

# Northern Ireland Assembly Resource Accounts For the year ended 31 March 2002

*Presented to The House of Commons  
by the Secretary of State for Northern Ireland  
by Command of Her Majesty*

*November 2002*

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

*15 November 2002*

*Ordered by The House of Commons to be printed  
15 November 2002*

PUBLISHED BY AUTHORITY OF THE NORTHERN IRELAND ASSEMBLY  
BELFAST: THE STATIONERY OFFICE  
£7.00



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# ANNUAL REPORT

These resource accounts have been prepared in accordance with the Northern Ireland Resource Accounting Manual.

## **HISTORY AND STATUTORY BACKGROUND OF THE NORTHERN IRELAND ASSEMBLY**

The New Northern Ireland Assembly was established following an agreement, known as the Good Friday Agreement, reached during the multi-party negotiations which were concluded on Friday 10 April 1998. Under the terms of the Agreement, the Assembly would take full legislative and executive authority in respect of those matters within the remit of the then existing six Northern Ireland government departments.

The membership of the New Northern Ireland Assembly was elected on the 25 June 1998 and it held its first session on 1 July 1998. It operated in shadow form until 2 December 1999 when, under the provisions of the Northern Ireland Act 1998, full powers were devolved and it became the Northern Ireland Assembly.

During the financial year a one day period of suspension was imposed on Friday 21 September 2001. Devolved powers were restored the following day.

## **SCOPE**

### **Boundary Statement**

The Northern Ireland Assembly does not currently support any Agencies, NDPBs or trading funds.

### **The Aims and Objectives of the Northern Ireland Assembly**

The key aim of the Northern Ireland Assembly is to provide effective devolved government for the people of Northern Ireland.

To help do this 10 government departments were created, namely:

Agriculture and Rural Development; Culture, Arts and Leisure; Education; Enterprise, Trade and Investment; Environment; Finance and Personnel; Health, Social Services and Public Safety; Higher and Further Education, Training and Employment (later renamed Education and Learning); Regional Development; and Social Development.

### **Principal Activities**

Under the terms of Section 40 of the Northern Ireland Act 1998 the Assembly elected a Commission, which is the body corporate and has the responsibility of providing the Assembly with the property, staff and services to carry out its business.

The purpose of the Assembly Secretariat, which is the administrative arm of the Commission, is to serve and support the Assembly in a way which will allow it to achieve its aim. In carrying out these objectives the Assembly Secretariat's purpose is to provide the Assembly with the services which it requires, in an effective and efficient manner.

The main activities of the Assembly Secretariat are as follows:

- To support the Northern Ireland Assembly in the operation and delivery of its business; and
- To provide a physical environment appropriate to the needs of the Assembly.

The provision of the Assembly Secretariat services is linked across eight Directorates and Offices: each is dependent on others for the successful delivery of those services. The Directorates/Offices are Finance and Personnel, Research and Information, Office of the Keeper of the House, Officer of the Official Report (Hansard), Clerk Assistant's Office, Office of the Speaker, Office of the Clerk to the Commission and the Office of the Clerk to the Assembly.

The most significant item of current expenditure of £13.506m relates to staffing. Members' salaries, including office holders increases, cost £6.184 million. Office Costs Allowance totalling £3.873 million was also paid to Members. This allowance is principally intended to enable Members to secure secretarial and research staff and accommodation to assist in the discharge of their Assembly duties.

### **Indications of Future Development**

Because of the limited office space in Parliament Buildings the Commission has been searching for suitable additional office accommodation. Ormiston House, which belongs to the Police Authority and is located approximately a mile and a half from Parliament Buildings, has been identified as suitable. Contracts for the acquisition of Ormiston House were signed on 17 September 2001. The initial capital outlay of £9m was made on 20 September 2001, with an estimated further £12m to be expended on refurbishment over the next 4 years. Temporary accommodation costing £1m will be provided on the site pending the completion of refurbishment.

### **Pension Liabilities**

Present and past secretariat employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is non-contributory and unfunded. Although the Scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. Departments, agencies and other bodies covered by the PCSPS meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS as a whole.

Pension benefits for the Members are provided through the Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). Members pay contributions of 6% of pensionable salary, including Office Holder's salary. All pensions increase in line with the Retail Prices Index once in payment. There is a separate scheme statement for the Assembly Members' Pension Scheme.

