivery of public services;
- Collecting rates revenue to provide funding for central and local public services;
- Recruiting, developing and supporting the best people for the NICS and providing opportunities for individuals to reach their full potential;
- Providing a range of expert shared and professional services to the NICS, and other parts of the public sector;
- Improving effectiveness across the public sector by transforming the way we work; and
- Making the way the NICS works more open and transparent and promoting the release of government data in an accessible format.

The Department is one of nine Northern Ireland departments constituted under the Departments Act (Northern Ireland) 2016 and the Departments (Transfer of Functions) Order (Northern Ireland) 2016.

Organisational structure

The Departmental group comprises the core Department (consisting of seven Directorates, three Divisions) and one Executive Agency (NI Statistics & Research Agency). Note 21 of the Accounts provides a full list of entities within the departmental boundary. The Department's wide remit and its principal activities through these Directorates and Agency are set out in [Appendix 1](#).

DoF Organisation Chart as at 31 March 2022



**Colum Boyle ceased to be Accounting Officer on 31 March 2022 and Neil Gibson started 01 April 2022*

Accounting Officer's Introduction

I present the Department of Finance (DoF) Annual Report and Resource Accounts for the 2021-22 year. It is clear in my early engagement with DoF colleagues 2021-22 was challenging and rewarding in equal measure. The Department's achievements for 2021-22 are outlined in greater detail in the Performance Report. The Department of Finance has made a positive difference through funding public services, managing public expenditure, delivering excellent public services, supporting our people, transforming and innovating and providing evidence and insights across the Northern Ireland Civil Service.

I thank DoF colleagues individually and collectively for their professionalism and valued contribution to public service.

Neil Gibson
Accounting Officer
Department of Finance

Non-Executive Board Members' Report

Non-Executive Board Members (NEBMs) play an important role within the Department, attending Departmental Board and Committee Meetings. Board meetings are a place of open and transparent interaction where critical challenge and positive suggestions by NEBMs are welcomed. NEBMs also have positive direct interaction with the Permanent Secretary and key officials.

The Departmental Board met eight times during 2021-22, with seven of the meetings held online and one in person.

While much of the Department's activity during 2021-22 was a continuation of the ongoing activities, the Department played a pivotal role in supporting the response to COVID-19. There was also significant activity around relations with the European Union (EU) and the NI Protocol.

Key Departmental projects during 2021-22 included:

- Commercial Capability Plan;
- Green Growth Action Plan;
- COVID-19 support;
- Integr8;
- New ways of working; and
- Supporting the Executive's response to COVID-19.

Departmental Audit and Risk Committee (DARC)

There were nine meetings in total during 2021-22. Four full meetings, three to discuss further the draft accounts and two deep dives. The deep dives were in relation to the ESS assurance statement and the other on cyber security.

The Committee carried out an effectiveness self-assessment exercise in October 2021 using the National Audit Office (NAO) checklist and concluded that it was effective in operation and that members continue to provide robust challenge and interrogation of assurances provided, by reviewing the reliability and integrity of those assurances. There were a number of action points which are being progressed.

All three Non-Executive Board Members also sit on the NISRA Audit & Risk Committee (ARC), chaired by Tom Taylor which met four times during the year.

John Smyth

Non-Executive Board Member and Chair of the Departmental Audit and Risk Committee

Performance

The 2021-22 DoF Business Plan was published in July 2021. The plan was the blueprint for the year and laid out the key activities to be undertaken to deliver against strategic priorities, including supporting the Executive's COVID-19 recovery plan which was published in August 2021. 70 targets were included under 17 priorities.

The targets and priorities outlined in the plan continued to work in support of the NICS Outcomes Delivery Plan. An extensive public consultation and engagement process was undertaken between January and April 2021 on a draft Outcomes Framework as the first step in the development of a new, strategic Programme for Government (PfG).

Feedback from the consultation demonstrated continued widespread support for the Outcomes based approach and for the draft Outcomes consulted on. A revised draft Framework has been prepared by officials to take account of feedback received from the public consultation and engagement process and it is hoped this will be presented to an incoming Executive for early consideration at the beginning of the new mandate, however it will be for incoming Ministers to determine how the PfG is progressed. The COVID-19 recovery plan was developed in the context of the draft PfG Outcomes Framework with the intention that the workstreams are likely to form the basis of a number of key strategic areas that will ultimately contribute to the achievement of the PfG Outcomes.

The Department of Finance is responsible for a number of the commitments within the New Decade, New Approach Agreement, progress on which is outlined below.

The Department continued to deliver the majority of the business plan targets while maintaining service delivery. Progress was reported to the Board using a Red, Amber or Green (RAG) status assessment of each target and narrative on the actions taken to deliver the expected outcomes.

Of the **70** targets, at year end **53** were achieved (Green), **6** on target (Amber) and **11** (Red) not achieved. Further information is provided in the performance analysis on Page 10.

The key risks and issues to delivering the Department's objectives are monitored through the reporting cycle noted below. There were **10** risks recorded in the last quarter of the 2021-22 year with four serious (red) risks, namely:

- As a result of cyber-attacks against systems supporting shared services, there is a risk that sensitive personal data is lost and ICT systems rendered unavailable, which may result in loss of service in the NICS and the wider public sector;
- That the Department will not be able to effectively perform key functions due to insufficient levels of staffing and/or a lack of appropriately skilled staff;
- Failure to Deliver Integr8: As a result of a range of factors including, Senior Leadership, Stakeholder Buy-in and Capacity and Capability there is a risk that Integr8 fails to implement the optimum Finance and HR Target Operating Model resulting in a failure to provide an adequate continuity of service and benefits realisation; and
- Failure to deliver appropriate HR services, policies and strategies that enable NICS capacity and capability will impact negatively on (1) NICS departments' ability to deliver their business objectives and the delivery of the Executive's Recovery Plan and Priorities and (2) the implementation of recommendations arising from PAC and RHI Inquiry in relation to NICS capacity and capability.

Key risk owners will continue to actively manage mitigations and future actions to monitor these risks.

Further detail on the performance of the Department is included in the performance analysis.

Departmental Reporting Cycle

The DoF Business Plan 2021-22 sets out the Department's objectives and targets and how the Department will work to deliver its Departmental level objectives.

Progress against the Department's objectives and targets is reported and reviewed regularly both at business area level and by the Departmental Board. The end of year results are set out in the Performance Analysis section of this Annual Report.

The Department's budget for 2021-22 was set out in the Northern Ireland Budget 2021-22 document which was published in April 2021. The Department's 2021-22 Main Estimate reflects the opening position and was published in June 2021. 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 was updated during the year, following the outcome of in-year monitoring rounds. The budgetary changes arising from the outcome of the in-year monitoring rounds are reflected in the Department's 2021-22 Spring Supplementary Estimate, which was published in February 2022.

The 2021-22 Main and Spring Supplementary Estimates are available on the Department's internet site www.finance-ni.gov.uk/publications/estimates-publications and are available from:

TSO, PO Box 29,
Norwich, NR3 1GN
Telephone orders/General enquiries: 0333 202 5070
Fax orders: 0333 202 5080
On-line orders: www.tsoshop.co.uk

Performance Analysis

Performance during 2021-22

The Department's performance over the past financial year has been monitored and reported to the Departmental Board.

Notable Achievements

The Department has made significant progress during 2021-22 and notable achievements have included:

COVID-19 Pandemic Response

- £1.171bn collected in rates to fund vital public services;
- £220m in rate relief provided to businesses most affected by the pandemic;
- £222m in grants paid to a wide range of businesses affected by COVID-19 restrictions;
- Legislative authority provided for £24.6bn of public expenditure through two Budget Acts;
- Belfast Region City Deal signed in December 2021;
- Issued £21bn of cash from the Northern Ireland Consolidated Fund;
- Produced and delivered weekly death statistics in relation to COVID-19;
- nidirect Contact Centre supported a wide range of initiatives including: the Department of Health's COVIDCareNI Symptom Checker and Test Booking; StopCOVID NI (Proximity app); COVIDCare NI Vaccination Booking Service;
- Over 1.6m calls handled through the nidirect Contact Centre; and
- Enabled government to issue more than 1.1m Shop Local cards and over 1.5m COVID-19 certificates.

Ongoing

- 1,378 supplies and services contracts awarded at a value of almost £2bn to help Departments and bodies deliver public services;
- Over 500 virtual training sessions delivered to members of the public to assist in digital inclusion.
- Developed and launched a new Operational Delivery Apprentice Scheme. Recruited 57 apprentices – the largest apprenticeship recruitment in the Civil Service to date;
- Recruited 119 students as part of the 2021 student placement scheme. Increased our 2022 student offering to 160 placements and doubled the number of business areas from 10 to 20;
- Introduced a Guaranteed Interview Scheme as part of our commitment to the employment of disabled people;
- 3,036 members of staff benefited from support provided by our internal Welfare Support Service. This support was delivered through 10,097 separate Welfare Officer interactions with staff;
- Launched the NICS Menopause Policy;
- Developed and launched a Civil Service Domestic and Sexual Abuse Policy;
- Completed four new Connect2 Hubs at Ballykelly, Downpatrick, Craigavon and Ballymena for the NICS;
- Developed and implemented NICS Hybrid Working Policy and New Ways of Working guidance across the NICS;
- Amended Building Regulations guidance for Changing Places Toilets - coming into effect on 30 June 2022;

- Amended Building Regulations to increase energy efficiency in buildings - first step towards seeking ultra-efficient 'net zero ready' standards for new buildings with low carbon heating by 2026-27;
- Led DoF response to New Decade New Approach commitments including Social Inclusion Strategies, Green Growth and Review of ALBs; and
- Worked with National Lottery Community Fund to deliver £6.1m of grants to third sector including first strategic award from Dormant Accounts Fund.

Achievement of Departmental Targets

As at 31 March 2022, there were **53** targets reported as 'Green', **6** reported as 'Amber' and **11** reported as 'Red'.

In May 2022, the Board reviewed and following further analysis identified that some of the targets were not actually achievable by DoF alone and that other conditions e.g. a sitting Executive, would have been required to achieve the set target date.

Of the **11** targets not met, it was agreed that for **6** targets, although significant work towards achieving the target was completed by the Department, achievement of the target would have not been within the gift of the Department alone. Since the year end **1** target within the control of the Department has been achieved.

Further information is provided below on **4** targets that were not achieved.

By September 2021, develop the approach and an implementation plan to improve workforce planning, development of job roles and career frameworks and review the role of the Head of Profession.

Due to lack of resources (financial and staff) and other work priorities (mainly recruitment backlog linked to COVID-19) this target was not achieved. This will remain a target in 2022-23 and new recumbent efforts are underway to make progress.

Increase the % of rates collected in the year to 91% of the total amount due, including debt from previous years.

By 31st March 2022 LPS had collected 90% of the total amount due. This target was missed due to additional new properties coming into the valuation list during the rating year resulting in more Rate Assessments being raised in 2021-22 than anticipated.

To review procurement guidance on green growth by March 2022.

Due to the delay with the Green Growth strategy it was not possible to review the procurement guidance.

Publish a NICS Digital Strategy by 31 March 2022.

A number of cross departmental workshops have been completed with a high level strategic framework drafted. The Framework includes five pillars, namely infrastructure, transformation, culture, data and cyber security, with strategic outcomes for each. Assurance reviews have been completed by the Department for Digital, Culture, Media & Sport and the Cabinet Office.

The draft strategy has been delayed in part due to the need to align with recently published UK National strategies. The finalisation and publication of the Strategy will be subject to endorsement and approval from the NICS Board and Ministers.

The six targets which were not achievable by the Department alone are listed below.

Maximise replacement spending power from UK government EU funding replacement programmes at Spending Review 2021.

Negotiate and agree delivery arrangements that deliver spending in line with Executive priorities and devolved competence by Budget 2021.

Ensure PEACE Plus Programme and its legislative and regulatory framework is in place by April 2022.

Have the 2022-23 public sector pay policy in place by 31 March 2022.

By 31 March 2022, to have introduced legislation on Arm's Length Bodies (ALBs) to enable changes identified through review, in accordance with New Decade New Approach.

Fiscal Council legislation drafting stage completed by end March 2022.

New Decade, New Approach Commitments

During the 2021-22 year the Department continued to deliver commitments included in the Agreement which was published in January 2020 as follows:-

Structures will be put in place that will help deliver timely and fair public sector pay awards.

Commitment on track to be achieved in 2022-23: Public Sector pay policy for 2021-22 was determined on 16 March 2021, resulting in the policy being in place before the start of the financial year for the first time. A proposed multi-year pay policy for 2022-23/2023-24 was included in the draft budget published in December 2021, but the consultation on this was suspended. Consideration is being given to how pay policy can now be put in place depending on when an Executive is likely to be restored.

To enable births, marriages and deaths to be registrable in Irish.

A three phase implementation plan was approved by the Minister. Legislation for Phase one commenced on the 13th March 2022 to introduce birth, death, marriage and civil partnership certificates with headings in English, Irish or bi-lingual English/ Irish.

The Executive will establish a dedicated sub-committee which will consider the findings of the RHI inquiry and propose further reforms, in addition to those in this agreement, to deliver the changes necessary to rebuild public confidence. The parties agree to deliver any such reforms rapidly once the inquiry has reported.

The Executive agreed the Executive Subcommittee on Reform response to the RHI Inquiry Report in October 2021. The Executive agreed the following measures:

- Making clear the accountability of Ministers to the Assembly;
- Strengthening Ministers' responsibility for their special advisers;
- Publishing details of Ministers' meetings with external organisations;
- Publishing details of gifts and hospitality received by special advisers, meetings with external organisations, and pay; and

- Strengthening requirements for record-keeping and the protections for whistle blowers.

Following the revision of the Code of Conduct for Special Advisers in March 2020, the Annual Report on Special Advisers, published in July 2020, included special advisers' relevant interests and pay. Further revisions to the Code of Conduct for Special Advisers, the Code for the Appointment of Special Advisers, and the Guidance for Ministers were agreed by the Executive in 2021.

A system is in place to capture details of Ministers' meetings with external organisations on a quarterly basis and is published on opendatani.gov.uk.

A system is in place to capture details of special advisers' gifts and hospitality, and meetings with external organisations on a quarterly basis and is published on opendatani.gov.uk. The gifts and hospitality details of the Departments' Senior Civil Servants (SCS) are also published.

Work is ongoing on a revised policy framework on Raising Concerns. This will be published over the summer.

DoF will continue to progress all commitments during the 2022-23 year.

COVID-19 Response

In 2021-22 the Department was allocated a total of £116.4m Resource DEL for COVID-19 related expenditure, with actual spend of £110.6m. The underspend is mainly in relation to the Omicron Hospitality Payment Grant Scheme. Of this £1.3m has been included in AME provisions due to outstanding applications. The budget for this scheme was based on an estimated number of claims and the actual number was less than anticipated from eligible businesses. The following table provides a breakdown of budget and spend against each scheme.

Scheme	Budget £'000s	Spend £'000s
Local Restrictions Support Scheme	67,000	66,309
Small businesses top up grants	800	795
Large NAV scheme	-	(50)
Medium sized industrial businesses	-	(200)
Omicron Hospitality Payment Grant Scheme	45,500	40,524
Business Support Grant Scheme Team	1,291	1,416
NICSHR	1,065	1,065
Accommodation Services Utilities	300	300
NISRA Loss of income	200	200
NISRA Opinion Survey	200	200
Total	116,356	110,559

Local Restrictions Support Scheme – The Executive agreed to provide financial assistance to businesses which were required to close or had business activity at their premises curtailed by the restrictions introduced by the Executive.

Small Businesses top up grants - A top-up payment of £5k and £10k respectively to businesses which received either the £10k Small Business Grant or £25k Grant for Retail, Hospitality, Tourism and Leisure in 2020, but which have been unable to access the Localised Restrictions Support Scheme (LRSS) or Coronavirus Restrictions Business Support Scheme (CRBSS) Part B.

Large Net Annual Value (NAV) is a scheme which provided a £50k one-off grant for businesses occupying premises with a NAV over £51k which were not able to access grant funding during the first lockdown. The grant was targeted to those businesses which were eligible for the 12 months rates holiday in 2020-21.

Medium sized industrial businesses - A scheme which provided a one-off grant of up to £25k to industrial businesses in premises with a total NAV between £15,001 and £51,000 who benefit from industrial derating and were eligible for the 12 months rates holiday in 2020-21.

Omicron Hospitality Payment – this new COVID-19 scheme in 2021-22 was in relation to the Omicron Hospitality payment. A scheme to provide financial assistance to hospitality businesses, soft play, sports clubs and hotels affected by the impact on consumer behaviour of the Omicron variant of COVID and public health messaging. Grants of £10k, £15k and £20k were available, dependent on the circumstances of the business.

The estimated level of potential fraud and error in the Omicron scheme is approximately 0.39% (£160k) of the £40.524m of payments made. The administration of the LRSS scheme during 2020-21 and the lessons learned were used in the development of the scheme and to create mitigations. There were two application streams for the Omicron Hospitality payment. The first for those with previous LRSS applications and was deemed lower risk, the second with a more extensive application form and more detailed checks and controls.

LPS paid out £443.056m for other COVID-19 grant schemes from 2020-21 to 2021-22 in addition to the Omicron Scheme. Risks of fraud and error were mitigated by process checks including checks to rate accounts, property ID checks and duplicate bank checks. However, a small percentage of fraud and error was identified. The estimated level of potential fraud and error in the other COVID-19 grant schemes administered by LPS are detailed below:

Scheme	2021-22		2020-21	
	£000	%	£000	%
LRSS	4,069	1.3	4,518	1.8
Small Business Top Up	103	0.1	60	1.2
Large NAV	10	0.03	-	-
Medium Industrial	25	0.01	-	-
Soft Play	-	-	-	-

All ineligible payments are recognised as debtors in the financial statements.

It is recognised that not all of the ineligible payments will be recovered and the bad debt provision was increased from £1.9m recognised in 2020-21 by a further £0.3m in 2021-22 to £2.2m. This has been recognised from within the Department's non-ringfenced budget.

Business Support Grant Scheme Team – This was established in 2021-22 to administer the Local Restrictions Support Scheme, Small Business Top-up, Large NAV, Medium sized industrial and Omicron Hospitality Payment financial support grants to businesses impacted by the pandemic.

NICSHR received additional budget to fund recruitment competitions and staff substitution – This funding was required to support the production of COVID-19 specific management information and agency staff to cover staff moved from business as usual to COVID-19 activities. In addition a number of recruitment competitions were run to fill COVID-19 related posts.

Accommodation Services Utility costs – Due to the need for increased ventilation within office accommodation this increased the utility costs.

NISRA loss of income – due to restrictions there was a decrease in the number of certificates requested that would normally generate income.

NISRA COVID-19 Opinion Survey - In 2021-22, NISRA reached out to 50,000 Households to seek their participation in the COVID-19 Opinion Survey, with approximately 9,000 households responding to the survey in that period. The survey was a key source in (i) highlighting the impact that the pandemic was having societally and (ii) shaping the ongoing policy response. During the period in question, four detailed and suitably tailored reports were released, which can be accessed at the following link: [NISRA Coronavirus \(COVID-19\) Opinion Survey | Northern Ireland Statistics and Research Agency](#).

Other activities associated with COVID met from existing baseline

IT Assist has continued to enable thousands of civil servants to adapt to a new working environment, allowing them to work remotely to continue to provide vital services to citizens. IT Assist has:

- Refreshed and deployed approximately 6,000 laptops;
- Provided 1,600 new Video Conferences licenses, often enabling over 7,000 participants in WebEx calls in any given day;
- Provided 2,900 new Mobile Devices (iPads, Smart Phones);
- Deployed MS Teams to 10,000 users
- Enabled access to MS Teams, Google Hangouts and WebEx Video Conferencing via Room Based Video Conferencing Units;
- Developed new Secure, Resilient Wifi Solution for deployment to buildings; and
- Supported the technical deployment for four Connect2 Hubs.

The indirect Contact Centre supported the delivery of support schemes, changes to existing services including those impacted by restrictions, such as Driver Testing; and most specifically the Department of Health's response through the proxy services for COVIDCareNI (COVID-19 Symptom Checker and Test Booking); StopCOVIDNI (Proximity app); COVID-19 Vaccination Booking service and COVID-19 Certification Services for both Travel and Domestic use.

Digital Shared Services (DSS) Enterprise Digital Development ensured that websites were designed, available and had capacity to deal with significantly high demands for sites such as Shop Local and COVID-19 Certificates.

UK Withdrawal from the EU

The Department's final budget for activities associated with EU Exit amount to £1.8m with actual spend of £1.7m.

Business Area	Budget £000s	Outturn £000s
NISRA	350	346
SPAR	450	425
DSO	680	556
NICSHR	200	200
PSD	120	144
Total	1,800	1,671

Spend is mainly associated with staff costs in particular in relation to providing legal, statistical and financial advice.

NISRA currently has a small team of staff working on issues associated with the UK's exit from the EU and the implementation of the NI Protocol. This includes responding to relevant queries regarding North/South and East/West trade and the provision of analyses relating to detailed imports and exports queries.

Ongoing work includes:

- Analysis of HMRC data to provide detail on supply chain linkages;
- Research into the products and services provided by NI businesses;
- Improving access to EU Exit information on the NISRA website; and
- The development, implementation and maintenance of a Trade and Economic Research Database widening the access to de-identified economic and labour market data available for research purposes by accredited research organisations.

In addition and in response to user demand for more timely trade in products data, NISRA developed a monthly Power Business Intelligence (BI) dashboard that is adding value to the Eurostat trade data that is now routinely published since the implementation of the NI Protocol. The dashboard, which has been warmly welcomed by users, seeks to make the data in question more accessible and provides supporting analyses while enabling users to undertake their own tailored queries.

Finally, NISRA responded positively to users' needs for more comprehensive trade statistics by adding some 95 new variables to the Annual Business Inquiry (ABI) survey for the reference year 2021. This, along with a number of other developments, was recognised by the Office for Statistics Regulation (OSR) who awarded NISRA'S Broad Economy Sales and Exports Statistics (BESES) with a National Statistics accreditation in March 2022.

Additionally, General Register Office (GRO) have been working with the United Kingdom Government (UKG) regarding legislative changes to immigration status and sham marriages / civil partnerships from 1 July 2021. The cost of this policy activity has been met from within baseline.

DSO currently have 20 staff working on issues associated with the UK's exit from the EU.

Work undertaken to date includes advice on cross-cutting significant constitutional issues such as the common travel area, citizens' rights, the Good Friday/Belfast Agreement, the Withdrawal Agreement and related legislation, and the Ireland/Ni Protocol.

Common Frameworks to deal with policy areas previously within the competence of the EU for which domestic legislation/arrangements between the devolved administration and UK Governments will need to be made and will require legal input.