### **Operating and Financial Review**

During the period 1 April 2001 to 31 March 2002 the Northern Ireland Assembly enjoyed a sustained period of Assembly business. This permitted the Assembly Commission, under the direction of the Assembly, to make significant progress in developing the range of services and facilities required to support its business.

In presenting its initial budget requirement to the Assembly in February 1999 the Commission indicated that the budget had been established on the basis of the financial requirement for a fully operational Assembly, with a full complement of staff. The subsequent period of suspension in February 2000 created significant delays in the recruitment process and whilst much progress has been made during 2001-2002 a full complement of staff has not yet been achieved and this is reflected in the lower than estimated out-turn.

In addition to meeting the Assembly's staffing needs, the Assembly Commission also consider the long-term accommodation pressures within Parliament Buildings. To address these pressures the Commission purchased the Ormiston House site for £9 million in September 2001 and began the process of gaining the necessary planning approvals to develop the additional accommodation required on this site. The purchase of the Ormiston House site followed a detailed economic investment appraisal in compliance with the HM Treasury 'Appraisal and Evaluation in Central Government' – 'The Green Book' and approved by the Department of Finance and Personnel. It is anticipated that some staff will be able to move to temporary accommodation on the Ormiston site within the next 12 months, however an initial release of space has been made possible through the relocation of a small number of staff to temporary accommodation within the Stormont Estate.

Pension benefits for Members are provided through the Northern Ireland Assembly Members' Pension Scheme. The Inland Revenue requires, as a condition of tax approval, that a defined benefit approved occupational scheme must have full actuarial valuation at least once every three years. It has been agreed that the first formal valuation of the scheme will be made at 31 March 2002. This date has been chosen to coincide with the first formal valuations of the Welsh Assembly and Scottish Parliament schemes. The Government Actuary report is awaited.

On Monday 14 October 2002 the Secretary of State for Northern Ireland made an Order under the Northern Ireland Act 2000 suspending the devolved institutions.

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## MANAGEMENT

The Commission comprises the Speaker (Lord Alderdice), a representative from each of the four major parties viz Ulster Unionist, Social Democratic and Labour Party, Democratic Unionist Party, Sinn Fein, and a representative from the minor parties.

The Senior Management team employed by the Assembly Commission during the 2001-02 financial year was:

Arthur Moir	Clerk to the Northern Ireland Assembly
Gerry Cosgrave	Head of Administration
Tom Evans	Clerk to the Commission
Murray Barnes	Clerk Assistant
Simon Burrowes	Editor of Debates
Agnes Peacock	Keeper of the House
Allan Black	Director of Research and Information
Dennis Millar	Director of Finance and Personnel
Clare McGivern	Director of Legal Services

Arthur Moir was appointed as Clerk to the Northern Ireland Assembly on 2 April 2001 through open competition. The appointment is not time bounded and termination procedures would currently be in accordance with standard Civil Service arrangements.

The details of remuneration of senior management and the Commission are set out in note 2 to the annual report.

## PUBLIC INTEREST & OTHER

### Employment of Disabled Persons

The Northern Ireland Assembly does not discriminate against staff or eligible applicants for posts on any grounds, including disability.

### Equal Opportunities Policy

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

### Policy on Payment of Suppliers

The Northern Ireland Assembly policy is to comply with the Confederation of British Industry's Prompt Payers Code. The target is for payment to be made within agreed payment terms or 30 days of receipt of invoices not in dispute for goods and services.

### Auditor

The accounts are audited by the Northern Ireland Audit Office.

### Arthur Moir

Accounting Officer and Clerk to the Assembly

## **STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES**

Under the Government Resources and Accounts Act (NI) 2001 the Northern Ireland Assembly is required to prepare resource accounts for each financial year, in conformity with a DFP direction, detailing the resources acquired, held, or disposed of during the year and the use of resources by the Assembly during the year.

The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Assembly, the net resource outturn, resources applied to objectives, recognised gains and losses, and cash flows for the financial year.

The Department of Finance and Personnel has appointed the Clerk to the Assembly as Accounting Officer of the Northern Ireland Assembly, with responsibility for preparing the Assembly's accounts and for transmitting them to the Comptroller and Auditor General.

In preparing the accounts, the Accounting Officer is required to comply with the Northern Ireland Resource Accounting Manual prepared by DFP, and in particular to:

- Observe 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 Northern Ireland Resource Accounting Manual, have been followed, and disclose and explain any material departures in the accounts;
- Prepare the accounts on a going-concern basis.

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

**Arthur Moir**

Accounting Officer and Clerk to the Assembly



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## STATEMENT OF INTERNAL CONTROL – TRANSITIONAL STATEMENT

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

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify principal risks to the achievement of Assembly policies, aims and objectives, to evaluate the nature and extent of these risks and to manage them efficiently, effectively and economically. I expect to have the procedures in place in March 2003 necessary to implement DFP guidance. This takes account of the time needed to fully embed the processes which the Assembly has agreed should be established and improve their robustness.

We will carry out appropriate procedures to ensure that we have identified the Assembly's objectives and risks and determine a control strategy for each of the significant risks. As a result, risk ownership will be allocated to the appropriate staff and the Assembly will set out its attitude to risk to the achievement of Assembly objectives.

The management board will ensure that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on. There will be a full risk and control assessment before reporting on the year ending 31 March 2003. Risk management will be incorporated more fully into the corporate planning and decision making process of the Assembly.

The board receives periodic reports concerning internal control. The appropriate steps will be taken to manage risks in significant areas of responsibility and monitor progress on key projects.

Following the identification of the Assembly's key objectives and risks, further work will be done to bring about more consistency in the way in which the Assembly treats risk.

In addition to the actions mentioned above, in the coming year the Assembly plans to:

- Develop and maintain an organisation-wide risk register
- Regularly review and update the record of risks facing the organisation
- Set up a system of key performance and risk indicators

The Assembly has an Internal Audit Unit, which operates to standards defined in the Government Internal Audit Manual. They submit regular reports which include the HIA's independent opinion on the adequacy and effectiveness of the Assembly's systems of internal control together with recommendations for improvement.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Assembly who have responsibility for the development and maintenance of the internal control framework, comments made by the external auditors in their management letter and other reports.

**Arthur Moir**

Accounting Officer and Clerk to the Assembly

## **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

I certify that I have audited the financial statements on pages 8 to 27 under the Government Resources and Accounts Act (NI) 2001. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 14 to 16.

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

As described on page 4, the Accounting Officer is responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Accounting Officer is also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Government Resource Accounts Act (NI) 2001 and DFP directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Assembly has not kept proper accounting records or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent mis-statements or material inconsistencies with the financial statements.

I review whether the statement on page 5 reflects the Assembly's compliance with DFP's guidance "Corporate governance: statement on the system of internal control". I report if it does not meet the requirements specified by the DFP, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

### **Basis of opinion**

I conducted my audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Assembly in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Assembly's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by error or by fraud or other irregularity, and that in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conformed to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

## **OPINION**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Northern Ireland Assembly at 31 March 2002 and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the year then ended, and have been properly prepared in accordance with the Government Resources and Accounts Act (NI) 2001 and directions made thereunder by DFP; and
- in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

Comptroller and Auditor General  
Northern Ireland Audit Office  
106, University Street  
BELFAST BT7 1EU

Date

## SCHEDULE 1: SUMMARY OF RESOURCE OUTTURN 2001/2002

	2001/2002 Estimate			2001/2002 Outturn			Net outturn compared with Estimate Saving/ (excess)
	Gross expenditure	A in A*	Net Total	Gross expenditure	A in A	Net Total	
	£'000	£'000	£'000	£'000	£'000	£'000	
Request for Resources 1	39,069	10	39,059	35,971	5	35,966	3,093
<b>Total Resources (note 6)</b>	<b>39,069</b>	<b>10</b>	<b>39,059</b>	<b>35,971</b>	<b>5</b>	<b>35,966</b>	<b>3,093</b>
<b>Non-Operating Cost A in A</b>	-	-	-	-	-	-	-
<b>Net Cash Requirement</b>	-	-	<b>38,853</b>	-	-	<b>35,950</b>	<b>2,903</b>