Ongoing legal advice will be required on immigration, citizens' rights, and movement of goods and any new bodies/monitoring mechanisms which are set up, such as the Independent Monitoring Authority on the new legislation governing a wide range of areas.

SPAR currently has 18 staff working on issues associated with the UK's exit from the EU.

SPAR is taking the lead in contingency planning in relation to banking and financial services. This work has involved ongoing liaison with HMT, the banking sector and other financial service providers, as well as providing advice to others in the NICS and across the public sector in NI.

Work will continue on a number of fronts, including the future trading relationship with the EU and future funding arrangements.

Work continues on the development of the PEACE Plus programme and other domestic replacements including Shared Prosperity Fund (SPF).

A percentage of the resourcing staff costs are attributed to work involved with providing staff for EU Exit posts.

PSD has three staff working on issues associated with the UK's exit from the EU. The work includes operation of the UKG Guarantee and future replacement funding, as well as funding interventions/mitigations.

Financial Review

The Department's 2021-22 opening resource departmental expenditure limit (DEL) position saw an increase of 3% compared to the 2020-21 opening position. This was based on the Department's 2020-21 opening budget position, with allocations for central ring fenced activities including Collaborative Procurement, COVID-19 related activities, and funding to support activities associated with the UK's Exit from the EU.

As set out in the Statement of Assembly Supply (in the Accountability Report section), the Department was voted Resource Estimate Provision of **£353.4m** for 2021-22. Details of the net resource estimate and outturn are given in Table 1.

Table 1: Summary Net Resource Estimate and Outturn

	Outturn £000	Estimate £000	Outturn vs Estimate saving/ (excess) £000
Total Request for Resources A	331,094	353,425	22,331
Net Cash Requirement	443,333	483,157	39,824

The net resource outturn was **£331.1m** against an estimated provision of **£353.4m**.

The total variance was **£22.3m**, split between the departmental expenditure limit (DEL) **£11.1m**, the annually managed expenditure (AME) **£11.1m** and non-budget expenditure **£0.1m**.

Of the budget allocated as a result of COVID-19 there was an underspend of £5.9m. Of the remaining DEL underspend, £0.9m is in relation to depreciation, a further £1.4m is due to a demand led programme, with the remaining £2.9m in relation to the Department's non-ringfenced spend.

Of the AME underspend, £8.5m is in relation to the revaluation of the office estate, which was lower than anticipated. A further £2.6m is in relation to the revaluation of anticipated costs for legal cases and also budget set aside to cover potential provisions that did not crystallise during the period. AME spend is by its nature unpredictable.

The Department's net cash requirement outturn was **£443.3m** against an estimated provision of **£483.2m**, a variance of **£39.8m**. The bulk of the variance (£27.7m) relates to the movement in working capital other than cash.

Detailed explanations of the variances are given in the Statement of Outturn against Assembly Supply (SOAS) note 1 in the Accountability Report section.

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

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

Table 2: Reconciliation Resource expenditure between Estimates, Accounts and Budgets

	Outturn 2021-22 £000	Outturn 2020-21 £000
Net Resource Outturn (Estimates)	331,094	610,182
Include Consolidated Fund Extra Receipts (CFERs) in the Statement of Comprehensive Net Expenditure	(829)	(10,767)
Net Operating Costs (Accounts)	330,265	599,415
Remove capital grants	(190)	-
Remove research & development expenditure	(50)	(50)
Remove Consolidated Fund Extra Receipts (CFERs) in the Statement of Comprehensive Net Expenditure	829	10,767
Include Excess Accruing Resources	(760)	(10,713)
Include rate collection income	(8,175)	(8,473)
Remove notional costs	(346)	(349)
Remove SEUPB Non Budget Grant	(978)	(1,009)
Include SEUPB Running Costs	2,237	1,819
Resource Budget Outturn (Budget)	322,832	591,407
Of which:		
Departmental Expenditure Limit (DEL)	322,376	587,413
Annually Managed Expenditure (AME)	456	3,994

Budgeting Framework

The Department of Finance (DoF) is responsible for management of the NI Executive Budget process in line with a budgetary framework set by Treasury.

The total amount a department spends is referred to as the Total Managed Expenditure (TME); which is split into:

- Annually Managed Expenditure (AME)
- Departmental Expenditure Limit (DEL)

Treasury, and in turn DoF, do not set firm AME budgets. They are volatile or demand-led in a way that departments cannot control. The Department monitors AME forecasts closely and this facilitates reporting to DoF, who in turn report to Treasury.

As DEL budgets are understood and controllable, Treasury sets firm limits for DEL budgets for Whitehall departments and Devolved Administrations at each Spending Review. The NI Executive, based on advice from the Finance Minister, will in turn agree a local Budget that will set DEL controls for Executive departments.

DEL budgets are classified into resource and capital.

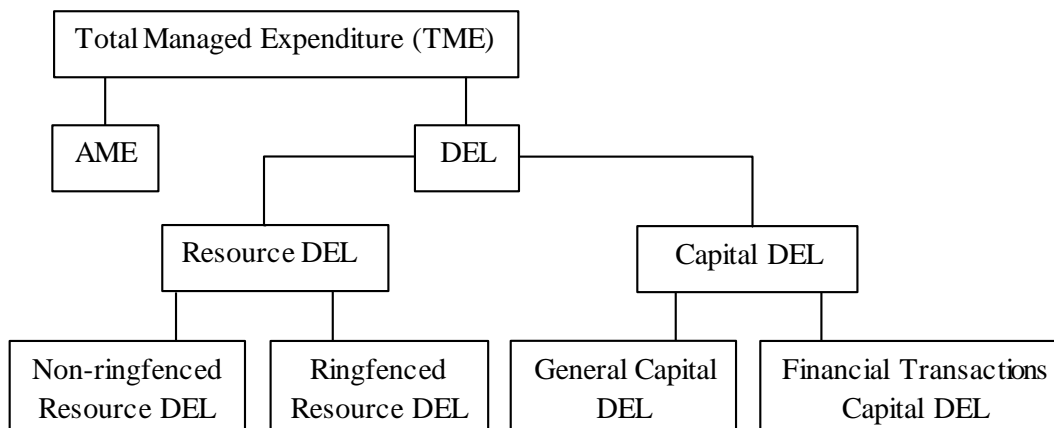
- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs, and separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets.
- Capital DEL is split into ‘financial transactions’ for loans given or shares purchased and ‘general capital’ for spending on all other assets or investments.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by Treasury.

<https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022>.

The information contained within budgetary controls does not currently read directly to financial information presented in Financial Statements due to a number of misalignments. It is intended that the Executive’s Review of Financial Process (RoFP) will help address these differences and improve transparency. RoFP is due to be implemented in 2022-23. Further information on the Executive’s Review of Financial Process can be found on the Northern Ireland Assembly website.

Budget Structure



Budgetary Performance

Details of the Department's performance against Budgetary Control totals is set out in the Table 3 below.

Table 3: Department's performance by Budgetary Control

	Final Plan 2021-22 £000	Final Outturn 2021-22 £000	Underspend / (Overspend) 2021-22 £000
Resource DEL	332,703	322,376	10,327
<i>Including</i>			
<i>Non-ringfenced</i>	297,773	288,337	9,436
<i>Ringfenced D/I</i>	34,930	34,039	891
Capital DEL	35,461	32,541	2,920
<i>Including</i>			
<i>General Capital</i>	35,461	32,541	2,920
Total DEL	368,164	354,917	13,247
AME	11,604	456	11,148
<i>Including</i>			
<i>AME Resource</i>	2,210	(419)	2,629
<i>AME D/I</i>	9,394	875	8,519
Total Managed Expenditure	379,768	355,373	24,395

Explanation of Variances

There was a Resource DEL underspend of £10.3m. Of this £5.9m relates to underspends on COVID-19 related expenditure, £1.4m relates to rate rebate which is a demand led programme and costs were lower than anticipated, a further £0.9m on depreciation and the remaining £2.1m on Departmental spend which was mainly due to delays in filling vacancies, increased income and reduced costs such as utilities and maintenance.

The capital DEL underspend of £2.9m relates mainly to delays in projects.

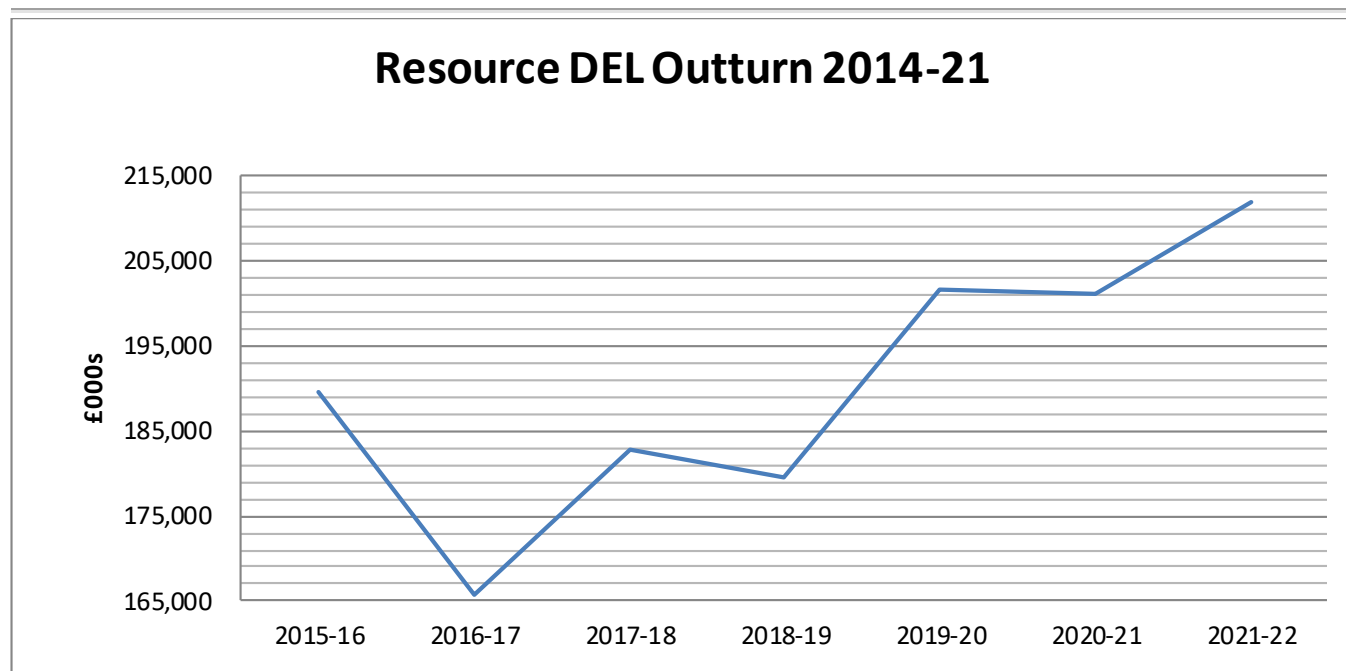
The AME underspend relates mainly to the revaluation of the office estate which was lower than anticipated and also the revaluation of anticipated legal costs following revised information. Budget cover for potential legal liabilities had also been included and these did not materialise.

Long-term expenditure trend

Total departmental spending

	2017-18 Outturn £000	2018-19 Outturn £000	2019-20 Outturn £000	2020-21 Outturn £000	2021-22 Outturn £000
Total Resource DEL	182,813	179,634	201,520	587,505	322,376
<i>Of Which:</i>					
- Staff Costs*	145,715	154,384	168,064	172,302	180,756
- Other	113,679	114,927	129,305	516,851	250,992
- Depreciation & Impairments	31,655	36,009	34,126	35,873	34,039
- Income	(108,236)	(125,686)	(129,975)	(137,521)	(143,411)
Total Resource AME	906	2,360	3,041	3,994	456
<i>Of Which</i>					
- Staff costs	92	(49)	1,641	992	(1,623)
- Other	36	150	179	247	1,204
- Depreciation & Impairments	778	2,259	1,221	2,755	875
Total Resource Budget	183,719	181,994	204,561	591,499	322,832
<i>Of Which:</i>					
- Staff Costs	145,807	154,335	169,705	173,294	179,133
- Other	113,712	115,077	129,484	517,098	252,196
- Depreciation & Impairments	32,433	38,268	35,347	38,628	34,914
- Income	(108,236)	(125,686)	(129,975)	(137,521)	(143,411)
Total Capital DEL	31,384	36,489	28,998	16,749	32,541
<i>Of Which:</i>					
- Capital grants	3,700	-	16	-	190
Total Capital AME	-	-	-	-	-
Total Capital Budget	31,384	36,489	28,998	16,749	32,541
Total departmental spending	215,103	218,483	233,559	608,248	355,373
<i>Of Which:</i>					
- Total DEL	214,197	216,123	230,518	604,254	354,917
- Total AME	906	2,360	3,041	3,994	456

*Difference in staff costs within the long term expenditure trends budget outturn and the remuneration report is attributable to the NI share of SEUPB staff costs amounting to £664k.



In 2015-16 the Department had additional spend of £16.3m as a result of the Voluntary Exit Scheme (VES) compensation payments. In 2016-17 the decrease is mainly because there were no VES compensation payments and also due to a decrease in staff costs following the VES scheme.

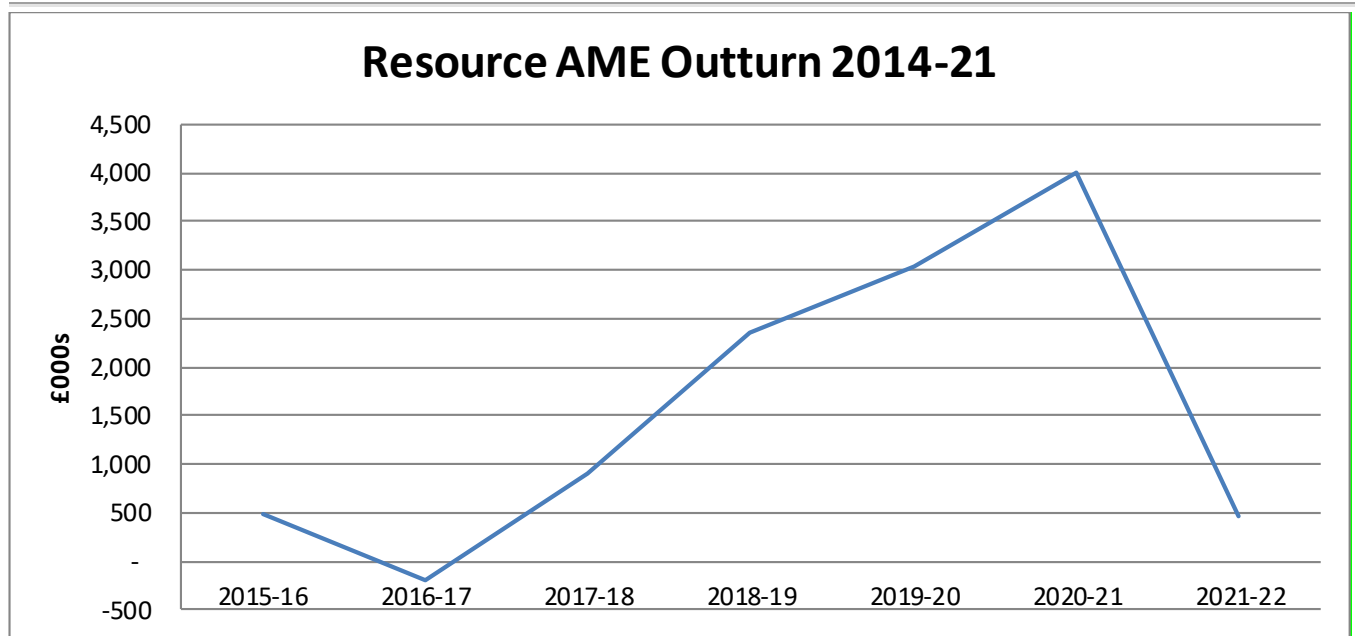
In 2017-18 the increase is mainly in relation to the Department's new responsibility of providing a shared NICS Human Resources function to all NICS departments. In addition the Department received allocations of £7.3m to take forward the Rate Rebate Replacement Programme, the Reform of Property Management Project and Census. Funding was also provided to enable the RHI Inquiry to proceed.

2018-19 net position saw a small decrease due to increased levels of income generated.

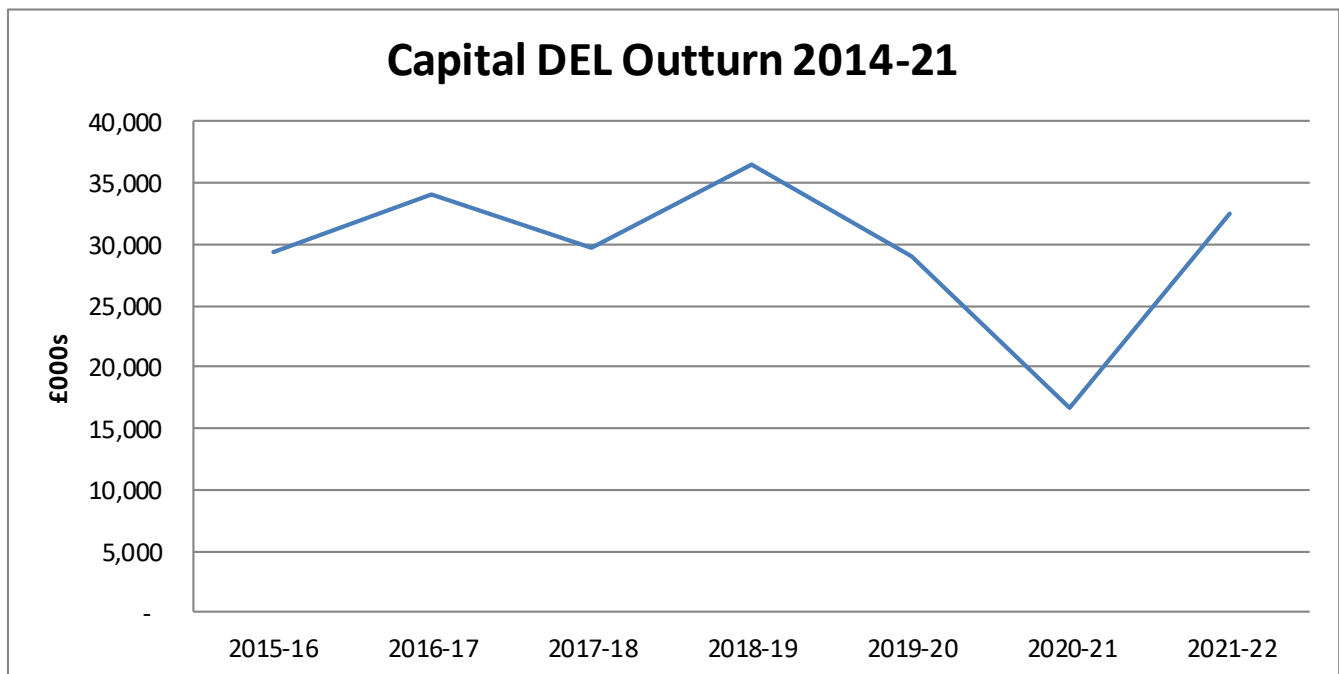
2019-20 saw a significant increase mainly due to the increase in employer's pension contribution rate which was effective from 1 April 2019 and the Department received £8.8m additional funding. With the roll out of Universal Credit the payments the Department is responsible for making under the rate rebate scheme saw an increase of around £6m from the previous year. The Department was also preparing for the Census 2021 and there was an increase in both staff costs and other costs associated with this.

2020-21 saw a significant increase in budget due to COVID-19 and the Department's involvement in providing financial support to businesses affected by the pandemic. For the purposes of the graph the funding associated with COVID-19 has been excluded to give a comparison of actual Departmental spend. Of the total DEL resource spend of £587.5m, £386.4m related to COVID-19 expenditure.

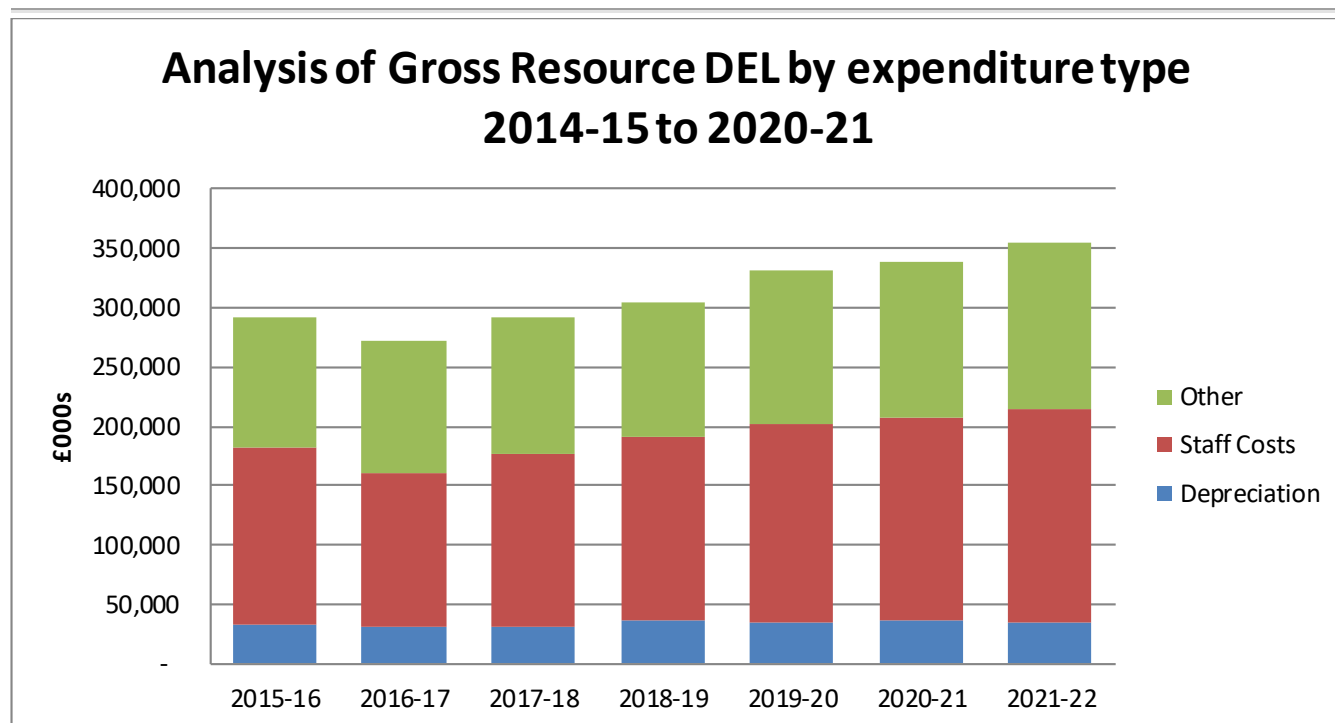
2021-22 also had spend of £110.6m associated with COVID-19 and for the purposes of the graph this has been excluded to give a comparison of actual Departmental spend. The increase in spend is mainly due to increased staff costs.



AME covers areas of expenditure that are more volatile including the revaluation of the office estate as a result of changes in market value and potential legal liabilities. The 2016-17 negative outturn is as a result of the revaluation of the office estate being lower than anticipated. The increase in 2019-20 and 2020-21 are mainly in relation to potential legal liabilities. The decrease in 2021-22 is mainly as a result of revaluation of a provision for legal cases following revised information.



The increase in 2018-19 is also as a result of the purchase of a property for office accommodation which was previously leased. Due to the pandemic a number of projects slipped in 2020-21 due to the unavailability of contractors and restrictions in place. Projects that had been delayed were progressed in 2021-22 resulting in increased spend.



Over the 7 year period shown above:

1. *Depreciation and impairment costs* – these had remained relatively constant until 2018-19 when there was an increase due to revaluations of assets;
2. *Staff costs* – There was a decrease in 2016-17 due to the voluntary exit scheme to reduce staff numbers. There was an increase in staff costs in 2017-18 due to the new responsibility of a new shared NICS Human Resources and Group Internal Audit and Financial Investigation Services (GIAFIS) functions. The 2017-18 staff costs would have remained broadly at 2016-17 level had these services not been introduced within the Department. The 2018-19 year saw further increases in staff costs due to increased numbers to carry out work required in preparation for the UK's exit from the EU. 2019-20 saw a significant increase, mainly as a result of the increase in employers pension contribution rates which were effective from 1 April 2019. Staff numbers increased in 2021-22 resulting in increased costs. The Department will continue to monitor staff levels and associated costs; and
3. *Other costs* – these have remained relatively constant despite inflationary pressures and additional corporate functions. There was an increase in 2019-20, 2020-21 and 2021-22 due to the increase in rate rebate payments following roll-out of Universal Credit. There was also increased costs due to the preparation for Census 2021.

As with the above graphs the costs associated with COVID-19 in 2020-21 and 2021-22 have been excluded to enable comparison of actual Departmental spend.

Future Developments

The development of a business plan for 2022-23 is underway and will continue to focus on key service delivery. Specific targets will underpin the (draft) main themes, of:

- Managing public money & Funding public services;
- Supporting our people;
- Delivering excellent services;
- Transformation & Innovation; and
- Evidence and insights.

Following the resignation of the First Minister and the subsequent lack of an Executive, a Budget for 2022-23 could not be finalised. The Finance Minister wrote to departments to set out a way forward in the absence of an Executive to agree a Budget. This process involved DoF issuing departments with contingency planning envelopes for the 2022-23 financial year. These envelopes provided departments with an assessment of the minimum funding they could reasonably expect for 2022-23 and allowed departments to plan for expenditure until such times as a Budget could be agreed.

Table 4 shows the net current and net capital baselines available to the Department in 2022-23.

Table 4: Departments' Baseline Budget Allocation for 2022-23

Spending Area	2022-23	
	Current Expenditure £m	Capital Investment £m
Finance and Personnel Policy	22.0	0.6
NICS Shared Services	79.8	10.8
NI Statistics & Research Agency	15.3	1.8
Land & Property Services	27.3	5.2
EU Programmes	-	-
Special EU Programmes Body	1.8	-
NICS Accommodation Services	59.0	13.8
TOTAL*	205.2	32.2

*There may be slight variations due to roundings.

The 2022-23 budget is reduced compared to the 2021-22 outturn as it is not currently anticipated that there will be any further COVID grant schemes in 2022-23. The Department continues to face a challenging financial environment and will continue to monitor the impact on services.

Risks and Uncertainties

Risk management has been incorporated into the corporate planning process 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

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

Public Interest and Other

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 Department's performance in relation to the payment of invoices within 30 days was 95% (2020-21: 96%). The Department did not incur any interest charges (2020-21: NIL) as a result of the late payment of bills.

In 2021-22 an average of 89% of DoF's invoices were paid within 10 days (2020-21: 91%).

Full details of performance in terms of paying invoices within 30 days and 10 days can be found at <https://www.finance-ni.gov.uk/articles/account-ni-questions-and-answers>.

Sustainability and Environmental Matters

DoF's fourth Office Estate Energy Efficiency/ Carbon Reduction Plan produced by Properties Division (PD) covers the period 2020-21 – 2022-23. At the time of publication, it was estimated that the successful implementation of this plan would result in an energy saving of 4%. The COVID-19 pandemic introduced working from home, closing some buildings for periods of time, however, a number of buildings remained open to maintain essential public services, albeit with reduced staffing. COVID-19 mitigation measures required and still require running ventilation in buildings continuously, inevitably increasing electricity consumption.

The full impact of the COVID-19 pandemic on energy consumption during the lifetime of the current Energy Efficiency Plan is only emerging as the corresponding energy data is interrogated. Higher energy consumption, as well as unprecedented increases in unit cost prices for all forms of energy, including electricity, oil and gas have resulted in very significant increases in financial liabilities, to levels considerably higher than pre-pandemic.

PD continues to make improvements to reduce the carbon footprint of its buildings by contributing to increasing energy efficiency. PD provides a guide for Departmental Premises Officers which advises departments on how they can promote, co-ordinate and implement green housekeeping measures, minimise energy usage, improve levels of recycling and highlights their responsibilities to adhere to guidance on waste management and reduce their departments' waste. A Public Sector Energy Management Manual is also provided to supply more detailed information.

PD provides a metering and targeting system for departments to analyse the energy consumption associated with the buildings they occupy and to identify where energy savings can be made.

PD continues to support the emerging market for plug-in electric vehicles by providing charge points for staff at some buildings.

PD has been involved with England and Wales in the procurement of new online Energy Performance Certificate (EPC) registers, which went live in September 2020. The registers will have additional and improved functionality to facilitate improvements in energy management and data analysis in the domestic and commercial sectors.

In the first phase of an ambitious five phase programme, PD has amended the Building Regulations to uplift the current requirements for energy efficiency for new buildings. PD also maintains liaison with DAERA and DfE on relevant aspects of the Green Growth and Energy Strategies.

On the Stormont Estate, the ‘Green Flag’ Award was achieved for the eighth successive year. This is the benchmark standard that recognises well managed parks and green spaces. In addition, for the second consecutive year, Stormont Estate was awarded the Green Heritage Award which recognises the historic importance of the site.

Work continues on the Estate to promote sustainability and environmental matters and improve facilities for the public, to ensure outdoor green spaces are accessible for all. These include:

- A new Changing Places Facility which opened in April 2021 and meets the very latest accessibility requirements for all;
- The pavements on the main Prince of Wales Avenue have been resurfaced, improving accessibility;
- The Reconciliation Sculpture has been re-sited, with the inclusion of stone benches and improved access through the laying of new paths;
- Maintenance of the Mo Mowlam all abilities Play Park has continued, also enhancing accessibility;
- Implementing recommendations in the Estate’s 15-year Woodland Management Plan with the replanting of approximately 400 native trees has continued;
- A programme to enhance biodiversity on the Estate is set out in a ten year Conservation Management Plan; and
- The Estate also continues to achieve waste recycling figures of between 80-90%.

The Department is also committed to promoting Social, Economic and Environmental Sustainability via Social Value policies approved by the Northern Ireland Executive.

DoF, in partnership with DAERA has removed all unnecessary single-use plastic (SUP) from the Government estate. Suppliers have identified alternatives to the disposable items in use, replacing them with reusable items or more environmentally friendly alternatives.

Environmental Sustainability is also promoted by the Department through the inclusion of common minimum standards promoting sustainability within Government construction contracts to reduce the consumption of water and energy, as well as reducing waste and carbon.

This Performance Report is approved and signed

A handwritten signature in black ink, appearing to read 'N. Gibson', enclosed within a thin black rectangular border.

Neil Gibson
Accounting Officer
Department of Finance
24 June 2022

ACCOUNTABILITY REPORT

ACCOUNTABILITY REPORT

The Accountability Report comprises the following:

Corporate Governance Report

The purpose of the Corporate Governance Report is to explain the composition and organisation of DoF's governance structures and how they support the achievement of DoF's objectives.

Remuneration and Staff Report

The Remuneration and Staff Report sets out DoF's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors. In addition the report provides details on staff numbers, costs and staff-related policies.

Assembly Accountability and Audit Report

The Assembly Accountability and Audit Report brings together the key Assembly accountability documents within the annual report and accounts.

Corporate Governance Report

Directors' Report

Introduction

The Department of Finance (DoF) presents its accounts for the financial year ended 31 March 2022.

Management

Ministerial responsibility for the Department for the financial year 2021-22 rested with Conor Murphy MLA.

The Permanent Secretary and Accounting Officer for the Department for the 2020-21 financial year was Sue Gray who remained in post until 16 May 2021. Colum Boyle was appointed interim Permanent Secretary with responsibilities of Accounting Officer for the Department of Finance with effect from 17 May 2021. Neil Gibson was appointed as Permanent Secretary and Accounting Officer of the Department on 1 April 2022.

Departmental Board

The Permanent Secretary has the assistance of the Departmental Board (the Board) to meet their responsibilities, including the development of the Department's strategic plans. The Board is a core element of corporate governance arrangements, agreeing the range of other governance elements and, through its scrutiny role, overseeing the policies, plans and effectiveness of those other elements. The Board is responsible for supporting the Permanent Secretary in ensuring that the Department's resources and corporate governance arrangements are directed towards the delivery of policy objectives and priorities.

The Board is chaired by the Permanent Secretary. No deputy chair is formally designated, although the Permanent Secretary may nominate another Board member to chair a particular meeting in the event of his absence. In addition to the Permanent Secretary, Board Membership comprises the Departmental Solicitor, Deputy Departmental Solicitor, Chief Executives and Directors at Grade 3 level, the Director of Finance and Corporate Services, the Head of Communications and Engagement, and three Non-Executive Board Members. The Board is also attended by a Boardroom Apprentice, who for the period of this report was Karl Webb.

The Board is supported by a Board Secretary who attends each meeting. Other officials may attend meetings when required.

The Departmental Board members during the year were as follows:

Role	Name
Permanent Secretary	Sue Gray (up to May 2021) Colum Boyle (from 17 May 2021)
Chief Executive LPS	Ian Snowden
Chief Executive NISRA	Siobhan Carey
Departmental Solicitor*	Hugh Widdis
Deputy Departmental Solicitor	Claire Archbold (up to 28 November 2021) Louise Crilly (from 29 November 2021)
Director PSD	Joanne McBurney
Director SPAR	Bill Pauley
Director NICSHR	Jill Minne
Director CPD	Des Armstrong (up to 30 April 2021) Sharon Smyth (from 5 July 2021)
Director ESS	Paul Duffy
Director FCSD	Stewart Barnes
Director CaED	Mark McLaughlin
Non-Executive Board Member	Liz Ensor
Non-Executive Board Member	John Smyth
Non-Executive Board Member	Tom Taylor

* While the Departmental Solicitor is a Board Member and has the right to attend meetings, he does not attend.

Register of Interest

A Register of Interests is maintained by the Department and no Board members have declared anything which would be considered a conflict of interest with the business of the Department.

Pension Liabilities

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

Personal Data

The Department is committed to complying with the UK General Data Protection Regulation (GDPR) and Data Protection Act 2018, and has policies, procedures and processes in place to ensure that all staff, contractors, agents, consultants and other parties who process personal information held by, or on behalf of, us are fully aware of their responsibilities under data protection legislation. The Department has:

- Encouraged and promoted accountability and data protection by design in all aspects of business planning and project management;
- Retained an experienced Data Protection Officer, who is given the required independence to perform her tasks;
- Provided robust policies and guidance which support data protection requirements;
- Delivered communication and awareness of data protection to staff;
- Provided online data protection awareness sessions to staff;
- Documented all holdings of personal data;
- Established a Data Protection Health Check (DPHC) exercise to assess where processing activities are compliant with data protection legislation, policies and procedures;
- Revised and updated policies and procedures following EU Exit;
- Provided staff with robust procedures to detect, report and investigate data incidents and breaches; and
- Provided staff with the correct organisational and technical security measures to securely collect, process and manage personal data, particularly where personal data is shared with other organisations.

There was one reportable breach of personal data between 1 April 2021 and 31 March 2022. The mitigation measures taken by the Department were accepted, and there were no accountability outcomes as a result.

Cost allocation and charging

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

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.

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. DoF has a 2-stage complaint process, which is set out in our Customer Service Standards (Standard 9 – Having a Complaints Procedure) on the internet:

<https://www.finance-ni.gov.uk/publications/dof-customer-service-standards-and-complaints-procedure>

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 2021-22 the Department dealt with 1,032 complaints (2020-21: 718 complaints). The percentages of complaints originated from:

	2021-22	2020-21
		%
Land and Property Services	73	70
ESS – CSP	6	7
ESS – HR Connect	11	13
ESS – DSS nidirect	5	4
Others	5	6

Rural Needs Act

The Rural Needs Act (Northern Ireland) 2016 (the Act) requires policy makers and public authorities to have due regard to rural needs when developing and implementing policies and when designing and delivering public services. In order to fulfil its obligations under Sections 1 and 3 of the Act, 20 Rural Needs Impact Assessments have been completed by policymakers within the Department of Finance between 1 April 2021 and 31 March 2022. Details of these assessments will be sent to DAERA for publication in the Rural Needs Annual Monitoring Report 2021-22.

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act (NI) 2001, the Department of Finance 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 income and expenditure, Statement of Financial Position 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 DoF, 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;
- Prepare the accounts on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

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

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that NIAO are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance Statement

The Department of Finance is one of nine Northern Ireland departments. The Department is governed under a model with the following responsibilities:

- The Minister for Finance 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 as shown on page 3 of the Performance Report.

The Assembly passed the Budget Act (Northern Ireland) 2022 in March 2022 which authorised the cash and use of resources for all departments for the 2021-22 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2022 also included a Vote on Account which authorised departments' access to cash and use of resources for the early months of the 2022-23 financial year. The cash and resource balance to complete for the remainder of 2022-23 will be authorised by the 2022-23 Main Estimates and the associated Budget Bill based on an agreed 2022-23 Budget. In the event that this is delayed, then the powers available to the Permanent Secretary of the Department of Finance under Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 will be used to authorise the cash, and the use of resources during the intervening period.

It has not been possible to secure North South Ministerial Council (NSMC) approval of the 2022 Business Plans for SEUPB. While arrangements have been made with DoF to ensure legality of payments in 2022 in the absence of NSMC approved business plans, expenditure will be irregular until the NSMC approves each of these Business Plans.

It is a legislative requirement under the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 that any grants paid to bodies by a Northern Ireland Sponsor Department must be approved by DoF. Where such an approval is absent, any expenditure is illegal and retrospective consent cannot confer legality. No grant payments were made in the 2021-22 (2020-21: £NIL) financial year without DoF approval.

This Governance Statement, which has been agreed by the Board, sets out how these responsibilities have been discharged during 2021-22.

Ministerial Directions

There was one Ministerial Direction during 2021-22 (three in 2020-21).

The Direction related to some significant risks with the proposed scheme to support hospitality businesses affected by the impact on consumer behaviour of the Omicron variant and public health messaging. The Minister was advised that because there was insufficient time either to undertake the necessary appraisals of the proposed scheme or to put the full range of appropriate mitigations and measures in place, the Accounting Officer could not recommend that the Department proceed with these schemes and comply with the duties as Accounting Officer under Managing Public Money NI. The Accounting Officer had discussed these concerns with the Minister before he issued his Executive paper of 23 December 2021 and he reflected them in the paper. The First and deputy First Minister subsequently approved the paper using

the urgent procedure on the same date. The Minister then wrote to the Accounting Officer, to direct him to take the schemes forward in line with the proposals outlined in the Annex to the Executive paper.

Context

The DoF Business Plan for 2021-22 was published in July 2021. 70 targets were included under 17 priorities.

The targets and priorities outlined in the plan continued to work in support of the NICS Outcomes Delivery Plan. An extensive public consultation and engagement process was undertaken between January and April 2021 on a draft Outcomes Framework as the first step in the development of a new, strategic Programme for Government (PfG).

Feedback from the consultation demonstrated continued widespread support for the Outcomes based approach and for the draft Outcomes consulted on. A revised draft Framework has been prepared by officials to take account of feedback received from the public consultation and engagement process and it is hoped this will be presented to an incoming Executive for early consideration at the beginning of the new mandate, however it will be for incoming Ministers to determine how the PfG is progressed. The COVID-19 recovery plan was developed in the context of the draft PfG Outcomes Framework with the intention that the workstreams are likely to form the basis of a number of key strategic areas that will ultimately contribute to the achievement of the PfG Outcomes.

DoF's development of a business plan for 2022-23 will continue to focus on key service delivery. Specific targets will underpin the (draft) main themes of:

- Managing public money & Funding public services;
- Supporting our people;
- Delivering excellent services;
- Transformation & Innovation; and
- Evidence and insights.

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 Northern Ireland (MPMNI)* and for establishing and maintaining a sound system of internal control for the management of resources under the Permanent Secretary's control.

At the beginning of the financial year, the Accounting Officer delegated responsibility to the Directors and Chief Executives for the management of budgets within their respective business areas. Formal assurances were received 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 assurance statements. Key issues emanating from those statements are reflected in this Governance Statement and necessary actions followed up with the relevant Directors.

Departmental Board

The Accounting Officer chairs the Board, which met on eight occasions in 2021-22. Seven of these meetings were held online and one in person.

During 2021-22, the Board held regular discussions on:

- COVID-19 response;
- Finance;
- HR;
- Fisk;
- Performance;
- Communications;
- New ways of working;
- Strategic issues; and
- The UK's exit from the EU/Northern Ireland Protocol.

In addition, the Board also considered and discussed commercial capability plan, Integr8, staff absence/work related stress and the Green Growth Action Plan.

Compliance with the Corporate Governance in Central Government Departments: Code of Good Practice NI

The Department has in place a Corporate Governance Framework that is available on the staff intranet site. This reflects the key principles in '[Corporate governance in central government departments: Code of good practice NI \(2013\)](#)' and sets out details of the Department's corporate governance arrangements.

The Department is compliant with the spirit and principles of the Code across the majority of its aspects.

Although compliant, the Department is seeking to improve its effectiveness. An independent review was carried out during 2021-22. The assessment identified that there was further potential to be realised. There were a number of recommendations put forward, the majority of which were accepted and some already implemented. Some recommendations were longer term in nature and will be kept under review.

The scrutiny of the performance of the Department's sponsored bodies was one recommendation and has been accepted and will be reviewed during the 2022-23 financial year. The DoF Departmental Board Operating Framework will be updated to reflect the recommendations from the Board effectiveness review.

Attendance of non-executive and executive members at Board and DARC meetings during 2021-22:

Role	Name	Number of Board Meetings Attended (8 in total)	Number of DARC Meetings Attended (9 in total)
Permanent Secretary	Sue Gray	1	1
	Colum Boyle	7	6
Chief Executive LPS	Ian Snowden	6	n/a
Chief Executive NISRA	Siobhan Carey	3	n/a
	David Patterson	3	
Departmental Solicitor*	Hugh Widdis	0*	n/a
Deputy Departmental Solicitor	Claire Archbold	6	n/a
	Louise Crilly	2	
Director PSD	Joanne McBurney	5	n/a
Director SPAR	Bill Pauley	8	n/a
Director NICSHR	Jill Minne	5	n/a
Director CPD	Sharon Smyth	8	n/a
Director ESS	Paul Duffy	8	n/a
Director FCSD	Stewart Barnes	7	8
Director CaED	Mark McLaughlin	8	n/a
Non-Executive Board Member	Liz Ensor	7	9
Non-Executive Board Member	John Smyth	7	7
Non-Executive Board Member	Tom Taylor	7	8

*While the Departmental Solicitor remains a DoF Board Member and has the right to attend meetings, he does not attend.

Declarations of Interest

Corporate Governance Branch maintains a “Register of Interests” for all staff at the senior civil service grades, which includes the members of the DoF 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 DoF does business;
- Gifts or benefits received in connection with work in DoF;
- Membership of professional institutes and/or committees; and
- Any other interests that could have a conflict.

During the 2021-22 financial year the Treasury Officer of Accounts issued Dear Accounting Officer letter 07/21 (DAO 07/21) which provided generic guidance on Declarations of Interest. This was used to update the DoF guidance, resulting in a number of changes;

- Line manager assessment/actions recorded – the introduction of a more formal process whereby line managers have to record that they are aware of their staff declarations, that they have assessed any potential conflict with the Department’s business and any actions they have/will take to mitigate the conflict if it arises;
- Register of interest – each Directorate is now tasked with holding an up to date register of interests for all staff who complete a declaration of interest return, which will feed into the Department’s Senior Civil Servants (SCS) register;
- Publication of SCS register – the Department has committed to publishing a Declarations of Interest register in respect of the SCS staff; and
- New forms and register – in order to facilitate the above changes new forms were introduced and a new register was established.

The draft guidance was then issued to the Departmental Board in April 2022 for comment and will be finalised during 2022-23.

For 2021-22 a number of interests were declared which could potentially pose a conflict with the business of the Department. However, the Accounting Officer has been provided with assurance that line manager assessments have been carried out, mitigations are in place if necessary and that no significant conflict has materialised.

For staff at the grades below SCS, declarations of interest are monitored by the relevant Grade 3/5 and then confirmed through the bi-annual assurance statement process.

In accordance with Section 6 of the Civil Service (Special Advisers) Act (Northern Ireland) 2013, the Department published an annual report containing the number and costs of all NICS special advisers. The publication also contained details for the Minister. In line with the current Declaration of Interest policy for special advisers, all special advisers have declared any relevant interest or confirmed they do not consider they have any relevant interests. The Permanent Secretary has considered these returns for the DoF Special Adviser and determined that there are no conflicts of interest to declare. Neither the Minister nor the SPAD have any interests which would conflict with the business of the Department. The publication is available at [Register of Ministers’ and Special Advisers’ Interests \(finance-ni.gov.uk\)](https://finance-ni.gov.uk/register-of-ministers-and-special-advisers-interests).

Business Appointments

In compliance with the Business Appointment rules on the acceptance of Outside Business Appointments, Employment or Self - Employment by Civil Servants after leaving the NI Civil Service contained in Northern Ireland Civil Service HR Policy 6.01 Standards of Conduct, the Department is transparent in the advice given to individual applications for senior staff, including special advisers. No applications were received regarding specific business appointments in respect of applications from SCS Grade 5 and above, including equivalent grades, and Special Advisers during 2021-22 and therefore no publication was necessary.