### Reconciliation of Resources to Cash Requirement

	Note	£'000	£'000	£'000
<b>Net Total Resources</b>		<b>39,059</b>	<b>35,966</b>	<b>3,093</b>
<b>Capital:</b>				
Purchase of fixed assets	9	9,905	9,275	630
Investments		-	-	-
<b>Non-Operating A in A</b>		-	-	-
<b>Accruals adjustments:</b>				
Non-cash items	3	(10111)	(9,633)	(478)
Changes in working capital other than cash	10	-	284	(284)
Transitional Adjustment	10		58	(58)
Changes in creditors falling due after more than one year		-	0	0
Use of provision			0	0
<b>Net Cash Requirement (Schedule 4)</b>		<b>38,853</b>	<b>35,950</b>	<b>2,903</b>

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

Actual Net Total Outturn for the year '02 was £35,966,775.94

- (i) It was expected that the Assembly would be fully operational by the end of the financial year with a significant increase in staff and business as compared to 2000/2001. However the full extent of the anticipated recruitment has not yet been realised and directorates are still establishing their personnel needs. This resulted in overbudgeting for 2001/2002.

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

- (i) Budgeting for the development of Ormiston resulted in too high an Estimate, as there has been a delay in the progression of this project.

## ANALYSIS OF INCOME PAYABLE TO THE CONSOLIDATED FUND

In addition to appropriations in aid, the following income relates to the Northern Ireland Assembly and is payable to the Consolidated Fund

	Note	2001/2002 Forecast		2001/2002 Outturn	
		Income £'000	Receipts £'000	Income £'000	Receipts £'000
Operating income and receipts -Excess A in A		0	0	0	0
Non-operating income and receipts Excess A-in-A	5	0	0	0	0
<b>Subtotal</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other operating income and receipts Not classified as A in A	5	10	10	5	5
Other non-operating income and receipts not classified as A in A		-	-	121	121
Other amounts collectable on behalf of The Consolidated Fund		0	0	0	0
<b>Total</b>		<b>10</b>	<b>10</b>	<b>126</b>	<b>126</b>

Operating income not classified as A in A was £4,891.25

Non-operating income not classified as A in A was £ 121,279.79

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**SCHEDULE 2: OPERATING COST STATEMENT FOR THE YEAR ENDED 31 MARCH 2002**

	Notes	2001/2002 £'000
<b>Programme Costs</b>		
Staff cost	2	13,506
Other administration costs	3	22,465
<b>Gross programme costs</b>		<b>35,971</b>
Operating income	5	(5)
<b>Net programme costs</b>		<b>35,966</b>
<b>Net operating cost</b>	6 & 7	<b>35,966</b>
<b>Net resource outturn</b>	6 & 7	<b>35,966</b>

All income and expenditure are derived from continuing operations.

**Statement of Total Recognised Gains and Losses for the year ended 31 March 2002**

	2001/2002 £'000
Net gain/(loss) on revaluation of tangible fixed assets	37
<b>Total recognised gains and losses for the financial year</b>	<b>37</b>

**SCHEDULE 3: BALANCE SHEET AS AT 31 MARCH 2002**

	Notes	2001/2002 £'000	2000/2001 £'000
<b>Fixed assets</b>			
Tangible assets	9	113,004	102,806
<b>Current assets</b>			
Stock	11	106	54
Debtors	12	282	461
<b>Cash at bank and in hand</b>	<b>13</b>	<b>44</b>	<b>267</b>
		432	782
<b>Creditors: amounts falling due within one year</b>	<b>14</b>	<b>(1,337)</b>	<b>(2,033)</b>
<b>Net current assets</b>		<b>(905)</b>	<b>(1,251)</b>
<b>Total assets less current liabilities</b>		<b>112,099</b>	<b>101,555</b>
<b>Creditors: amounts falling due after more than one year</b>			-
<b>Provisions for liabilities and charges</b>			-
<b>Net assets</b>		<b>112,099</b>	<b>101,555</b>
<b>Taxpayers' Equity</b>			
General fund	20	111,790	101,582
Revaluation reserve	16	309	(27)
		112,099	101,555

(Signed) . . . . . (Accounting Officer)

(date)

## SCHEDULE 4: CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2001/2002 £'000
<b>Net cash outflow from operating activities</b> (Note i)		<b>(26,617)</b>
<b>Capital expenditure and financial investment</b> (Note ii)		<b>(9,275)</b>
<b>Receipts due to the Consolidated Fund which are outside the scope of the Department's activities</b>		<b>121</b>
<b>Payments of amounts due to the Consolidated Fund</b>		<b>(226)</b>
<b>Financing</b> (Note iii)		<b>35,774</b>
<b>Decrease in cash in the period</b>		<b>(223)</b>

### Notes

A See the table below giving a reconciliation of operating cost to operating cash flows.