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 Chief Executive is responsible for signing the NISRA accounts and ensuring they are prepared in accordance with FReM and other relevant DoF Guidance. NISRA accounts are consolidated into the Departmental resource accounts.

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.

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. These accounts will be consolidated into the Departmental resource accounts from 2022-23 as a result of the Review of Financial Processes.

The Finance Minister is responsible for making public appointments to the board of the Northern Ireland Authority for Utility Regulation (NIAUR). NIAUR is a non-ministerial body.

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 Non-Executive Board Members and operates under the best practice guidance contained within the Audit and Risk Assurance Committee Handbook (NI) issued under DAO (DoF) 03/18 in March 2018.

In total the Committee met on nine occasions during the course of 2021-22 with four full agenda meetings, three to discuss draft accounts and two deep dive meetings. The deep dive meetings concentrated on key risk areas including:

- ESS Assurance statements; and
- Cyber Security.

The risk profile for the Department has 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;
- Assurance Statements provided by all Business Area Directors;
- Reports to Those Charged with Governance and Value for Money reports provided by NI Audit Office;
- Direct Award Contracts (DACs) & External Consultancy;
- Accountability Grids in relation to Public Accounts Committee recommendations; and
- Fraud and Raising Concerns (whistleblowing).

At each meeting the DARC receives a summary position of the Recommendations Register which indicates the progress being made against each internal audit recommendation and an indication of which recommendations have been rejected by management. This supports DARC in identifying those recommendations which are past due or which require further discussion at DARC level.

The Chair of the DARC presents the minutes of the DARC meeting and the Fraud and Raising Concerns update 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 DoF.

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 annual forecasts 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 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 expenditure 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.

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. These arrangements are in place during the year under review and up to the date of approval of the annual report and accounts.

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 raising concerns (whistleblowing) arrangements.

The resource position of the corporate governance team was reviewed during the year and benchmarked with other departments. The structure of the team was considered and additional resource secured. There are now two small teams i.e. corporate governance branch and corporate planning and compliance branch addressing governance issues within DOF. Handover of processes has been ongoing and the intention for 2022-23 will be to review and refresh the current Governance and Control Framework.

A key element of the Governance and Control Framework is the DoF 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. During 2021-22 the Permanent Secretary led a small sub-group of the Board to review and refresh the risk register. The risks were individually reviewed and reduced to ten risks. The format for recording the risk and changes over the quarters was also changed in year. The Corporate Risk Register is supported by further risk registers at Directorate and Agency level.

The Executive agreed and published its Response to the RHI Inquiry, with an accompanying Action Plan, in October 2021. Work has progressed on the various work streams, both within the Department and across the NICS, supported and coordinated as necessary by the Department. Delivery of RHI commitments has increasingly been incorporated within the wider work of Civil Service renewal. The NIAO published its assessment of the delivery of the recommendations (not the Executive's Action Plan) in March 2022.

DoF has systems and processes in place, designed to support data protection, information management, and physical, IT and cybersecurity, including the appointment of a Senior Information Risk Owner (SIRO), and a network of Information Asset Owners (IAOs).

Departmental Performance

The DoF Business Plan 2021-22 set out the targets and objectives for the year against which performance is reported and monitored. Progress has been reported to the Board using a RAG status assessment of each target and narrative on the actions taken to deliver the expected outcomes.

The Business 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 assurance statements from Directors bi-annually. The statements are based on assurances provided by Directors within business areas on risk management, financial management, compliance with approvals and delegations, procurement and contract management, fraud and raising concerns (whistleblowing), information management and assurance, business continuity,

cyber security, declarations of interest and on the implementation of independent review recommendations including Internal Audit.

At the year end the Directors were asked to provide their own overall assessment of the position. The DARC carried out a deep dive session on the end year statements. While there was full compliance in the majority of areas across the Department, there was partial compliance in some areas including cybersecurity. Work is ongoing in relevant business areas which is continuing to improve processes and progress will continue to be monitored. 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 unit conducted a programme of work during 2021-22 although some audits were postponed to future years. Internal Audit had undertaken sufficient audits to facilitate the provision of an audit opinion and the Head of Internal Audit provided an overall **satisfactory** opinion on the systems of internal control operating across the Department. Internal Audit issued individual reports to senior managers providing an objective and independent assessment of the systems of internal control in operation across DoF together with prioritised recommendations to strengthen controls and implement further improvements.

Resourcing issues continue to impact the whole NICS Group Internal Audit Service but this, combined with the impact of the COVID-19 crisis, resulted in Internal Audit focusing attention on those areas of greatest risk to the Department. Internal Audit also provided advice and guidance to business areas on both COVID-19 related issues and other operational functions. During the year Internal Audit provided DARC, at regular intervals, with a synopsis of the main findings arising from each audit. In addition, DARC received copies of all final audit reports 13 of which received a satisfactory audit opinion although limited opinions were issued in three areas. A summary of the three reports with limited opinions is included below.

1. HRConnect - Information Governance

Internal Audit issued a report in May 2019 noting that "current governance arrangements were not adequate and had not been operating as originally envisaged for some considerable time. In particular, there was a lack of a strategic oversight with no clear joined up approach between the management of the HRConnect contract and NICS HR strategies and priorities." While HRConnect have implemented a number of key controls to protect the confidentiality, integrity and availability of HRConnect information Internal Audit further identified a number of areas of concern which if not addressed could significantly impact the confidentiality, integrity and availability of HRConnect information.

2. Competent Authority

While the Competent Authority Team have taken a number of steps to implement the requirements of the Network Information Security (NIS) Regulations, such as publishing guidance and engaging with other Competent Authorities, Internal Audit identified that the Competent Authority Team have not implemented nine of its 13 key responsibilities under the NIS Directive. The Competent Authority Team have acknowledged that there are ongoing issues in the implementation of the NIS Regulations.

3. Content Manager

The main issues arising from the report include the absence of functionality performance targets and the lack of movement on disposal of records. In addition, there was no dedicated system owner accountable for technical infrastructure of the system along with authorising changes and defining the disaster recovery and business continuity arrangements. The Renewable Heat Incentive Scheme inquiry report included a recommendation relating to records management and although the Information Governance Board approved the creation of a Project Team to implement this recommendation the project is currently on hold.

Management have accepted all recommendations but given the significance and impact of the findings across the NICS Internal Audit considered that the Information Governance Board should review and take ownership of the recommendations to ensure that they are appropriately assigned and implemented.

Internal Control Issues

LPS Fraud

Following the report in the 2019-20 accounts of the misappropriation of £125k of rating refunds by a member of staff who was subsequently dismissed, LPS continued to work with the PSNI on the discovery of information. The investigation uncovered a further £63.5k of monies written-off ratepayer accounts which had been processed fraudulently. The case was passed onto the Public Prosecution Service (PPS), and legal proceedings initiated. The former member of staff pleaded guilty to all charges in May 2021. Sentencing took place in November 2021 and the former employee was sentenced to two years with one year in custody and one year on license. LPS was also awarded a Compensation Order for £89k which the Courts are taking forward.

LPS – Housing Benefit

The Land & Property Services (LPS) Trust Statement of Rate Levy Accruals Account “The Trust Statement” was introduced in 2010-11 and shows the revenue collected by LPS for the Consolidated Fund. LPS administer Housing Benefit on behalf of the Department for Communities (DfC).

Levels of fraud and error in Housing Benefit for owner occupiers are reported by the Standards Assurance Unit (SAU) within the Department for Communities (DfC). During the year ended 31 December 2020 the SAU issued two reports ‘Housing Benefit Review (Customer Error and Customer Fraud)’ and ‘Housing Benefit Review Financial Accuracy Official Error’ for the calendar year 1 January 2021 to 31 December 2021, in May 2022. These reports highlighted errors amounting to £0.4m (£0.2m customer error overpayment, £0.2m customer error underpayment) and £2.5m customer fraud overpayments in Housing Benefit for owner occupiers. The level of Official Error was £0.7m (£0.5m official error overpayment and £0.2m of official error underpayment). This represents approximately 9.8% of the related expenditure for the calendar year. Customer error and customer fraud estimated of Housing Benefit for owner occupiers are based on the results of Benefit Reviews in 2021.

As a result of this the Comptroller and Auditor General is expected to qualify his opinion on regularity due to material levels of fraud and error. The table below shows the estimated levels of fraud and error with the relevant upper and lower confidence intervals as reported by SAU.

	Monetary Value (£000)	Upper Confidence Interval (£000)	Lower Confidence Interval (£000)
Customer fraud overpayments	2,488	3,425	1,664
Customer error overpayments	196	431	29
Customer error underpayments	166	331	44
Official error overpayments	544	928	241
Official error underpayments	138	307	26
Total	3,532	5,422	2,004

LPS – Rate Rebate Scheme

The Rate Relief Regulations (Northern Ireland) 2017 came into operation on 27 September 2017 aligning with the introduction of Universal Credit (UC) and sets the policy for LPS to administer a Rate Rebate Scheme for claimants in receipt of UC.

The regulations provide that the Rate Rebate Scheme is only available to claimants in receipt of UC. Those entitled to Rate Rebate receive a credit to the Rate Account to offset rating liability. The only exception to this is in respect to claimants who live in Housing Executive or Housing Association properties. Awards in these cases are made by a monthly payment to the Social Landlord through DoF Account NI.

Potential for customer fraud and customer error is minimised due to the policy requirement that awards are based on UC entitlement, using UC award details and verification of claimant details using the Department for Work and Pensions (DWP) Customer Information Services. LPS is aware of the potential risk for fraud and error within UC and has reported this to DfC. LPS attends the UC Programme Board and UC Risk Review Board to ensure continued awareness of the consequential outcomes stakeholders face due to UC being a gateway for fraud and error to enter LPS systems.

LPS has developed a robust process to assess the accuracy of rate rebate claims. During the year ended 31 March 2022, LPS estimates that a total of £256k of rate rebate was paid in error due to official error (£61k underpayments and £194k overpayments). To ascertain the level of customer fraud and error, LPS used as a proxy the percentage of customer fraud and error found in Universal Credit estimated by SAU. This has given rise to an estimate of £2,404k (£2,172k customer fraud, £155k customer error overpayments and £78k customer error underpayments). The total level of fraud and error in rate rebate is estimated to be £2,660k.

LPS has reached agreement with SAU to allow them access to rate rebate data and funding which will enable them to carry out customer fraud and error assessment going forward. SAU has confirmed that they will be in a position to commence reporting from late 2022.

Localised Restrictions Support Scheme (LRSS)

During the 2020-21 financial year LPS was responsible for administering a number of COVID-19 reactive business support schemes which included the £10k Small Business Grant Scheme, administered on behalf of the Department for Economy (DfE) and the Localised Restrictions Support Scheme (LRSS), administered on behalf of the Department of Finance.

The LRSS was introduced in October 2020 and was formally closed on 7 April 2021 with a total of 24,322 applications received and approximately £320m issued in grant payments. From the total number of applications received, 9,487 were rejected, as these were deemed not to be valid. From the applications received 86 were identified by LPS Staff as potential fraud cases and referred to the GIAFIS for further investigation.

From the 86 cases referred to GIAFIS, 77 cases are currently the subject of an ongoing investigation, nine cases have been closed. The PSNI are currently investigated 69 cases, 29 applications received £418k in payment, the remaining 40 applications (potentially valued at £642k) received no payment. The remaining 8 cases have been referred to GIAFIS and are all in the process of being investigation.

Omicron Hospitality scheme

The new COVID-19 scheme during 2021-22 was in relation to the Omicron Hospitality payment. The estimated level of potential fraud and error in the scheme is £160k. The administration of the LRSS scheme

during 2020-21 and the lessons learned were used in the development of the scheme and to create mitigations. There were two application streams for the Omicron Hospitality payment. The first for those with previous LRSS applications and was deemed lower risk, the second with a more extensive application form and more detailed checks and controls.

Valuation of Land and Buildings

A full professional quinquennial valuation of land and buildings was undertaken by LPS as at 1 April 2020 and revalued at year-end using indices. LPS considers that at 31 March 2022, there are some immediate economic and inflationary challenges, not to mention the uncertainty created by on-going COVID-19 related issues, but short to medium term predications remain upbeat.

Counter-fraud

The DoF Fraud Working Group met in November 2021 and May 2022. The group considers issues in relation to fraud, raises awareness of anti-fraud measures and disseminates information pertinent to the prevention and detection of fraud.

Numerous guides, updates and communications were issued to staff through the year. As a result of the groups discussions both the fraud and cyber security awareness training became compulsory on an annual basis within DoF.

The Department takes a zero tolerance approach to fraud, reporting instances of fraud to the police as necessary. The Department participates fully in the National Fraud Initiative (NFI) by investigating matches in relation to payroll, pensions, trade creditors, rates, housing benefit and lone pensioner data. The current exercise is ongoing and the outcomes are included in the draft NFI report. NFI progress updates are included in each Fraud and Raising Concerns paper presented to the DARC. The paper is a standing agenda item. The Departmental Board receives the minutes of each DARC which record the discussions around fraud and raising concerns (whistleblowing) in the Department.

Arrangements are in place for raising concerns (whistleblowing) and can be used to raise concerns about alleged impropriety, wrongdoing, corruption, fraud or malpractice. These are regularly discussed and reviewed at the DARC meetings throughout the year and reported to the Board. This ensure cases are progressed and the arrangements are operating effectively. Work is ongoing on a revised policy framework on raising concerns at NICS level due to be published in the summer.

NIAO VFM Reports/Public Audit Business

In line with the public audit process, Northern Ireland Audit Office (NIAO) reports may be considered by the Public Accounts Committee (PAC), who subsequently produce their own reports and recommendations following their due consideration. Formal responses to these are presented to the Assembly and published in the format of a DoF Memorandum of Reply, cleared by the Finance Minister.

The following reflects the public audit business undertaken during the reporting period:

Major Capital Projects – The DoF Memorandum of Reply to the PAC report was published on 18 June 2021.

Capacity and Capability in the Northern Ireland Civil Service – The DoF Memorandum of Reply to the PAC report was published on 12 August 2021.

The Northern Ireland Budget Process – The NIAO report was published on 29 June 2021. The report outlines key elements in the budget process operating in Northern Ireland (NI) and compares it to international good practice contained within the Organisation for Economic Co-operation and Development (OECD) Principles of Budgetary Governance.

The PAC took evidence from DoF and the Fiscal Council in November 2021. The Committee found that of the ten principles, NI only aligned fully to one, some work was required to fully align to another seven and substantial work was required to align to the remaining two. They also found that issues relating to the budget process from previous reports have still to be addressed. They concluded that with the work of the newly established NI Fiscal Council and the Fiscal Commission for NI, there is now a real opportunity to improve the current process as a foundation to ensure that public money is going where it is most needed and is spent well. The Committee published their report on 4 March 2022 and made a total of ten recommendations. The DoF Memorandum of Reply to the PAC report will be published in due course.

Northern Ireland Non-Domestic Renewable Heat Incentive Scheme: Assessing progress with the implementation of the Public Inquiry recommendations - The NIAO report was published on 22 March 2022 and considered whether the actions taken to date by the NI Executive and NICS, and any further proposed actions, are likely to be sufficient to address the recommendations raised by the Renewable Heat Incentive (RHI) Scheme Public Inquiry. The report found that three quarters of the recommendations have either been implemented or have arrangements in place for them to be implemented shortly. For the remaining recommendations, the report concludes that not enough actions have either been taken or are proposed to sufficiently address the concerns of the RHI Inquiry.

In addition, although not the lead department, DoF's role was scrutinised within the NIAO report on **Design and Administration of the Northern Ireland Small Business Support Grant Scheme** (Department for the Economy). The report was published on 8 December 2021 and examines the economic and political context in which the Scheme was conceived and delivered; how key decisions were taken at the earliest stages of the Scheme's development; and the extent to which lessons can, and have been, learnt and applied to subsequent schemes. The Scheme provided one-off emergency grants of £10,000 to small businesses to help mitigate the potential threat of closures at the start of the COVID-19 pandemic and was designed and delivered jointly by DfE and Land & Property Services (LPS) within DoF. The report notes that to date, DfE and LPS have identified £5.68 million of potentially ineligible payments, with recovery of £1.76 million and efforts continue to recover the balance. It also observes that, at the outset of the Scheme, the DfE Permanent Secretary sought a Ministerial Direction as he had serious concerns over value for money and the risk of fraud and error inherent in the Scheme. The report concludes that communication and collaborative working between the organisations involved in the scheme delivery could have been better and lays out three main considerations for any future schemes being delivered in crisis. DoF agrees with these and will draw them to the attention of Accounting Officers for future reference.

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 2021-22 and up to date of approval of annual report and accounts.

Remuneration and Staff Report

Remuneration Report

Remuneration Policy

The pay remit for the Northern Ireland (NI) public sector, including senior civil servants (SCS), is approved by the Minister of Finance. The Minister has set the 2021-22 NI public sector pay policy (March 2021).

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS staff, including SCS, for 2021-22 were paid in June and July 2021. The pay award for 2021-22 were paid in September and October 2021.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance.

Service Contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise.

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

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

Remuneration and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Minister and most senior management (i.e. Board Members) of the Department.

Remuneration and pension entitlements – Ministers (Audited information)

Ministers	Salary (£)		Benefits in kind (to nearest £100)		Pension Benefits** (to nearest £1,000)		Total (to nearest £1,000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Conor Murphy	38,000	38,000	-	-	9	12	47	50

**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 exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

Remuneration and pension entitlements – DoF Departmental Board (Audited information)

Officials	2021-22			2020-21		
	Salary £000	Pension Benefits** (to nearest £1,000)	Total £000	Salary £000	Pension Benefits** (to nearest £1,000)	Total £000
Sue Gray Permanent Secretary [to 16 May 2021]	15-20 (130-135 FYE)	4	20-25 (135-140 FYE)	130-135	(21)	110-115
Colum Boyle Permanent Secretary [from 17 May 2021]	105-110 (120-125 FYE)	187	290-295 (310-315 FYE)	-	-	-
Hugh Widdis Head of Government Legal Service	135-140	67	205-210	125-130	79	205-210
Claire Archbold Deputy Head of Government Legal Service [on loan to DoJ up to 28 November 2021]	70-75 (100-105 FYE)	47	115-120 (150-155 FYE)	95-100	(69)	25-30
Louise Crilly Deputy Head of Government Legal Service [from 29 November 2021]	30-35 (95-100 FYE)	36	65-70 (130-135 FYE)	-	-	-
Des Armstrong Deputy Secretary CPD [to 30 April 2021]	10-15 (105-110 FYE)	-8	0-5 (95-100 FYE)	100-105	55	155-160
Sharon Smyth Deputy Secretary CPD [from 5 July 2021]	75-80 (95-100 FYE)	27	100-105 (125-130 FYE)	-	-	-
Stewart Barnes DOF Finance Director	75-80	38	115-120	70-75	43	115-120
Siobhan Carey Chief Executive NISRA	100-105	1	100-105	100-105	52	150-155
Jill Minne Deputy Secretary NICSHR	105-110	42	150-155	105-110	44	150-155
Bill Pauley Deputy Secretary SPAR	100-105	40	140-145	95-100	54	150-155
Ian Snowden Chief Executive LPS	100-105	51	155-160	95-100	59	155-160
Paul Wickens Deputy Secretary ESS	85-90 (105-110 FYE)	-3	80-85 (100-105 FYE)	105-110	49	155-160
Joanne McBurney Director of Budgeting PSD	100-105	26	125-130	90-95	47	135-140
Mark McLaughlin Head of CaED	75-80	32	105-110	70-75	28	100-105
Paul Duffy Acting Deputy Secretary ESS	95-100	60	155-160	85-90 (90-95 FYE)	141	225-230 (230-235 FYE)

***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 exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.*

None of the Departmental Board members received any benefits in kind in 2021-22 or 2020-21.

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 severance or ex gratia payments. This report is based on accrued payments made by DoF and thus recorded in these accounts.

The Department of Finance was under the direction and control of Conor Murphy during the financial year. His salary and allowances were paid by the Department and have been included as a cost in these accounts. These amounts do not include costs relating to the Minister’s role as MLA which are disclosed in the Northern Ireland Assembly Commission Accounts.

Benefits in kind

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

Fair Pay Disclosure

Pay Ratios (Audited information)

The Department is required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation’s workforce.

The banded remuneration of the highest-paid director in DoF in the financial year 2021-22 was £135,000 - £140,000 (2020-21, £130,000 - £135,000). The relationship between the mid-point of this band and the remuneration of the organisation’s workforce is disclosed below.

2021-22	25 th percentile	Median	75 th percentile
Total remuneration (£)	26,575	32,894	42,639
Pay ratio	5.2:1	4.2:1	3.2:1

2020-21	25 th percentile [disclosure is optional*]	Median	75 th percentile [disclosure is optional*]
Total remuneration (£)	n/a	31,691	n/a
Pay ratio	n/a	4.2:1	n/a

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.

The values for the salary component of remuneration for the 25th percentile, median and 75th percentile were £26,575, £32,894 and £42,639 respectively.

In 2021-22 and 2020-21, no employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £18,000 to £140,000 (2020-21, £18,000 to £135,000).

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- a) salary and allowances, and
- b) performance pay and bonuses

of the highest paid director and of their employees as a whole.

The percentage changes in respect of DoF are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2021-22 v 2020-21
Average employees salary and allowances	3.69%
Highest paid director's salary and allowances	3.77%
Average employee performance pay and bonuses	(100%) ¹
Highest paid director's performance pay and bonuses	n/a ²

1 The Northern Ireland Civil Service special bonus scheme was withdrawn with effect from 31 March 2021.

2 No performance pay or bonuses were payable to the highest paid director in these years.

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 Entitlements – Ministers (Audited information)

Officials	Accrued pension at pension age as at 31/03/22	Real increase in pension at pension age	CETV at 31/03/22	CETV at 31/03/21	Real increase in CETV
	£000	£000	£000	£000	£000
Conor Murphy Minister	5-10	0-2.5	95	82	6

Ministerial pensions

Pension benefits for Ministers are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2016 (AMPS). In 2011, the Assembly passed the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 establishing a Panel to make determinations in relation to the salaries, allowances and pensions payable to members of the Northern Ireland Assembly. The tenure of the first Panel ended in July 2016. As a consequence of the Assembly Commission's desire to consider a reform of the Panel and the political situation between March 2017 and January 2020, a new Panel was not appointed. Legislation to reform the Panel, although started, was not completed before the dissolution of the Assembly on 28 March 2022, therefore, the legislation and appointment of the Panel will be taken forward during the next mandate.

In April 2016 the Independent Financial Review Panel (IFRP) issued The Assembly Members (Pensions) Determination (Northern Ireland) 2016 which introduced a Career Average Revalued Earnings scheme for new and existing members. The scheme is named Assembly Members' Pension Scheme (Northern Ireland) 2015.

Assembly Members aged 55 or over on 1 April 2015 and in continuous service between 1 April 2015 and 6 May 2016 will retain their Final Salary pension arrangements under transitional protection until 6 May 2021. The McCloud judgement found that the transitional protection offered to members of the Judiciary and Firefighters Schemes when their schemes were reformed was discriminatory on grounds of age. In light of this decision, the government has agreed to provide remedy to eligible members across the main public sector schemes. This judgement could have an impact on Members who missed out on the Transitional Protection policy in the Assembly Members' Pension Scheme because of their age. However, the applicability of, and approach to, the McCloud judgement in relation to this scheme is not a matter for the Assembly Commission, instead is a matter for IFRP. Therefore, this matter will be given further consideration once a new panel is appointed.

As Ministers are Members of the Legislative Assembly they also accrue an MLA's pension under the AMPS (details of which are not included in this report). Pension benefits for Ministers under transitional protection arrangements are provided 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. Pension benefits for all other Ministers are provided on a career average (CARE) basis.

Benefits for Ministers are payable at the same time as MLAs' benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Up to the 6 May 2021 those Ministers under the transitional protection arrangements paid contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate. The contribution paid by Ministers in the CARE scheme is 9% of the Ministerial salary. 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. Following the publication of the triennial valuation of the AMPS by Government's Actuary's Department, this was increased from 14.4% to 17.1% of Ministerial salary, effective from 1 April 2021. The accrued pension quoted is the pension the Minister is entitled to receive when they reach normal pension age for their section of the Scheme. Ministers under transitional protection arrangements may retire at age 65. Ministers in the CARE scheme have a pension age aligned to their State Pension Age.

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 office holder service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) 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.

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, and excludes increases due to inflation and contributions paid by the Minister and is calculated using valuation factors for the start and end of the period.

Pension Entitlements – Officials (Audited information)

Officials	Accrued pension at pension age as at 31/03/22 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/22 or date of leaving if earlier	CETV at 31/03/21 or start date if later	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
Sue Gray Permanent Secretary [to 16 May 2021]	70-75 plus a lump sum of 220-225	0-2.5 plus a lump sum of 0-2.5	1624	1613	3	N/a
Colum Boyle Permanent Secretary [from 17 May 2021]	55-60 plus a lump sum of 125-130	7.5-10 plus a lump sum of 17.5-20	1138	915	169	n/a
Hugh Widdis Head of Government Legal Service	50-55 plus a lump sum of 10-15	2.5-5 plus a lump sum of 0-2.5	788	706	40	N/a
Claire Archbold Deputy Head of Legal Service [on loan to DoJ up to 28 November 2021]	40-45 plus a lump sum of 75-80	0-2.5 plus a lump sum of 2.5-5	734	678	33	N/a
Louise Crilly Deputy Head of Government Legal Service [from 29 November 2021]	25-30	0-2.5	394	354	25	N/a
Des Armstrong Deputy Secretary CPD [to 30 April 2021]	50-55	0 plus a lump sum of 0	887	893	(7)	N/a
Sharon Smyth Deputy Secretary CPD [from 5 July 2021]	30-35 plus a lump sum of 50-55	0-2.5 plus a lump sum of 0	524	482	15	N/a
Stewart Barnes DOF Finance Director	35-40 plus a lump sum of 110-115	0-2.5 plus a lump sum of 2.5-5	909	822	35	N/a
Siobhan Carey Chief Executive NISRA	40-45 plus a lump sum of 130-135	0-2.5 plus a lump sum of 0-2.5	970	952	1	N/a
Jill Minne Deputy Secretary NICSHR	10-15	0-2.5	156	121	23	N/a
Bill Pauley Deputy Secretary SPAR	45-50 plus a lump sum of 140-145	0-2.5 plus a lump sum of 5-7.5	1083	1028	40	N/a
Ian Snowden Chief Executive LPS	40-45 plus a lump sum of 80-85	2.5-5 plus a lump sum of 0-2.5	767	694	32	N/a
Paul Wickens Deputy Secretary ESS	25-30	0 plus a lump sum of 0	446	437	(2)	N/a
Joanne McBurney Director of Budgeting PSD	45-50 plus a lump sum of 100-105	0-2.5 plus a lump sum of 0	859	801	11	N/a
Mark McLaughlin Head of CaED	15-20	0-2.5	161	140	11	N/a
Paul Duffy Acting Deputy Secretary ESS	45-50 plus a lump sum of 95-100	2.5-5 plus a lump sum of 2.5-5	843	757	41	N/a

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements (collectively) known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS (NI)] also moved to alpha from that date. At that time, Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha (full protection) 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 (tapered protection).

In 2018, the Court of Appeal found that the protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, the discrimination identified by the Courts in the way that the 2015 pension reforms were introduced must be removed by the Department of Finance. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the alternative schemes e.g. legacy PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' (legacy scheme) or alpha. Scheme regulations made in March 2022, closed the PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS(NI) members (including partially retired members in active service) moved to 'alpha' from 1 April 2022. This completes Phase One to remedy the discrimination identified by the Courts. Any pension benefits built up in the legacy scheme prior to this date are unaffected and PCSPS(NI) benefits remain payable in accordance with the relevant scheme rules. Phase Two will see the implementation of the Deferred Choice Underpin. That is, giving eligible members a choice between legacy scheme and alpha scheme benefits for service between 1 April 2015 and 31 March 2022. At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>

Alpha 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 accrual rate is 2.32%.

Currently new entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of premium or joining the Partnership Pension Account.

Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic

lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (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 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy Classic, Premium, and Classic Plus arrangements and 65 for any benefits accrued in Nuvos. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/civilservicepensions-ni.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2021 was 3.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2022.

Employee contribution rates for all members for the period covering 1 April 2022 – 31 March 2023 are as follows:

Scheme Year 1 April 2022 to 31 March 2023

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	To	From 01 April 2022 to 31 March 2023
£0.00	£24,449.99	4.60%
£24,450.00	£56,399.99	5.45%
£56,400.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

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 pension 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 2015 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. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Compensation for loss of office

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

Staff Report**Number of senior civil service staff (or equivalent) by band**

The number of staff serving as senior civil servants (or equivalent) based on a full year equivalent as at 31 March 2022 is as follows:

Core Department and Agency		
Pay band	2021-22	2020-21
	Number	Number
£50,000 - £54,999	1	1
£70,000 - £74,999	10	25
£75,000 - £79,999	20	22
£80,000 - £84,999	17	2
£90,000 - £94,999	-	2
£95,000 - £99,999	4	3
£100,000 - 104,999	2	2
£105,000 - £109,999	3	2
£120,000 - £124,999	1	-
£125,000 - £129,999	-	1
£130,000 - £134,999	-	1
£135,000-£139,999	1	-
Total	59	61

Staff costs (Audited information)

Staff costs comprise:

				2021-22	2020-21
				£000	£000
	Permanent staff*	Others	Minister	Total***	Total***
Wages and salaries	119,896	11,271	38	131,205	125,060
Social security costs	12,503	-	5	12,508	11,810
Other pension costs	36,373	-	6	36,379	34,821
Sub Total	168,772	11,271	49	180,092	171,691
Less recoveries in respect of outward secondments	(12,639)	-	-	(12,639)	(12,084)
Total net costs	156,133	11,271	49	167,453	159,607
Of which:					
		Charged to Administration	Charged to Programme	2021-22	2020-21
				Total**	Total**
Core Department		103,294	47,231	150,525	144,365
Agency		-	16,928	16,928	15,242
Total net costs		103,294	64,159	167,453	159,607

*Staff costs incurred in respect of the Department's Special Adviser in 2021-22 amount to £55-60k (2020-21: £50-55k).

** Of the total, £1.6m has been charged to capital (2020-21: £1.5m).

*** Included with Other wages and salaries are apprenticeship levy payments of £639k (2020-21: £577k).

Pension Arrangements

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but the Department of Finance is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2023.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance have also commissioned a consultation in relation to the Cost Cap Valuation which closed on 25 June 2021. The Cost Cap mechanism is a measure of scheme costs and determines whether member costs or scheme benefits require adjustments to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. Following completion of the consultation process the 2016 Valuation has been completed and the final cost cap determined. Further information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

A case for approval of a Legislative Consent Motion (LCM) was laid in the Assembly to extend the Public Service Pensions and Judicial Offices Bill (PSP&JO) to Northern Ireland. Under the LCM agreed by the NI Assembly on 1 November 2021 provisions are included in the Act for devolved schemes in NI. A second LCM was laid in the Assembly to implement the CCM changes in the Westminster Bill for devolved schemes. The second LCM, as agreed by the Assembly on 31 January 2022, ensured the reformed only scheme design and the economic check will now be applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The PSP&JO Act received Royal Assent on 10 March 2022. The UK Act legislates how the government will remove the discrimination identified in the McCloud judgment. The Act also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

For 2021-22, employers' contributions of £37,414,245 were payable to the NICS pension arrangements (2020-21: £35,237,403) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £104,982 (2020-21: £87,793) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2020-21, 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £3,262, 0.5% (2020-21: £2,722, 0.5%) of pensionable pay, were payable to the NICS Pension schemes 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. Contributions prepaid at that date were £NIL (2020-21: £NIL).

Ill health retirements

14 persons (2020-21: 7 persons) retired early on ill health grounds during the year. The total additional accrued pension liabilities in the year amounted to £73,512 (2020-21: £8,039).

Average number of persons employed (Audited Information)

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 its agency and other bodies included within the consolidated departmental Annual Report and Accounts.

Activity					2021-22	2020-21
	Permanent staff	Others	Minister	Special Adviser	Number Total	Number Total
Construction and Procurement Delivery	400	11	-	-	411	348
Finance and Corporate Services Division	131	13	1	1	146	146
Communications and Engagement Division	37	-	-	-	37	32
Departmental Solicitors Office	136	27	-	-	163	154
Enterprise Shared Services	707	41	-	-	748	786
Group Internal Audit	74	1	-	-	75	74
Land and Property Services	981	131	-	-	1,112	1,039
NICS Human Resources	350	14	-	-	364	380
Northern Ireland Statistics and Research Agency	450	108	-	-	558	558
Public Spending Directorate	52	1	-	-	53	54
Strategic Policy & Reform Directorate	82	-	-	-	82	79
Staff engaged on capital projects *	-	-	-	-	-	-
Total	3,400	347	1	1	3,749	3,650
<i>Of which:</i>						
Core Department	2,950	239	1	1	3,191	3,092
Agency	450	108	-	-	558	558

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

Staff Composition

The gender analysis as at 31 March 2022 can be broken down as follows:

	2021-22			2020-21		
	Female staff	Male Staff	Total Staff	Female staff	Male Staff	Total Staff
Departmental Board	5	7	12	6	8	14
Senior Civil Service	18	29	47	20	27	47
DoF Employees	1,769	1,826	3,595	1,711	1,753	3,464
Total	1,792	1,862	3,654	1,737	1,788	3,525

Sickness Absence Data

The Department had an overall sickness absence rate of 7 days lost per employee in 2020-21 (2020-21:7 days). Annual sickness absence figures can be found in the “*Sickness Absence in the Northern Ireland Civil Service 2020/21*” report at [Sickness Absence Statistics Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](https://www.nisra.gov.uk). Figures for the 2021-22 financial year will be published by the end of June 2022.

Staff policies

Employment, training and advancement of disabled persons

The NICS is committed to working towards creating a truly inclusive workplace where all colleagues feel valued. The NICS has a wide and active network of Diversity Champions. The NICS Disability Champion is supported by the NICS Disability Working Group, a consultative group that works to promote disability equality and inclusion across the NICS.

The NICS applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Mandatory training for recruitment and selection panel members includes raising awareness of unconscious bias. Unconscious bias training is available to all staff.

The NICS undertakes outreach activities to promote career opportunities to the disability sector and offers a Work Experience Scheme for People with Disabilities and participates in the annual International Job Shadow Day. In 2021-22 the NICS offered a number of work experience opportunities under the JobStart Scheme.

In 2021-22, the NICS implemented a Guaranteed Interview Scheme (GIS).

To maintain and promote a diverse and inclusive workforce, the NICS has policies in place to support reasonable adjustments to working practices or the work environment as required by disabled persons.

Equality, Diversity and Inclusion

In the NICS, we are committed to building an inclusive workplace culture where diversity is truly valued at all levels, where you are valued for who you are and where you can bring your true self to work. We want to make use of all the talent that exists across the NICS to ensure we are a well-led, high performing, outcome-focused Service and a Service that is a great place to work.

The [NICS People Strategy](#) includes a range of actions that will help accelerate our ambition of a truly inclusive NICS, which reflects the society we serve.

As a key element of the People Strategy, our ambitious diversity and inclusion programme of work is delivered through the implementation of an annual NICS Diversity Action Plan, and overseen by the leadership of the NICS Board, the NICS Diversity Champions Network, Departmental Diversity Champions and Thematic Diversity Champions, NICS colleague networks and NICS HR, as well as through partnership working with stakeholder organisations.

The NICS Diversity Action Plan sets out our priorities for action by diversity and inclusion theme, cross-cutting priorities, departmental priorities and includes supporting plans on communications and outreach. Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed,

assessed, recognised and rewarded. Further information on the NICS's commitment to equality of opportunity is available in the [Equality, Diversity and Inclusion Policy](#).

As part of the NICS' efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of data. The Statistics are available on the NICS Human Resources Statistic section of the [Northern Ireland Statistics and Research Agency \(NISRA\)'s website](#).

The annual "Equality Statistics for the Northern Ireland Civil Service" reports workforce composition and trends over time and, where appropriate, makes comparisons with the wider labour market and the Civil Service in Great Britain.

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. In addition, the NICS conducts a similar formal review of the gender profile of its workforce. The findings are published in the NICS [Article 55 and Gender Reviews](#).

The NICS uses the findings of all the equality monitoring and analysis to inform its programme of targeted outreach activity to address any areas of under-representation.

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the Department's equality scheme is available at www.finance-ni.gov.uk.

Other Employee Matters

Health and Safety

The Department of Finance has a Health and Safety Policy which complies with the requirements of the Health and Safety at Work (NI) Order 1978, the Management of Health and Safety at Work Regulation (NI) 2000, and all other relevant legislation. The Department regards it as an integral part of its duties and objectives to ensure, so far as is reasonably practicable, the health, safety and welfare of its employees at work and of all other persons who may be affected by the Department's undertakings.

Employee Consultation and Trade Union Relationships

The Department of Finance is responsible for the NICS Industrial Relations Policy. NICSHR, consults on HR policy with all recognised Trade Unions and local departmental arrangements are in place to enable consultation on matters specific to a department or individual business area.

Human Capital Management

The NICS is committed to career development, acknowledging that skilled and engaged staff are an essential resource in meeting current and future business needs.

This NICS Career Development Policy emphasises that career development is a collaborative process between individual staff members, line managers, and departments, and takes account of the NICS Competency Framework and Performance Management System. As well as the individual's role in managing their career development, the NICS provides opportunities to enhance the skills, capabilities and performance of staff so that they, in turn, can contribute to achieving corporate objectives.

Learning & Development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

Development and delivery of generic staff training is centralised in NICSHR¹. Training is delivered using a variety of learning delivery channels (including on-line, webinars), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme of the NICS People Strategy and this year the focus was on improving the quality of the development conversation between managers and staff, with the introduction of a talent management toolkit.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

Employee Engagement

During the year, DOF delivered a wide-ranging programme of staff engagement including a series of virtual events for over 4,000 DoF staff led by the Permanent Secretary and members of the senior leadership team. Topics covered include New Ways of Working, Welfare Support Services and the Budget. In addition, the Department delivered over 30 NICS Live Online events, with a strong emphasis on mental and physical health and wellbeing, to more than 11,000 staff across the NICS.

Consultancy and Temporary Staff Expenditure

	2021-22			2020-21		
	Core	Agency	Total	Core	Agency	Total
	£'000	£'000	£'000	£'000	£'000	£'000
External Consultancy	1,548	-	1,548	376	-	376
Temporary staff	6,694	4,577	11,271	6,427	3,444	9,871
	8,242	4,577	12,819	6,803	3,444	10,247

The Department uses professional service providers to support specialist work. This includes consultancy, contingent labour (temporary staff), legal advice and IT expertise. Consultants are hired to work on projects in a number of specific situations: where the Department does not have the skills set required; where the particular requirement falls outside the core business of civil servants; or where an external, independent perspective is required. When used appropriately, consultancy can be a cost effective and efficient way of getting the temporary and skilled external input that the Department needs. We are committed to the consistent application of the Department's guidance on consultancy and other spending.

In particular, the consultancy spend was incurred mainly for the following:

- Integr8 – Consultancy spend in relation to the transformation of the future delivery of Finance and HR & Payroll services for Central Government, including implementing a new technology solution to replace the current systems; and
- LPS – Consultancy spend assisting with the provision of professional financial services and the procurement of professional legal services, in relation to the programme that will fully transform how LPS delivers its services.

¹ NICSHR is the NICS' centralised human resources function. It falls under the responsibility of the Department of Finance.

Staff Turnover

Department	Departmental Turnover Rate		General Turnover Rate	
	Turnover Rate	Turnover Percentage	Turnover Rate	Turnover Percentage
DoF	0.063	6.3%	0.042	4.2%

The Department of Finance Staff Turnover percentage (the number of people that have left the Department including those who have moved within the NICS) for 2021-22 is 6.3% (2020-21: 6.4%), and the general turnover percentage (the people who have left the Department and have not gone elsewhere in the NICS) is 4.2% (2020-21: 3.1%). This has been calculated by NICSHR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

Staff Engagement

The 2021 NICS People Survey was conducted by NISRA across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey. As the 2020 survey related primarily to the impact of COVID-19 and did not include engagement themes, the latest year for which direct comparisons can be made is 2019. For DoF there were 3,776 (2019: 3,654) staff invited to complete the survey, of which 2,351 (2019: 2,109) participated, a response rate of 62% (2019: 58%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. DoF responses indicated an Employee Engagement Index of 58% (2019: 51%), compared to the NICS average of 57% (2019: 51%). The full survey can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>.

Staff Redeployment

	Grade	2021-22			2020-21		
		Total	Long-Term Loan	Short-Term Loan	Total	Long-Term Loan	Short-Term Loan
COVID-19:							
Redeployed Out	Grade 7	-	-	-	1	-	1
	DP	-	-	-	1	1	-
	EO2	-	-	-	2	1	1
EU Exit:							
Redeployed Out	Grade 7	-	-	-	1	-	1

There were no staff redeployed into or out of the Department due to COVID-19 or EU Exit in 2021-22. Five staff were redeployed out of the Department due to COVID-19 and EU in 2020-21, costing the Department (to nearest £'000) £57k in administration costs.

Off-payroll Engagements

The Department did not have any off -payroll engagements for more than £245 per day during 2021-22:

	2021-22		2020-21	
	Core	Agency	Core	Agency
Number of existing engagements at 31 March	0	0	0	0
Number of off payroll engagements during the year ended 31 March	0	0	4	0
Of which:				
Number determined as out of scope of IR35	-	-	4	-
Number determined as in scope of IR35	-	-	-	-

Senior officials with significant financial responsibility

There are no off-payroll board members who are engaged with significant financial responsibilities. All the executive members of the Departmental Board are on-payroll and have significant financial responsibilities:

On-payroll	2021-22	2020-21
Current board members	12	14
Past board members	–	–
	12	14

Exit packages – reporting of Civil Service and other compensation schemes (Audited information)

Core Department and Agency						
	2021-22			2020-21		
	Compulsory redundancies	Other departures	Total exit packages	Compulsory redundancies	Other departures	Total exit packages
Exit package cost band	Number	Number	Number	Number	Number	Number
<£10,000	–	–	–	–	–	–
£10,001 - £25,000	–	–	–	–	1	1
£25,001 - £50,000	–	–	–	–	–	–
£50,001 - £100,000	–	–	–	–	1	1
£100,001 - £150,000	–	–	–	–	–	–
£150,001 - £200,000	–	–	–	–	–	–
Total number of exit packages by type	–	–	–	–	2	2
Total resource cost/£000	–	–	–	–	74	–

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 Statement of Comprehensive Net Expenditure in the year departure is agreed. The table above shows the total cost of exit packages agreed and accounted for in 2021-22 and 2020-21. The disclosures above are made in relation to the year departed. 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.

Assembly Accountability and Audit Report

Statement of Outturn against Assembly Supply (SOAS) (Audited information)

In addition to the primary statements prepared under IFRS, the *Government Financial Reporting Manual* (FRM) requires the Department of Finance to prepare a Statement of Outturn against Assembly Supply (SOAS) and supporting notes.

The SOAS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

The SOAS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision for resource and cash (drawn primarily from the Consolidated Fund), that the Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SOAS.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on the DoF website.

The supporting notes detail the following: Outturn detailed by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the Statement of Comprehensive Net Expenditure (SOCNE), to tie the SOAS to the financial statements (note 2); a reconciliation of net resource outturn to net cash requirement (note 3); an analysis of income payable to the Consolidated Fund (note 4), a reconciliation of income recorded within the SOCNE to operating income payable to the Consolidated Fund (note 5); and detail on non-operating income – excess Accruing Resources (note 6).

The SOAS and Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 18, in the financial review section of the Performance Report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on www.gov.uk.

The SOAS provides a detailed view of financial performance, in a form that is voted on and recognised by the Assembly. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOAS disclosures.

Summary tables – mirror Part II and III of the Estimates**Summary table, 2021-22, all figures presented in £000s**

Type of spend	Note	Outturn			Estimate			Outturn vs Estimate, saving / (excess)	Prior Year Outturn Total, 2020-21
		Gross expenditure	Accruing Resources	Net Total	Gross expenditure	Accruing Resources	Net Total	Net Total	
Request for Resources									
A	SOAS 1	465,507	(134,413)	331,094	488,721	(135,296)	353,425	22,331	610,182
Total Resources	SOAS 2	465,507	(134,413)	331,094	488,721	(135,296)	353,425	22,331	610,182
Non-operating Accruing Resources				767			849	82	7,317

Net Cash Requirement 2021-22, all figures presented in £000s

Item	Note	Outturn	Estimate	Net Total Outturn compared with Estimate: saving/ (excess)	Outturn Total 2020-21
Net cash requirement	SOAS 3	443,333	483,157	39,824	460,154

Summary of income payable to the Consolidated Fund, all presented in £000s

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):

Item	Note	Forecast 2021-22		Outturn 2021-22	
		Income	Receipts	Income	Receipts
Total Income Payables to the Consolidated Fund	SOAS 4	670	670	829	829

Explanations of variances between Estimate and Outturn are given in SOAS note 1.

SOAS Notes 1 to 6 form part of these accounts.

Notes to the Statement of Outturn against Assembly Supply 2021-22 (£000)

SOAS note 1. Outturn detail, by Estimate line (Audited information)

	Resource Outturn						Estimate			Outturn vs Estimate (inc. virements) savings / (excess)	Prior year outturn total, 2020-21
	Admin	Other current	Grants	Gross expenditure	Accruing Resources	Net Total	Net Total	Virement*	Net Total inc. virements		
Request for Resources A											
Departmental Expenditure in DEL											
1. Finance, Procurement and Policy	46,077	1,402	47	47,526	(26,881)	20,645	20,832	-	20,832	187	29,864
2. NICS Shared Services	120,389	50	334	120,773	(41,758)	79,015	79,673	-	79,673	658	81,674
3. NISRA	1,437	37,028	-	38,465	(19,179)	19,286	20,089	-	20,089	803	21,173
4. LPS	1,317	62,347	126,767	190,431	(37,119)	153,312	161,889	(154)	161,735	8,423	419,849
5. EU Peace Programmes	-	-	2,249	2,249	(1,912)	337	323	14	337	-	184
6. EU Community Initiatives	-	-	1,851	1,851	(1,573)	278	274	4	278	-	144
7. ERDF	-	136	-	136	-	136	-	136	136	-	(54)
8. NICS Accommodation Services	62,427	-	-	62,427	(5,991)	56,436	57,461	-	57,461	1,025	52,153
Annually Managed Expenditure (AME)											
9. Provisions	-	(550)	-	(550)	-	(550)	2,010	-	2,010	2,560	1,082
10. Depreciation and Impairment	-	875	-	875	-	875	9,394	-	9,394	8,519	2,755
Non-Budget											
11. SEUPB	-	-	978	978	-	978	1,080	-	1,080	102	1,009
12. Notional Charges	346	-	-	346	-	346	400	-	400	54	349
Total	231,993	101,288	132,226	465,507	(134,413)	331,094	353,425	-	353,425	22,331	610,182

*Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the Assembly does not vote to that level of detail and delegates to DoF). Further information on virements are provided in the Supply Estimates in Northern Ireland Guidance Manual, available on the DoF website. The Outturn vs Estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Assembly.

SOAS Notes 1 to 6 form part of these accounts

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.

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

The net resource outturn was £331.1m against an estimated provision of £353.4m.

The total variance was £22.3m, split between the departmental expenditure limit (DEL) £11.1m, the annually managed expenditure (AME) £11.1m and non-budget expenditure £0.1m.

Of the budget allocated as a result of COVID-19 there was an underspend of £5.9m. This is mainly in relation to the Omicron Hospitality Payment Grant Scheme. Of this £1.3m has been included in AME provisions due to outstanding applications. The budget for this scheme was based on an estimated number of claims and the actual number was less than anticipated from eligible businesses. Of the remaining DEL underspend, £0.9m is in relation to depreciation, a further £1.4m is due to a demand led programme, with the remaining £2.9m in relation to the Department's non-ringfenced spend.

Departmental expenditure limit (DEL)

The total cost of Finance, Procurement and Policy was **£47.5m** (2020-21: £54.8m). This function comprises Construction and Procurement Delivery, the Departmental Solicitors Office, Group Internal Audit and Fraud Investigation Services, Public Spending Directorate and Strategic Policy and Reform Division. Key activities include work to improve the overall management of public funds and the spending performance of departments, and professional legal and procurement services for the NICS and the wider public sector. The decreased cost from last year was mainly as a result of financial assistance provided to the Belfast International and Belfast City Airports in 2020-21 as a result of COVID-19.

The Department continues to deliver essential shared services to departments and other public bodies. During 2020-21 the total costs of NICS Shared Services (including Account NI, the Centre for Applied Learning, HR Connect, IT Assist, Enterprise Design Authority, Digital Transformation Service and NICS Human Resources) amounted to **£120.8m** (2020-21: £119.3m) The increased cost is mainly as a result of increased staff costs.

The Department's main public-facing services are delivered by Land and Property Services and the Department's Agency, the Northern Ireland Statistics and Research Agency. NISRA produces its 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. 2017-18 saw LPS take on a new role in respect of rate rebate payments to those who qualify and are in receipt of Universal Credit. During 2020-21 LPS was heavily involved in providing financial assistance payments to businesses that were affected by the restrictions imposed by the Executive as a result of COVID-19 and this continued into 2021-22. The total costs of Land and Property Services was **£190.4m** (2020-21: £450.8m). Of this £108.8m relates to the COVID-19 payments leaving £81.6m (2020-21: £74.6m). The

increased costs are mainly as a result of increased payments associated with the new rate rebate scheme following the introduction of Universal Credit and an increase in staff costs.

The Department is responsible for the provision of office accommodation for staff employed in NICS government departments and their agencies. Gross resource expenditure on accommodation services was **£62.4m** (2020-21: £57.3m), which includes **£13.8m** (2020-21: £13.7m) of depreciation and impairment, and around **£32.7m** (2020-21: £32.9m) 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 2020-21 facilitating the vacation of 1,556 square metres of office space. Future plans continue to envisage use of capital allocations to undertake further such enhancements to the estate.

Annually Managed Expenditure (AME)

By definition AME covers areas of expenditure that are more volatile. Of the underspend, £8.5m is in relation to the revaluation of the office estate, which was lower than anticipated. A further £2.6m is in relation to the revaluation of anticipated costs for legal cases and also budget set aside to cover potential provisions that did not crystallise during the period.

SOAS note 2. Reconciliation of Outturn to Net Operating Cost (Audited information)

Item	Note	2021-22 £000			2020-21 £000
		Outturn	Supply Estimate	Outturn compared with Estimate	Outturn
Net Resource Outturn	SOAS 1	331,094	353,425	22,331	610,182
Non-supply income (CFERs)	SOAS 4, 5	(829)	(670)	159	(10,767)
Non-supply expenditure		–	–	–	–
Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure		330,265	352,755	22,490	599,415

SOAS Notes 1 to 6 form part of these accounts.

SOAS note 3. Reconciliation of Net Resource Outturn to Net Cash Requirement (Audited information)

This note mirrors Part II of the Estimates: Resource to Cash Reconciliation

Item	Note	Outturn £000	Estimate £000	Net Total Outturn compared with Estimate: saving/ (excess) £000
Resource Outturn	SOAS 1	331,094	353,425	22,331
Capital				
Acquisition of property, plant and equipment	6, 7	33,044	36,050	3,006
Non-operating Accruing Resources				
Net book value of asset disposals		(767)	(849)	(82)
Accruals to cash adjustments:				
Depreciation, impairments and revaluations	3, 4	(34,849)	(44,259)	(9,410)
New provisions and adjustments to previous provisions		550	(2,010)	(2,560)
Notional charges		(346)	(400)	(54)
Supported capital expenditure (revenue)			–	
Other non-cash items		(7,749)	(8,800)	(1,051)
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in receivables		(17,580)	–	17,580
(Increase)/decrease in payables falling due within 1 year.		139,867	150,000	10,133
Use of provision	14	69	–	(69)
Net Cash Requirement		443,333	483,157	39,824

Explanation of the variation between Estimate and Outturn (Net Cash Requirement):

As noted in the introduction to the SOAS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. This reconciliation bridges the resource outturn to the net cash requirement.

The Department's net cash requirement outturn was **£443.3m** against an estimated provision of **£483.2m**, a variance of £39.9m. The bulk of the variance (£27.7m) relates to the movement in working capital other than cash.

SOAS Notes 1 to 6 form part of these accounts.

SOAS note 4. Income payable to the Consolidated Fund (Audited information)

This note mirrors Part III of the Estimates: Extra Receipts Payable to Consolidated Fund

SOAS note 4.1 Analysis of income payable to the Consolidated Fund

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

Item	Note	Forecast 2021-22		Outturn 2021-22	
		Income £000	<i>Receipts</i> £000	Income £000	<i>Receipts</i> £000
Operating income and receipts – excess Accruing Resources		-	-	-	-
Repayment of business rates relief		630	<i>630</i>	760	<i>760</i>
Other operating income and receipts not classified as Accruing Resources		40	<i>40</i>	69	<i>69</i>
		670	<i>670</i>	829	<i>829</i>
Non-operating income and receipts – excess Accruing Resources	SOAS 6	-	-	-	-
Amounts collectable on behalf of the Consolidated Fund	SOAS 4.2	-	-	-	-
Total income payable to the Consolidated Fund		670	<i>670</i>	829	<i>829</i>

SOAS note 4.2 Consolidated Fund Income

Consolidated Fund income shown in note SOAS 4.1 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 Statements, published separately.

SOAS Notes 1 to 6 form part of these accounts.

SOAS note 5. Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund (Audited information)

Item	Note	2021-22 £000	2020-21 £000
Operating income	5	135,242	129,134
Gross income		135,242	129,134
Income authorised to be used as Accruing Resources		(134,413)	(118,367)
Operating income payable to the Consolidated Fund*	SOAS 4.1	829	10,767

*Operating income payable to the Consolidated Fund includes Business rates relief refunds of £760k (2020-21: £10.621m)

SOAS note 6. Non-operating income – Excess Accruing Resources (Audited information)

Item	Note	2021-22 £000	2020-21 £000
Proceeds on disposal of property, plant and equipment		-	632
Non-operating income – excess Accruing Resources		-	632

The SOAS and Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 18 in the financial review section of the Performance Report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

SOAS Notes 1 to 6 form part of these accounts.

Other Assembly Accountability Disclosure**Regularity of Expenditure (Audited information)****i. Losses and special payments****Losses Statement**

In 2021-22 there were losses to the value of £566k which represented 4,496 cases, of which £510k representing 4,488 cases related to the core Department (2020-21: £189k which represented 974 cases, of which £182k representing 968 cases related to the core Department).

After a year of not undertaking any legal recovery due to the COVID-19 pandemic, LPS resumed the process resulting in a significant increase in the number of losses.

Special Payments

In 2021-22 there were special payments to the value of £109k which represented 15 cases, all of which were related to the core Department.

No losses or special payments were in excess of £250k.

ii. 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.

Business Activity	2021-22			2020-21	Financial Objective	Commentary
	Income	Full Cost	Surplus/ (deficit)	Surplus/ (deficit)		
	£000	£000	£000	£000		
Central Management of the Civil Service Pension Scheme	1,760	1,759	1	-	To recover the full costs associated with the management of the Northern Ireland Civil Service Pension Schemes including the payment of pensions and associated arrangements.	Objective achieved.
Construction and Procurement Delivery	15,931	16,042	(111)	(930)	100% cost recovery on chargeable services in relation to professional procurement services to the NICS and other public sector bodies.	Objective not achieved. The small deficit represents less than 1% of hard charged income, and furthermore does not consider circa £3m of notional charges undertaken for the Department of Finance.
Departmental Solicitor's Office – Litigation Division Commercial and Property Division	4,907	4,564	343	46	Full cost recovery on Litigation and Commercial and Property services.	Objective achieved.
Employer Pension Services	4,828	4,755	73	-	To recover the full costs of providing pension services to current employees who are members of the Northern Ireland Civil Service Pensions Schemes on behalf of their employers. Surplus/deficit managed by DoF baseline.	Objective achieved.
Enterprise Shared Services – Service Management Division	11,233	14,436	(3,203)	(4,213)	To recover the full cost of the delivery of the HR Connect contract, with the exception of service management costs which are funded centrally through a baseline.	Objective achieved. Deficit was covered by baseline funding which is not included in the income figure.
Group Internal Audit & Fraud Investigation Service (GIAFIS)	4,000	4,382	(382)	(405)	100% cost recovery on Department Internal Audit Services.	Objective achieved. Baseline funding for parent department is not included in income figure.

Business Activity	2021-22			2020-21	Financial Objective	Commentary
	Income	Full Cost	Surplus/ (deficit)	Surplus/ (deficit)		
	£000	£000	£000	£000		
Land & Property Services – Client Services	2,446	2,712	(266)	(328)	To recover the full costs of services provided.	Objective not achieved. Due to the Departments priority of carrying out the Reval 2023 project and the difficulties in recruiting staff for this project, some Client Services staff time was redeployed to this priority. This resulted in a reduction of income generated by this service.
Land & Property Services – Land Registration	21,700	11,511	10,189	6,173	To recover the full costs of services in relation to land registers, registry of deeds and statutory charges registry.	Objective achieved.
Land & Property Services – Land Parcel Identification System (LPIS)	1,751	1,751	-	(36)	To recover the full cost of special project mapping work provided on behalf of DAERA.	Objective achieved.
Land & Property Services – Ordnance Survey	11,047	11,880	(833)	(1,464)	To recover the full cost of mapping services provided.	When taking into account the notional income relating to DoF the overall objective was achieved.
Northern Ireland Statistics and Research Agency	19,179	18,228	951	478	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 DoF.	Objective achieved.
Occupational Health Service	1,480	1,485	(5)	40	To recover the full costs associated with the management of NICS OHS and medical advisory services provided to the Departments, Driver and Vehicle Agency, HSC NI Pensions Scheme and Teachers Superannuation Scheme NI.	Objective achieved.
Strategic Policy and Reform - Business Consultancy Service	744	1,214	(470)	(531)	To recover the full cost of Business Consultancy services provided to NICS and other public sector bodies.	When taking account of the notional income that would have been generated by services provided to DoF the overall objective was achieved.

Business Activity	2021-22			2020-21	Financial Objective	Commentary
	Income	Full Cost	Surplus/ (deficit)	Surplus/ (deficit)		
	£000	£000	£000	£000		
IT Assist	16,132	16,132	-	1	To recover the full costs associated with the delivery of the laptop/desktop service, server hosting and IPT tariff IT Assist provides to government departments and other public sector organisations.	Objective achieved.
Digital Transformation Service – Enterprise Digital Development	513	1,834	(1,321)	(1,529)	To recover full costs associated with providing Enterprise Digital Development Services.	Objective not achieved. Improvement from prior year. Business Area continues to review charging for services.
Digital Transformation Service – Operations	2,635	5,631	(2,996)	(3,122)	To recover the full cost of the delivery of the indirect contract, with the exception of CORE service management costs which are funded centrally through a baseline.	Objective Partially Achieved. There remains CORE contract Service charges that will continue to be funded centrally from the baseline funding until the contract ends in October 2022.

iii. Remote Contingent Liabilities**Contingent Liabilities requiring disclosure under assembly reporting requirements and not under IAS 37**

In addition to contingent liabilities reported within the meaning of IAS37 shown in Note 15 of the Annual Accounts, the Department also considers liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. As at 31 March 2022, the Department have the following remote contingent liabilities:

Impact of BREXIT on EU funding

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. On 31 January 2020, the Withdrawal Agreement between the UK and the EU became legally binding and the UK left the EU. The future relationship between the EU and the UK will be determined by negotiations taking place during a transition period ending 31 December 2020.

Any subsequent changes in legislation, regulation and funding arrangements are subject to the outcome of the negotiations. As a result, and due to the EU funding the DoF provides, an unquantifiable contingent liability is disclosed.

Professional indemnity

The Department has entered into 93 indemnities but the possibility of these crystallising is considered to be too remote to require disclosure.

Legal cases

The Department has identified 14 legal cases which includes 2 pending judicial reviews, however it is too early to determine the outcome for each case and the possibility of these crystallising is considered too remote to require disclosure.

This Accountability Report is approved and signed

Neil Gibson
Accounting Officer
Department of Finance
24 June 2022

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

Opinion on financial statements

I certify that I have audited the financial statements of the Department of Finance for the year ended 31 March 2022 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Consolidated Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the Statement of Outturn against Assembly Supply, and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Department's affairs as at 31 March 2022 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2022 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.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Department of Finance in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Department of Finance's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Department of Finance's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Department of Finance is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Performance Report and Accountability 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

In the light of the knowledge and understanding of the Department of Finance and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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 parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; 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's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Department of Finance's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Department of Finance will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Department of Finance through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Government Resources and Accounts Act (Northern Ireland) 20021, The Health Protection (Coronavirus, Restrictions) Regulations (NI) 2021 (as amended) The Financial Assistance (Coronavirus) (No.2) Regulations (Northern Ireland) 2020 (as amended) The Financial Assistance (Coronavirus: Hospitality) (Amendment) Regulations (Northern Ireland) 2022 (as amended);
- making enquires of management and those charged with governance on the Department of Finance's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Department of Finance's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, reviewing legislation, performing substantive tests on grant awards, carrying out data analytics on grant applicants and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and

-
- investigating significant or unusual transactions made outside of the normal course of business; and
 - applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Outturn against 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 Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Galwally
BELFAST
BT8 6RB

28 June 2022

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Net Expenditure

For the year ended 31 March 2022

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	2021-22 Core Department & Agency £000	2020-21 Core Department & Agency £000
Revenue from contracts with customers	5	(118,289)	(104,368)
Other operating income	5	(16,953)	(24,766)
Total operating income		(135,242)	(129,134)
Staff costs	3, 4	180,092	171,691
Purchase of goods and services	3, 4	113,977	106,119
Depreciation and impairment charges	3, 4	34,849	38,568
Provision expenses	3, 4	(550)	1,082
Other operating expenditure	3, 4	137,139	411,087
Total operating expenditure		465,507	728,547
Net operating expenditure		330,265	599,413
Finance expense	3	-	2
Net expenditure for the year		330,265	599,415
Other comprehensive net expenditure			
Items that will not be reclassified to net operating expenditure:			
- Net (gain)/loss on revaluation of property, plant and equipment	6	(918)	(96,443)
- Net (gain)/loss on revaluation of intangible assets	7	(11,723)	(238)
Comprehensive net expenditure for the year		317,624	502,734

Notes 1 to 22 form part of these accounts.

Consolidated Statement of Financial Position

As at 31 March 2022

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.

	Note	2022 Core Department & Agency £000	2021 Core Department & Agency £000
Non-current assets			
Property, plant and equipment	6	435,052	432,011
Intangible assets	7	29,570	22,170
Trade and other receivables	12	1,941	312
Total non-current assets		466,563	454,493
Current assets			
Assets classified as held for sale	10	97	470
Trade and other receivables	12	54,675	114,221
Cash and cash equivalents	11	44,589	40,376
Total current assets		99,361	155,067
Total assets		565,924	609,560
Current liabilities			
Bank overdraft	11	(2,548)	(32,459)
Trade and other payables	13	(93,087)	(239,168)
Provisions	14	(2,205)	(2,744)
Total current liabilities		(97,840)	(274,371)
Total assets less current liabilities		468,084	335,189
Non-current liabilities			
Provisions	14	-	(80)
Total non-current liabilities		-	(80)
Total assets less total liabilities		468,084	335,109
Taxpayers' equity and other reserves			
General fund		292,997	163,968
Revaluation reserve		175,087	171,141
Total equity		468,084	335,109



Neil Gibson
Accounting Officer
24 June 2022

Notes 1 to 22 form part of these accounts.

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

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 Department's future public service delivery.

	Note	2021-22 Core Department & Agency £000	2020-21 Core Department & Agency £000
Cash flows from operating activities			
Net operating expenditure		(330,265)	(599,415)
Adjustments for non-cash transactions	3,4	42,557	47,544
Decrease/(increase) in trade and other receivables		57,917	(67,786)
<i>less movements in receivables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure</i>		(40,295)	41,165
(Decrease)/increase in trade and other payables		(146,081)	151,896
<i>less movements in payables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure</i>		9,271	(1,688)
Use of provisions	14	(69)	(10)
Net cash inflow/(outflow) from operating activities		(406,965)	(428,294)
Cash flows from investing activities			
Purchase of property, plant and equipment		(25,436)	(18,396)
Purchase of intangible assets		(6,316)	(8,248)
Proceeds from disposal of non-current assets		605	7,611
Net cash (outflow) from investing activities		(31,147)	(19,033)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		442,463	411,355
From the Consolidated Fund (Supply) – prior year		41,165	8,208
Net financing		483,628	419,563
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund		45,516	(27,764)
Payments of amounts due to the Consolidated Fund		(11,392)	(53)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for payments to the Consolidated Fund		34,124	(27,817)
Cash and cash equivalents at the beginning of the period	11	7,917	35,734
Cash and cash equivalents at the end of the period	11	42,041	7,917

Notes 1 to 22 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2022

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). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2020		284,708	88,616	373,324
Net Assembly Funding – drawdown		411,355	–	411,355
Net Assembly Funding – deemed		7,634	–	7,634
Net Assembly Funding – prior year excess		8,208	–	8,208
Supply receivable/(payable) adjustment	12	41,165	–	41,165
Amounts repayable to the Consolidated Fund		(11,399)	–	(11,399)
Comprehensive net expenditure for the year		(599,415)	96,681	(502,734)
Auditors' remuneration	3	301	–	301
Other non-cash charges	3, 4	7,255	–	7,255
Other reserves movements including transfers		14,156	(14,156)	–
Balance at 31 March 2021		163,968	171,141	335,109
Opening balance adjustment		7	–	7
Net Assembly Funding – drawdown		483,628	–	483,628
Net Assembly Funding – deemed		(41,165)	–	(41,165)
Net Assembly Funding – prior year excess		(7)	–	(7)
Supply receivable/(payable) adjustment	12	870	–	870
Amounts repayable to the Consolidated Fund	SOAS4	(829)	–	(829)
Comprehensive net expenditure for the year		(330,265)	12,641	(317,624)
Auditors' remuneration	3	346	–	346
Other non-cash charges	3, 4	7,749	–	7,749
Other reserves movements including transfers		8,695	(8,695)	–
Balance at 31 March 2022		292,997	175,087	468,084

Notes 1 to 22 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2021-22 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance. 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 for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Department of Finance 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 Outturn against 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 in 1.24 below.

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.

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.

Accounting boundary IFRS' are currently adapted in the *FReM* so that the Westminster departmental accounting boundary is based on The Office for National Statistics (ONS) control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2022-23, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. Arm's Length Bodies (ALB) apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

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. Assets 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 2020. In addition, such assets are revalued annually, between professional valuations, using indices provided by LPS, a directorate within DoF. 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.

No interim valuation is performed. 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 4 years. Kim Mawhinney, Head of Art at National Museums Northern Ireland, undertook the most recent valuation as at 1 April 2020. Antiques and artwork are not subject to annual indexation.

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 and amortisation

Property, plant and equipment and intangible assets are depreciated/amortised at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Depreciation/amortisation 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.

Estimated useful lives are in the following ranges:

Buildings	1-60 years
Motor vehicles	3-10 years
Plant and machinery	3-30 years
IT assets (including intangible 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 Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered through sale rather than continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale and it should be expected to be completed within one year from the date of classification.

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Depreciation is not charged once an asset has been classified as held for sale.

1.6 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 (excluding antiques) and subject to impairment review in the same way as other non-current assets.

The Department is not aware of any conditions or restrictions having been imposed by the donors of the artwork.

1.7 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.

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 other public bodies and citizens.

In 2018-19 the Department adopted IFRS 15 *Revenue from Contracts with Customers*. The Department has Service Level Agreements with a wide range of public sector organisations. These contracts enable the Department to impose a charge on the customer and the requirement for the customer undertaking the relevant activities to be liable to pay the charge. The Service Level Agreement provides the enforceability on both parties. The income from these activities is effectively revenue from contracts with customers for

services provided to the NI Departments, Public Bodies and UK Departments and Public Bodies and external customers. Note 5 shows the income by customer for each Business Group.

The timing and amount of the levy due from the customer is set out in the Service Level Agreement. The customer is invoiced and the revenue recognised on completion of the services. It is probable that the Department will collect the consideration to which it is entitled. Any amounts due at the year end but not yet invoiced to the customer are included as accrued income in the financial statements.

Services that are statutory in nature and provided to members of the public are usually paid for in advance of the service being provided or when the service is provided.

The income generated in pursuit of these activities or as part of managing the Department's affairs is Operating Income in the Statement of Comprehensive Net Expenditure.

Operating Income includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with *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.

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 Northern Ireland Civil Service (NICS) Pension Schemes. The defined benefit schemes are unfunded. 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 NICS Pension Schemes of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the NICS Pension Schemes. In respect of the defined contribution schemes, the Department recognises the contributions payable for the year.

The Department is required to meet the additional cost of benefits beyond the normal NICS Pension Schemes 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 (MPMNI)*.

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 (VAT)

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.

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 de-recognition. 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 IFRS 9 *Financial Instruments – Classification and Measurement*, financial assets in the form of trade receivables, cash and cash equivalents and other receivables are measured at amortised cost.

The Department impairs its trade receivables by making loss allowances equal to the lifetime expected credit losses if the credit risk on the trade receivables has increased significantly since its 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 measured at amortised cost.

1.18 Insurance

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

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 2020-21 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 2021-22 (2020-21:£NIL).

1.21 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.

1.22 Critical accounting estimates and key judgements

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

1.23 Third party assets

Third-party assets are assets for which the Department acts as custodian or trustee, but in which the Department has no direct beneficial interest. Third-party assets are not public assets, and hence are not recorded in the primary financial statements. In the interests of general disclosure and transparency, details of the Departments third-party assets are provided in Note 20.

1.24 Impending application of newly issued accounting standards not yet effective

The Department has reviewed new standards, interpretations and amendments to existing standards which have been issued but are either not yet effective, nor adopted early for these accounts. The standards are mandatory for the Department's accounting periods beginning on or after 1 April 2022 or later periods.

Other than as outlined below, the Department considers that these standards are not relevant or material to its operations.

IFRS 16 Leases

IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the *FReM*, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022.

IFRS 16 represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. A lessee is required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value on the Statement of Financial Position. There are corresponding changes to the disclosure requirements to show the effect that leases have on the financial position, financial performance and cash flows of the lessee.

The Department continues to assess the impact that the application of IFRS 16 will have on the Statement of Comprehensive Net Expenditure for the year ending 31 March 2023 and on the Statement of Financial Position as at 31 March 2023. This full impact is not yet known.

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities

The International Accounting Standard Board (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 with EU adoption from 1 January 2014.

Accounting boundary IFRS are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI (Review of Financial Process), which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2022-23, 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 these Standards.

Implementation of Review of Financial Process (RoFP)

The Department is implementing Review of Financial Process in 2022-23. The aim of RoFP is to align the boundaries of budgets, estimates and accounts as far as is practicable, including consolidation of NDPBs and other central government bodies in estimates and accounts. The body intended for inclusion within the 2022-23 departmental boundary is SEUPB. The bodies to be included within the departmental boundary will be designated each year in and Estimates and Accounts (Designation of Bodies) Order for consolidation into the Department's annual Estimates and Accounts. The impact on the Department's financial statements when implemented is not expected to be material. The designation on SEUPB within the departmental accounting boundary will be subject to future consideration.

1.25 Financial Reporting – Future Developments

The Department has considered the accounting initiatives identified by HM Treasury for which the Standards are under development and considers these changes are not relevant or material to its operations.

2 Statement of Operating Expenditure by Operating Segment

Reportable segment	2021-22			2020-21		
	Gross expenditure	Income	Net expenditure	Gross expenditure	Income	Net expenditure
	£000	£000	£000	£000	£000	£000
Integr8	2,203	-	2,203	1,751	-	1,751
Construction and Procurement Delivery	83,274	(21,922)	61,352	20,296	(14,873)	5,423
Departmental Solicitors Office	10,577	(5,567)	5,010	10,657	(4,669)	5,988
Enterprise Shared Services	94,522	(39,068)	55,454	152,116	(40,322)	111,794
EU Programmes	5,214	(3,485)	1,729	3,139	(1,856)	1,283
Finance and Corporate Services Division	3,604	(202)	3,402	3,512	(198)	3,314
Communications and Engagement Division	2,243	-	2,243	2,011	-	2,011
Internal Audit and Fraud Investigation	4,383	(4,009)	374	4,224	(3,818)	406
Land and Property Services Northern Ireland Civil Service	190,239	(37,621)	152,618	448,823	(41,707)	407,116
Human Resources	22,124	(2,488)	19,636	21,891	(2,298)	19,593
Northern Ireland Statistics and Research Agency	37,137	(19,179)	17,958	37,252	(17,811)	19,441
Other Bodies	649	-	649	628	-	628
Public Spending Directorate	3,376	(15)	3,361	3,171	(18)	3,153
Strategic Policy and Reform Directorate	6,275	(1,359)	4,916	14,872	(1,435)	13,437
Centrally Managed	(313)	(327)	(640)	4,206	(129)	4,077
Total	465,507	(135,242)	330,265	728,549	(129,134)	599,415

Description of segments

The reportable segments detailed above are those reported to the Departmental Board. Refer to Appendix 1 for the key roles and responsibilities of each segment.

3 Other administration expenditure

Note	2021-22 £000 Core Department & Agency	2020-21 £000 Core Department & Agency
Staff costs¹:		
Wages and salaries	74,286	73,069
Social security costs	7,647	7,390
Other pension costs	22,073	21,639
Goods and services:		
Accommodation, maintenance and utilities	32,021	29,780
Accounting and information technology	45,168	42,910
Personnel and training costs	2,084	1,420
Printing, stationery and advertising	913	820
Travel, subsistence and hospitality	229	98
Legal costs	308	354
Other costs	3,550	2,664
Rentals under operating leases:		
Other operating leases	9,919	10,232
Hire of plant and machinery	2,885	332
Interest charges:		
Interest payable and similar charges	–	2
Other expenditure:		
Bad debts and bad debt provision	(29)	9
Exchange losses/(gains)	2	6
Losses and special payments	144	9
Non-cash items:		
Depreciation	22,879	22,422
Amortisation	7,592	9,736
Impairment	–	27
(Profit)/loss on disposal of property, plant and equipment	(24)	(334)
Auditors' remuneration and expenses	346	301
Total	231,993	222,886

The auditors' remuneration and expenses was a notional cost for the audit of the financial statements carried out by NIAO. During 2021-22 the Department did not purchase any non-audit services from its auditor (2020-21:£NIL).

In relation to the National Fraud Initiative, there was no costs incurred in 2021-22 (2020-21: £20k).

¹ Further analysis of staff costs is located in the Accountability Report

4 Programme costs

	Note	2021-22 £000 Core Department & Agency	2020-21 £000 Core Department & Agency
Staff costs²:			
Wages and salaries		56,919	51,991
Social security costs		4,861	4,420
Other pension costs		14,306	13,182
Grants:			
EU grant expenditure		3,485	1,857
Benefits grant expenditure		11,640	8,077
Other grant expenditure		1,784	1,527
Localised Restrictions Support - Localised Restriction Support Scheme		66,309	245,710
Localised Restrictions Support - Soft Play Business Grants			336
Localised Restrictions Support - Large NAV Scheme		(50)	30,153
Localised Restrictions Support - Medium Sized Industrial Business		(200)	21,505
Localised Restrictions Support - Small Business Top-Up Grants		795	78,497
Localised Restrictions Support - Omicron Grants		40,524	-
Airport Financial Support		-	9,489
Goods and services:			
Accommodation, maintenance and utilities		3,731	3,719
Accounting and information technology		5,915	7,242
Personnel and training costs		2,429	1,619
Printing, stationery and advertising		519	1,204
Travel, subsistence and hospitality		382	125
Legal costs		107	118
Other costs		63	85
Rentals under operating leases:			
Other operating leases		5	14
Hire of plant and machinery		233	204
PFI and other service charges		3,516	3,179
Other expenditure:			
Registrar charges		2,668	2,701
Survey costs		548	664
Banking and cash handling costs		645	659
Bad debts and bad debt provision		206	129
Bad debts and bad debt provision - Small Business Top-up Grants		-	10
Bad debts and bad debt provision – Localised Restriction Support Scheme		270	1,920
Exchange losses/(gains)		139	(46)
Losses and special payments		1	29
Non-cash items:			
Depreciation		1,255	1,911
Amortisation		2,885	3,070
Impairment		238	1,402
(Profit)/loss on disposal of property, plant and equipment		(3)	672
Increase/(decrease) in provisions	14	(550)	1,082
Benefits grant expenditure (non-cash)		7,749	7,207
Capital Grant (non-cash)		190	-
Total		233,514	505,663

² Further analysis of staff costs is located in the Accountability Report.

5 Income

	£000 CFN	£000 ESS	£000 NICS HR	£000 PSDLG	2021-22 £000 Core Department & Agency	2020-21 £000 Core Department & Agency
Revenue from contracts with customers						
Income from NI Departments	15,950	28,268	2,226	17,658	64,102	59,627
Income from other NI Public Bodies	8,484	8,377	224	2,161	19,246	18,913
Income from UK Departments and Public Bodies	2,815	556	3	1,684	5,058	4,661
Income from external customers	2,241	1,827	34	25,781	29,883	21,167
	29,490	39,028	2,487	47,284	118,289	104,368
Other operating income						
Recovery of secondee costs					12,639	12,084
EU grant income (Current)					3,485	1,915
Other income					829	10,767
					16,953	24,766
Total					135,242	129,134
Of which:						
Core Department					116,063	111,323
Of which:						
Administration					74,934	67,702
Programme					60,308	61,432
					135,242	129,134

6 Property, plant and equipment

	2021-22								
	Land £000	Buildings £000	Dwellings £000	Information Technology £000	Plant & Machinery £000	Furniture & Fittings £000	Antiques £000	Assets under Construction £000	Total £000
Cost or valuation									
At 1 April 2021	91,810	374,650	360	68,630	4,600	39,541	2,607	10,270	592,468
Additions	–	1,310	–	7,338	1,456	5,160	44	11,530	26,838
Disposals	–	–	–	(1,453)	(9)	–	–	–	(1,462)
Impairments	–	66	–	(464)	(7)	–	–	–	(405)
Reclassifications and transfers	–	2,470	–	(25)	–	92	–	(2,700)	(163)
Revaluations	10	267	18	437	217	459	2	–	1,410
At 31 March 2022	91,820	378,763	378	74,463	6,257	45,252	2,653	19,100	618,686
Depreciation									
At 1 April 2021	1	82,431	34	44,905	3,126	29,958	2	–	160,457
Charged in year	–	12,358	19	9,365	442	1,949	1	–	24,134
Disposals	–	–	–	(1,248)	(9)	–	–	–	(1,257)
Impairments	–	22	–	(187)	(2)	–	–	–	(167)
Reclassifications and transfers	–	–	–	(25)	–	–	–	–	(25)
Revaluations	(1)	29	3	189	60	211	1	–	492
At 31 March 2022	–	94,840	56	52,999	3,617	32,118	4	–	183,634
Carrying amount at 31 March 2022	91,820	283,923	322	21,464	2,640	13,134	2,649	19,100	435,052
Carrying amount at 31 March 2021	91,809	292,219	326	23,725	1,474	9,583	2,605	10,270	432,011
Asset financing:									
Owned	91,820	273,346	322	21,464	2,640	13,134	2,572	19,100	424,398
EU Grant Funded	–	9,234	–	–	–	–	–	–	9,234
Donated	–	1,343	–	–	–	–	77	–	1,420
Carrying amount at 31 March 2022	91,820	283,923	322	21,464	2,640	13,134	2,649	19,100	435,052
Of the total:									
Department	91,820	283,923	322	21,383	2,632	12,794	2,649	19,070	434,593
Agency	–	–	–	81	8	340	–	30	459
Carrying amount at 31 March 2022	91,820	283,923	322	21,464	2,640	13,134	2,649	19,100	435,052

Property, plant and equipment (continued)

									2020-21
	Land £000	Buildings £000	Dwellings £000	Information Technology £000	Plant & Machinery £000	Furniture & Fittings £000	Antiques £000	Assets under Construction £000	Total £000
Cost or valuation									
At 1 April 2020	78,624	341,676	469	63,102	4,302	38,353	2,299	6,195	535,020
Opening balance adjustment	–	(3,259)	–	–	–	–	–	3,259	–
Additions	–	81	–	8,817	323	113	37	7,239	16,610
Disposals	(25)	31	–	(3,377)	(44)	–	–	–	(3,415)
Impairments	72	(10,140)	–	8	–	–	1	–	(10,059)
Reclassifications and transfers	2,074	3,869	–	–	–	484	(4)	(6,423)	–
Revaluations*	11,065	42,392	(109)	80	19	591	274	–	54,312
At 31 March 2021	91,810	374,650	360	68,630	4,600	39,541	2,607	10,270	592,468
Depreciation									
At 1 April 2020	25	120,664	122	38,119	2,758	27,907	1	–	189,596
Charged in year	–	12,739	19	9,397	405	1,772	1	–	24,333
Disposals	(25)	31	–	(2,645)	(44)	–	–	–	(2,683)
Impairments	(32)	(8,630)	–	4	–	–	–	–	(8,658)
Reclassifications and transfers	284	(284)	–	–	–	–	–	–	–
Revaluations	(251)	(42,089)	(107)	30	7	279	–	–	(42,131)
At 31 March 2021	1	82,431	34	44,905	3,126	29,958	2	–	160,457
Carrying amount at 31 March 2021	91,809	292,219	326	23,725	1,474	9,583	2,605	10,270	432,011
Carrying amount at 31 March 2020	78,599	221,012	347	24,983	1,544	10,446	2,298	6,195	345,424
Asset financing:									
Owned	91,809	281,276	326	23,725	1,474	9,583	2,528	10,270	420,991
EU Grant Funded	–	9,607	–	–	–	–	–	–	9,607
Donated	–	1,336	–	–	–	–	77	–	1,413
Carrying amount at 31 March 2021	91,809	292,219	326	23,725	1,474	9,583	2,605	10,270	432,011
Of the total:									
Department	91,809	292,219	326	23,633	1,463	9,075	2,605	10,135	431,265
Agency	–	–	–	92	11	508	–	135	746
Carrying amount at 31 March 2021	91,809	292,219	326	23,725	1,474	9,583	2,605	10,270	432,011

7 Intangible assets

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

2021-22

	Information technology (intangible) £000	Software Licences £000	Assets under Construction (intangible) £000	Total £000
Cost or valuation				
At 1 April 2021	178,310	18,320	1,088	197,718
Additions	4,914	957	335	6,206
Reclassifications and transfers	(2,012)	(30)	(1,423)	(3,465)
Revaluations	10,397	567	-	10,964
At 31 March 2022	191,609	19,814	-	211,423
Amortisation				
At 1 April 2021	160,542	15,005	1	175,548
Charged in year	8,907	1,570	-	10,477
Reclassifications and transfers	(3,382)	(30)	(1)	(3,413)
Revaluations	(1,062)	303	-	(759)
At 31 March 2022	165,005	16,848	-	181,853
Carrying amount at 31 March 2022	26,604	2,966	-	29,570
Carrying amount at 31 March 2021	17,768	3,315	1,087	22,170
Asset financing:				
Owned	26,533	2,966	-	29,499
UK Grant Funded	4	-	-	4
Finance leased	67	-	-	67
Carrying amount at 31 March 2022	26,604	2,966	-	29,570
Of the total				
Department	23,012	2,897	-	25,909
Agency	3,592	69	-	3,661
Carrying amount at 31 March 2022	26,604	2,966	-	29,570

The amortisation charged during the accounting period in respect of assets held under finance leases was £106k (2020-21: £166k).

Intangibles assets (continued)

2020-21

	Information technology (intangible) £000	Software Licences £000	Assets under Construction (intangible) £000	Total £000
Cost or valuation				
At 1 April 2020	171,306	16,736	595	188,637
Additions	6,028	1,489	493	8,010
Revaluations	976	95	-	1,071
At 31 March 2021	178,310	18,320	1,088	197,718
Amortisation				
At 1 April 2020	148,400	13,508	-	161,908
Charged in year	11,365	1,441	-	12,806
Impairments	-	-	1	1
Revaluations	777	56	-	833
At 31 March 2021	160,542	15,005	1	175,548
Carrying amount at 31 March 2021	17,768	3,315	1,087	22,170
Carrying amount at 31 March 2020	22,906	3,228	595	26,729
Asset financing:				
Owned	17,589	3,315	1,087	21,991
UK Grant Funded	11	-	-	11
Finance leased	168	-	-	168
Carrying amount at 31 March 2021	17,768	3,315	1,087	22,170
Of the total				
Department	14,322	3,234	1,087	18,643
Agency	3,446	81	-	3,527
Carrying amount at 31 March 2021	17,768	3,315	1,087	22,170

8 Impairments

	2021-22	2020-21
	£000	£000
	Core	Core
	Department	Department
	& Agency	& Agency
Charged direct to the Statement of Comprehensive Net Expenditure	238	1,429
Taken through the Revaluation Reserve	(12,641)	(96,681)
Total impairment charge for the year	(12,403)	(95,252)

9 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 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 receivables (Note 12) and cash and cash equivalents (Note 11). The Department's financial liabilities comprise payables excluding tax liabilities, accruals and deferred income (Note 13). 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	From subsequent measurement			2021-22 Net gain/ (loss)	2020-21 Net gain/ (loss)
		At fair value	Currency translation	Impairment /reversal of impairment		
	£000	£000	£000	£000	£000	£000
Loans and receivables	–	–	(136)	(448)	(584)	(1,085)
Financial liabilities measured at amortised cost	–	–	(5)	–	(5)	(14)
Total	–	–	(141)	(448)	(589)	(1,099)

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

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 the Department 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, see Payment to Suppliers section in the Performance Report on page 26. 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 is not, therefore, exposed to significant liquidity risks.

Currency risk

Currency risk is the risk that the fair value of future cash flows 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 2022 the net exposure was £1.5m (31 March 2021: £1.1m).

Sensitivity analysis

Based on the balance denoted in euro at 31 March 2022, a 15% weakening or strengthening of sterling against the euro would have increased or decreased the exchange rate movement by £225k respectively (31 March 2021: movement of £162k). 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.

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.

10 Assets classified as held for sale

	2021-22 £000 Core Department & Agency	2020-21 £000 Core Department & Agency
Balance at 1 April	470	7,714
Transfers in	-	-
Disposals	(373)	(7,217)
Impairment Loss	-	(27)
Balance at 31 March	97	470

11 Cash and cash equivalents

	2021-22 £000 Core Department & Agency	2020-21 £000 Core Department & Agency
Balance at 1 April	7,917	35,734
Net change in cash and cash equivalents	34,124	(27,817)
Balance at 31 March	42,041	7,917
The following balances at 31 March were held at:		
Commercial banks and cash in hand	42,041	7,917
Balance at 31 March	42,041	7,917

Balances for cash and cash equivalents are disclosed in the Statement of Financial Position as follows:

Current assets	44,589	40,376
Current liabilities	(2,548)	(32,459)
Total	42,041	7,917

12 Trade receivables and other current assets

	2021-22	2020-21
	£000	£000
	Core	Core
	Department	Department
	& Agency	& Agency
Amounts falling due within one year:		
Trade receivables	8,576	10,876
Other receivables	6,823	7,311
VAT recoverable	4,548	5,180
Prepayments and accrued income	30,633	47,363
Amounts due from EU	3,225	2,326
Amounts due from the Consolidated Fund in respect of supply	870	41,165
	54,675	114,221
Amounts falling due after more than one year:		
Trade receivables	1,941	312
	1,941	312
Total	56,616	114,533

Within trade receivables and other current assets there are no amounts due to the Consolidated Fund once the debts are collected (2020-21: £NIL).

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

	2021-22	2020-21
	£000	£000
	Core	Core
	Department	Department
	& Agency	& Agency
Balance at 1 April	(5,824)	(4,833)
Impairment losses (recognised)/derecognised in receivables	(448)	(1,139)
Amounts written off as uncollectable	360	148
Balance at 31 March	(5,912)	(5,824)

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:

	2021-22 £000	2020-21 £000
	Core Department & Agency	Core Department & Agency
Neither past due nor impaired trade receivables	6,222	6,250
1-30 days	257	337
31-60 days	198	265
61-90 days	250	99
91-180 days	738	383
181-360 days	454	4,543
361 days plus	3,869	375
Gross carrying value	11,988	12,252
Less: impairment	(2,235)	(1,064)
Net carrying value	9,753	11,188

13 Trade payables and other current liabilities

	2021-22 £000	2020-21 £000
	Core Department & Agency	Core Department & Agency
Amounts falling due within one year:		
Other taxation and social security	19,466	17,547
Trade payables	418	637
Other payables	23,515	21,652
Accruals and deferred income	45,811	187,933
Contract Liabilities	3,041	-
Amounts issued from Consolidated Fund for supply but not due	7	-
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund: CFER – received	829	11,399
	93,087	239,168

There were no amounts payable by the Department falling due after more than one year at 31 March 2022 or at 31 March 2021.

14 Provisions for liabilities and charges

	2021-22 Core Department & Agency			2020-21 Core Department & Agency	
	Legal claims £000	Other £000	Total £000	Legal claims £000	Total £000
Balance at 1 April	2,824	-	2,824	1,752	1,752
Provided in the year	-	1,120	1,120	1,084	1,084
Provisions not required written back	(1,670)	-	(1,670)	(2)	(2)
Provisions utilised in year	(69)	-	(69)	(10)	(10)
Balance at 31 March	1,085	1,120	2,205	2,824	2,824

Analysis of expected timing of discounted flows

			2021-22	2020-21	
			Core	Core	
	Legal claims	Other	Department & Agency	Legal claims	Department & Agency
	£000	£000	Total	£000	Total
	£000	£000	£000	£000	£000
Not later than one year	1,085	1,120	2,205	2,744	2,744
Later than one year and not later than five years	-	-	-	80	80
Later than five years	-	-	-	-	-
Balance at 31 March	1,085	1,120	2,205	2,824	2,824

14.1 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 and other damages including fair employment and industrial tribunal cases.

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 DoF.

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

14.2 Other

Other provisions include amount due in respect of the Omicron Grant Application Scheme. The liability is based on applications that have been received by the Department, however, the application process has not yet been finalised or concluded.

14.3 Other legal issues

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The Supreme Court hearing was scheduled for the June 2021 but this was subsequently adjourned and re-listed for December 2022. The 2020-21 Holiday Pay provision has been estimated by NICS HR and covers the period from 1998 to 31 March 2020. There are still some very significant elements of uncertainty around this estimate for a number of reasons:

1. The appeal to the Supreme Court (as detail above);
2. Lack of accessible data for years previous to 2011;
3. Ongoing negotiations with Trade Unions; and
4. Obtaining relevant approvals.

15 Contingent liabilities disclosed under IAS 37

The Department has entered into the following unquantifiable contingent liabilities:

Public/employer liability cases

There are currently 16 cases (2020-21: 11 cases) pending against the Department. The maximum that will be payable cannot be accurately estimated.

Industrial tribunal cases

There are currently no industrial tribunal cases (2020-21: 2 cases) pending.

Other legal issues

There are currently 2 judicial review cases (2020-21: 2 cases) pending.

Tax Compliance

The Department continues to work 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 all potential liabilities at this stage.

16 Leases

16.1 Finance leases

There were no finance leases contracted in the year.

16.2 Operating leases

£9.9m (2020-21: £10.2m) was included as an expense on operating leases in the SOCNE. Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2021-22	2020-21
	Core Department & Agency £000	Core Department & Agency £000
Land and Buildings:		
Not later than one year	9,898	10,700
Later than one year and not later than five years	29,100	35,773
Later than five years	33,815	38,357
	72,813	84,830
Other:		
Not later than one year	134	152
Later than one year and not later than five years	132	18
Later than five years	1	1
	267	171

17 Commitments under PFI and other service concession arrangements

17.1 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 ran for 15 years until July 2019 and was then extended until June 2021. It has since been extended to June 2026. 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 were expensed in the year incurred.

The total amount charged in the Statement of Comprehensive Net Expenditure (SOCNE) in respect of the service was £3.5m (2020-21: £3.2m); and the payments to which the Department and its agency are committed are as follows:

	2021-22	2020-21
	£000	£000
	Core	Core
	Department	Department
	& Agency	& Agency
Not later than one year	3,000	3,505
Later than one year and not later than five years	10,000	14,020
Later than five years	-	876
Total	13,000	18,401

17.2 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's only contract which is classified as a service concession agreement was awarded to BT in June 2006. This contract ran for 12 years and expired in March 2018. It was initially extended to March 2020 and then to March 2022. The contract was extended to March 2023. Post year end it has been subsequently extended until March 2026.

17.3 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 transactions was £3.6m (2020-21: £3.5m).

The service element due in future periods is:

	2021-22	2020-21
	£000	£000
	Core	Core
	Department	Department
	& Agency	& Agency
Not later than one year	3,275	3,551
Later than one year and not later than five years	-	3,327
Total	3,275	6,878

18 Capital and Other Commitments

	2021-22	2020-21
	£000	£000
	Core	Core
	Department	Department
	& Agency	& Agency
Contracted capital commitments at 31 March not otherwise included in these financial statements		
Property, plant and equipment	8,895	18,012
Intangible assets	6,395	2,067
	15,290	20,079

18.1 Other financial commitments

The Department and its agency 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 nirect, 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 agency are committed are as follows:

	2021-22	2020-21
	£000	£000
	Core	Core
	Department	Department
	& Agency	& Agency
Not later than one year	31,101	30,496
Later than one year and not later than five years	72,892	83,730
Later than five years	10,649	7,613
Total	114,642	121,839

19 Related Party transactions

The Department is the parent of the NI Statistics and Research Agency. This body is regarded as a related party with which the Department has had various material transactions during the year.

The Department 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 during the year.

20 Third party assets

The Department is responsible for the upkeep of the Ulster Memorial Tower in Thiepval, France and costs incurred on maintenance during 2021-22 totalled £47k (2020-21: £47k). This is not a departmental asset and is not included in the Statement of Financial Position.

The Department is also a trustee of a number of "Project Bank Accounts" used to make payments to both the main contractor and sub-contractors. Any balance on this account is reported in the financial statements

of the main contractor. These are not departmental assets and are not included in the Statement of Financial Position.

The Department has laser scanning equipment, LiDAR, on loan from Ordnance Survey Ireland. The LiDAR is an aircraft mounted 3D laser scanning instrument. It uses a pulsed laser to measure distances to the ground and to create a point cloud that models the surface of the earth, buildings, et cetera.

21 Entities within the departmental boundary

The entities within the boundary during 2021-22 were as follows:

DoF Core Directorates

- Construction and Procurement Delivery (CPD);
- Northern Ireland Civil Service Human Resources (NICSHR);
- Finance and Corporate Services Division (FCSD);
- Departmental Solicitor's Office (DSO);
- Enterprise Shared Services (ESS);
- Land and Property Services (LPS);
- Public Spending Directorate (PSD);
- Strategic Policy and Reform Directorate (SPAR);
- Group Internal Audit and Fraud Investigation Service (GIAFIS); and
- Communications and Engagement Division (CAED).

Supply Financed Agency

- Northern Ireland Statistics and Research Agency (NISRA). NISRA publishes its own annual report and accounts.

Sponsored Bodies

- Civil Service Appeals Board;
- Construction Industry Forum Northern Ireland;
- Fiscal Commission;
- Fiscal Council;
- Legal Services Oversight Commission for Northern Ireland;
- Northern Ireland Building Regulations Advisory Committee;
- Northern Ireland Civil Service Pension Board;
- Procurement Board; and
- Statistics Advisory Committee.

Relationships with Other Bodies

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.

The Finance Minister is responsible for making public appointments to the board of the Northern Ireland Authority for Utility Regulation (NIAUR). NIAUR is a non-ministerial body.

The Department also provides budget to contribute to the running costs of The International Fund for Ireland (IFI). IFI was established as an independent organisation by the British and Irish Governments in 1986.

22 Events after the reporting period

There are no 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 28 June 2022.

Appendix 1: DOF Directorates

Construction and Procurement Delivery (CPD)

CPD has three main areas of responsibility:

1. Procurement:
 - a. Procurement Policy Responsibility;
 - b. Three operational Centres of Procurement Expertise (CoPEs)
 - i. Supplies and Services Division;
 - ii. Construction Division; and
 - iii. Health Projects
2. Properties:
 - a. Properties Division; and
 - b. Property Services Division
3. Projects Delivery/Assurance and Commercial Capability:
 - a. Commercial Delivery Group with responsibility for:
 - i. Centre of Excellence for Programme and Project Management;
 - ii. Project Delivery Profession; and
 - iii. Portfolio, Programme and Project Office (P3O).

CPD supports the Procurement Board in all aspects of public procurement policy, including the development of policies approved by the Northern Ireland Executive to be implemented across Northern Ireland Departments, Agencies, NDPBs and public corporations.

CPD provides expert advice and professional services during the procurement lifecycle, from initial concept to completion and realisation of benefits. CPD 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, including through appropriate collaboration, engagement on innovative solutions, and effective project management and contract management.

There are nine Centres of Procurement Expertise (CoPEs) in NI. CPD has responsibility for three of these CoPEs, which are operational:

1. Supplies and Services Division;
2. Construction Division; and
3. Health Projects

CPD has responsibility for the provision of public sector Government office accommodation and services throughout NI and associated refurbishment and maintenance works. It also manages the Stormont Estate grounds.

CPD is also responsible for the Commercial Delivery Group (CDG) which supports Projects Delivery/Assurance and Commercial Capability across the NICS. The CDG also provides the NI Gateway Hub, managing assurance reviews for major programmes and projects across the NI public sector.

Northern Ireland Civil Service Human Resources (NICSHR)

NICSHR provides strategic and operational HR advice and services to help support the NICS Board and the nine Executive departments in their commitment to make NICS a well-led, high-performing inclusive and outcomes focused Civil Service.

NICSHR has a key role in ensuring the NICS has skilled, experienced and motivated staff capable of delivering a wide range of public service roles across departments.

NICSHR has a number of key responsibilities, including:

- HR business partnering with NICS Departments and participating bodies
- Learning, Occupational Health Services and Wellbeing
- Policy development and review
- Provision of workforce and other HR information
- Recruitment planning
- Talent management and diversity and inclusion
- Pay & reward
- Employee relations

NICSHR also provides HR and training services to the wider public sector.

Financial and Corporate Services Division (FCSD)

FCSD provides financial and corporate services to the Department including:

- Central support for the Department and for the overall management and governance;
- Advice and guidance to ensure compliance and best practice in areas such as equality, health and safety, and public appointments;
- Financial accounting and budgeting services;
- Strategic direction and guidance which ensures the Department is compliant with data protection and records management legislation, policy and best practice; and
- The Audit Authority which is an independent assurance function providing an opinion on the legality and regularity of expenditure declared under the Peace & INTERREG VA Programmes in addition to whether the management and control system for the Programmes functions properly.

Departmental Solicitor's Office (DSO)

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

Enterprise Shared Services (ESS)

ESS provides shared services including IT, Digital Transformation, Finance, Pensions, HR and Payroll, to the NICS and a number of services are also provided to the wider public sector.

- Digital Shared Services (DSS) has responsibility for the provision of common IT systems and services for the NICS and some wider public sector organisations, digital transformation and development, Cyber security and information-related policies and strategies. This includes responsibility for the NI Government citizen portal www.nidirect.gov.uk (including contact centre services) and delivering the NI Digital Transformation Programme, which provides support to departments in the transformation and digital delivery of their citizen-facing services. In addition, the division provides media monitoring and government advertising services to departments, as well as to the NI Executive.
- The role of the NI Cyber Security Centre is to assist in making NI cyber safe, secure and resilient for its citizens and businesses. We are focused on ensuring that we have a better-informed society and business community to better protect their technology, systems and data from cyber-attacks and key advocate for cyber security in NI. We work with public, private, third sector organisations and our citizens to improve their ability to defend against cyber-attacks, increase their knowledge of cyber threats, and become more cyber resilient. In tandem with the National Cyber Security Centre we ensure they have access to the right advice, guidance and support.
- Pensions Division is responsible for the overall policy, legislation, management and administration of the NICS Pension Schemes. In addition, it provides overarching public service pensions policy, primary legislation and directions for cost control for the wider Public Sector in NI.
- Finance & HR Shared Services provides financial processing and accounting services (Account NI), and manages the contract for the delivery of outsourced HR and payroll services (HR Connect), primarily to NICS departments. These services are key enablers (in finance and HR, respectively) for the delivery of Ministerial commitments. Account NI has been critical to paying out economic support throughout the COVID-19 pandemic and ensuring the prompt payment of suppliers. HR Connect delivers pay and recruitment in line with NICS HR policies.
- The Department of Finance is the designated Competent Authority (CA) for a number of NI sectors (energy, health, drinking water, road and rail transport) under the Network and Information Systems Regulations 2018 and the CA team appointed by DoF sits within ESS. The CA regulates operators of essential services particularly in fulfilling their security and incident-reporting responsibilities under the legislation.

The Integr8 Programme (formerly Central Government Transformation Programme (CGTP))

- The Integr8 Programme has been established to enable transformation through the delivery of modern, flexible and customer focused Finance and HR (including Payroll) services for Central Government, including implementing a new technology solution to replace the current systems.

Land & Property Services (LPS)

LPS provides Ordnance Survey mapping services for NI which are used widely across public and private sectors, informing policy development and enhancing service delivery.

Maintains the four Land Registers: Land Registry (which provides a state guarantee of title), Registry of Deeds, Statutory Charges Register, Ground Rents Register and provides land information services relating to those Registers for conveyancing purposes.

Carries out the statutory responsibility to maintain the Valuation Lists and carry out frequent revaluations, which supports the collection of rates.

Delivers property valuations, estate management and property data services to the public sector (asset valuations and Client Services work, road scheme compensation).

Collects rates to fund important public services provided by central and local government.

Administers various reliefs to help citizens in need of support to pay their rates including Lone Pensioner Allowance and Disabled Persons Allowance to owner occupiers, and the Rate Rebate Scheme for all working age claimants in receipt of Universal Credit. LPS will transfer administration of Housing Benefit for Rates and Low Income Rate Relief for ratepayers who own and live in their own home to the Northern Ireland Housing Executive from June 2022. In addition to reliefs for domestic ratepayers, LPS also administers a number of business related rate reliefs to provide assistance to non-domestic ratepayers, these include Small Business Rate Relief, relief for non-domestic vacant properties and Rate Holidays introduced to reduce the impact of the COVID-19 pandemic on business sectors most adversely affected.

Provides policy advice to the Minister of Finance on the rating system, and support payments, and ensures that policy implementation is supported by the necessary legislation.

Additionally, LPS took on responsibility for designing and administering financial support schemes for businesses impacted by the Health Protection restrictions introduced to control the COVID-19 pandemic in Northern Ireland and introduced Business Tenancy protection from eviction during lockdown. With the continuation of the pandemic into 2021-22, LPS was tasked with the design and administration of a number new schemes. Schemes included:

- Localised Restrictions Support Scheme (LRSS)
- Medium Industrial Grant Scheme
- Large NAV Grant Scheme
- Soft Play Scheme
- £5k and £10k Top-Up Schemes
- Omicron Hospitality Payment Scheme (OHP)
- £10,000 Small Business Support Grants (on behalf of the Department of the Economy)

Public Spending Directorate (PSD)

PSD is responsible for the effective management of public expenditure in NI promoting accountability and good governance while maximising value for money and ensuring no breach of Treasury budget controls. This includes supporting decisions on the allocation of resources to departments in line with Executive's priorities and monitoring of in-year expenditure to support the effective use of available resources.

PSD is also responsible for ensuring that Budget legislation is in place to allow departments to deliver public services and providing cash to departments, from the NI Consolidated Fund, to fund those services. PSD supports departments in ensuring regularity, propriety and value for money and the production of high quality financial reports by providing departments with a framework of delegations,

guidance and support. PSD also liaises with the Fiscal Council and Fiscal Commission on access to Budget information.

The City and Growth Deals Division within PSD centrally manages the delivery of NI's four City and Growth Deals, including the strategic direction and policy, governance and funding. The initiative equates to £1.3bn capital investment over the next 15-20 years. The Deals are developed at a local level with the aim of delivering accelerated investment in local areas, boosting jobs and productivity.

Strategic Policy and Reform Directorate (SPAR)

SPAR provides strategic economic and fiscal policy advice; expenditure appraisal and pay policy/pay remit process advice and guidance to Finance Minister, Senior Management Team and other departments; and sponsors the independent NI Fiscal Council and Fiscal Commission.

Management of NICS Economist Profession.

Managed the Public Sector Transformation Fund and completed the 2018-19 Longitudinal evaluation.

Represents DoF on the New Decade New Approach cross departmental strategic working groups and leads the DoF response on the priority areas of Green Growth, including the developing of a DoF Action Plan, Social Inclusion and ALB Review.

Co-ordinates the response of Departments and NICS to the RHI Inquiry.

Carries out the Member State role for current EU Structural Funds and manages the European Structural & Investment Fund Database project. Also the NI Sponsor Department for the Special EU Programmes Body, working in partnership with Department of Public Expenditure and Reform (DPER) in overseeing the delivery and closure of the 2014-20 PEACE IV & INTERREG VA EU Programmes and in the development and implementation of the upcoming 2021-27 PEACE PLUS Programme.

Leads DoF input into issues arising from EU Exit and manage DoF-relevant issues with replacement for EU derived legislation and powers. Specific issues around Legislative Powers, Grace Periods, the implementation of the Trade and Co-operation agreement.

Leads on the Future Policy & Finance work stream to seek replacement of the spending power that we currently derive from EU funding sources and the funding which underpins the UKG's Levelling Up Agenda. To continue to monitor the current EU funding streams and co-ordinate NI input to Whitehall on domestic successor funding and represent the interests of NI with respect to replacement funds and the financial implications of the protocol are represented at Whitehall. Work with other departments to ensure policy development for future funding is under review and ready to implement when required.

Departmental lead for current Dormant Accounts Fund NI that is administered by National Lottery Community Fund.

Leads on implementation of innovative best practice (through the Northern Ireland Public Sector Innovation Lab).

Responsible for the provision of internal consultancy services across the NICS, its Executive Agencies and NDPBs, through Business Consultancy Services.

Responsible for the provision of Library services across the NICS Departments through the NICS e-Library and physical collections in Dundonald House and Lanyon Plaza.

Group Internal Audit and Fraud Investigation Services (GIAFIS)

A centralised Group Internal Audit and Fraud Investigation Service has been established as a separate division within DoF. The Group Service provides specialist fraud investigation services to NICS departments, Executive Agencies and Arm's Length Bodies. The Group Service also comprises departmental internal audit teams who are out-posted to the department to which they provide a service.

The overall Group Service is managed by the Group Head who has strategic responsibility for the provision of internal audit and fraud investigation services to NICS departments and in doing so has line management responsibility for departmental internal audit and fraud investigation staff.

While the Group Service is located in DoF, the Group Service is accountable to individual departmental Accounting Officers. Any fraud investigations or audit activity undertaken by the Group Service is undertaken on behalf of the relevant department and reported to the relevant department – there is no reporting line on these matters to DoF.

Departments are hard charged for the services provided by the Group Service.

Communications and Engagement Division (CAED)

The Communications and Engagement Division is responsible for the effective running of the Ministerial and Permanent Secretary's Private Offices, strategic external and internal communications, staff engagement, open government and transparency.

EXECUTIVE AGENCY

Northern Ireland Statistics and Research Agency (NISRA)

The Agency is the principal source of Official Statistics and social research on Northern Ireland. It supports decision makers in the formulation of evidence-based policy and informs public debate through the production and dissemination of high quality, trusted, meaningful analysis; facilitates research and delivers the decennial population census and cost effective civil registration services.

Appendix 2: Acronyms

Acronym	Details
£k, £000	represents thousands of pounds
£m	represents millions of pounds
ALBs	Arm's Length Bodies
AME	Annually Managed Expenditure
AMPS	Assembly Members' Pension (NI) 2016
ABI	Annual Business Inquiry
ARC	Audit Risk Committee
BCS	Business Consultancy Service
BI	Business Intelligence
BESES	Broad Economy Sales and Exports Statistics
bn	billion
CAED	Communication and Engagement Division
CAL	Centre for Applied Learning
CARE	Career Average Revalued Earnings
CGD	Commercial Delivery Group
CETV	Cash Equivalent Transfer Value
CFER	Consolidated Fund Extra Receipt
CFN	CPD, FCSD and NISRA as a collective group
CPD	Construction and Procurement Delivery
CPI	Consumer Prices Index
DAC	Direct Award Contract
DAO	Dear Accounting Officer
DARC	Departmental Audit and Risk Committee
DAERA	Department of Agriculture, Environment and Rural Affairs
DEL	Department Expenditure Limits
DfC	Department for Communities
DfE	Department for the Economy
DfI	Department for Infrastructure
DE	Department of Education
DoF	Department of Finance
DoH	Department of Health
DoJ	Department of Justice
DPER	Department of Public Expenditure and Reform
DPHC	Data Protection Health Check
DSO	Departmental Solicitor's Office
DSS	Digital Shared Services
DWP	Department for Working Pensions
ERDF	European Regional Development Fund
ESS	Enterprise Shared Services
EU	European Union
EUD	European Union Division

Acronym	Details
FCSD	Finance and Corporate Services Division
FReM	Financial Reporting Manual
GDPR	General Data Processing Regulations
GIAFIS	Group Internal Audit and Fraud Investigation Service
GRO	General Registers Office
HM	Her Majesty
HMRC	Her Majesty Revenue and Customs
HMT	Her Majesty's Treasury
HR	Human Resources
IAO	Information Asset Owner
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICT	Information and Communications Technology
IFRIC	International Financial Reporting Interpretations Committee
IFRP	International Financial Review Panel
IFRS	International Financial Reporting Standards
JO	Judicial Office
LCM	Legislative Consent Motion
LPS	Land and Property Services
LPIS	Land Parcel Identification System
LRSS	Localised Restrictions Support Scheme
MEP	Member of the European Parliament
MHCLG	Ministry for Housing Communities and Local Government
MLA	Member of the Legislative Assembly
MP	Member of Parliament
MPMNI	Managing Public Money Northern Ireland
NDNA	New Decade, New Approach
NDPB	Non-Departmental Public Body
NEBM	Non-Executive Board Member
NFI	National Fraud Initiative
NAO	National Audit Office
NIAO	Northern Ireland Audit Office
NIAUR	Northern Ireland Authority for Utility Regulation
NICS	Northern Ireland Civil Service
NICSHR	Northern Ireland Civil Service Human Resources
NIO	Northern Ireland Office
NIS	Network Information Security
NISRA	Northern Ireland Statistics and Research Agency
NSMC	North South Ministerial Council
PD	Properties Division
PPE	Personal Protective Equipment
PSD	Public Spending Directorate

Acronym	Details
PSDLG	PSD, LPS, DSO and GIAFIS as a collective group
OHS	Occupational Health Service
ONS	Office for National Statistics
OSR	Office for Statistics Regulation
PAC	Public Accounts Committee
PfG	Programme for Government
PFI	Public Finance Initiatives
PPA	Prior Period Adjustment
PSD	Public Spending Directorate
PSP	Public Service Pension
PSSSP	Public Sector Shared Services Programme
RAG	Red, Amber or Green
RHI	Renewable Heat Incentive
RfRs	Request for Resources
RPI	Retail Prices Index
RPM	Reform of Property Management
SAU	Standard Assurance Unit
SCS	Senior Civil Service
SEUPB	Special European Union Programmes Body Expenditure
SIRO	Senior Information Risk Owner
SOAS	Statement of Outturn Against Assembly Supply
SOFP	Statement of Financial Position
SPAR	Strategic Policy and Reform Directorate
SPF	Shared Prosperity Fund
TEO	The Executive Office
TME	Total Managed Expenditure
UC	Universal Credit
UK	United Kingdom
UKG	United Kingdom Government
VAT	Value Added Tax
VES	Voluntary Exit Scheme
VFM	Value for Money