B See the table below giving an analysis of capital expenditure and financial investment.

C See the table below giving an analysis of financing and a reconciliation to the net cash requirement.

## NOTES TO THE CASH FLOW STATEMENT

### Note i: Reconciliation of operating cost to operating cash flow

Net operating cost	6	35,966
Adjustments for non-cash transactions	3	(9,633)
Adjustments for movements in working capital other than cash	10	284
<b>Net cash outflow from operating activities</b>		<b>26,617</b>

### Note ii: Analysis of capital expenditure and financial investment

Purchase of tangible fixed assets	8	<b>9,275</b>
Proceeds of disposal of fixed assets		
<b>Net cash outflow from investing activities</b>		<b>9,275</b>

### Note iii: Analysis of financing and reconciliation to the net cash requirement

From the Consolidated Fund: current year		<b>35,774</b>
Net financing		<b>35,774</b>
Decrease in cash		<b>223</b>
<b>Net cash flows other than financing</b>		<b>35,997</b>
Adjust for payments and receipts not related to Supply:		
Transitional Adjustment	10	<b>58</b>
Amounts due to the Consolidated Fund - received in a prior year and paid over (Consolidated Fund Extra Receipts)		<b>(105)</b>
Amounts due to the Consolidated Fund - received and not paid over (Consolidated Fund Extra Receipts)		-
<b>Net Cash Requirement for the year (Schedule 1)</b>		<b>35,950</b>

Amount of grant actually issued to support the net cash requirement was £ 35,773,704.00

**SCHEDULE 5: RESOURCES BY DEPARTMENTAL AIMS AND OBJECTIVES FOR THE YEAR ENDED 31 MARCH 2002**

	2001/2002		
	Gross £'000	Income £'000	Net £'000
Aim:			
Objective 1	35,971	5	35,966
<b>Net operating cost</b>	<b>35,971</b>	<b>5</b>	<b>35,966</b>



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## NOTES TO THE RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

### 1 Statement of accounting policies

The financial statements have been prepared in accordance with the Resource Accounting Manual issued by DFP. The particular accounting policies adopted by the Northern Ireland Assembly are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets, and stocks where material, at their value to the business by reference to their current costs.

#### 1.2 Tangible fixed assets

The Department of Finance and Personnel hold legal title to Parliament Buildings. However under the accounting requirements of FRS5 'Reporting the substance of transactions' the Northern Ireland Assembly is the beneficial owner of Parliament Buildings, and as such recognises the property as an asset on its balance sheet.

The building has been restated at current replacement cost using a professional valuation. This exercise is to be repeated every five years with appropriate indices to be used in the intervening years.

Fixed assets are capitalised at their cost of acquisition and installation and are revalued annually by reference to appropriate indices compiled by the Central Statistical Office.

The threshold for capitalisation as a fixed asset is £500 for IT equipment and £1,000 for all other assets.

Assets are pooled where there are a large number of a certain type of asset, which, if treated singly, would fall below the capitalisation threshold, but which if aggregated, have a value exceeding £1,000. The threshold for capitalisation of these assets is £250. Assets which have been pooled include computer hardware and office equipment. Depreciation on the value of these assets is charged to the operating account.

#### 1.3 Heritage assets

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

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

In accordance with NIRAM, non-operational heritage assets are not capitalised. Operational heritage assets are valued and incorporated within the fixed asset register as per 1.2 above.

#### 1.4 Donated assets

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

## 1.5 Depreciation

Depreciation is provided at rates calculated to write off the valuation of freehold buildings and other tangible fixed assets by equal instalments over their estimated useful lives. The principal annual rates used for this purpose are:

		%
Buildings	-	2
Computer equipment	-	25
Office equipment	-	20
Fixtures & Fittings	-	10

## 1.6 Stocks

Stocks held for continuing use are valued at cost or, where materially different, current replacement cost. They should be written down to net realisable value only when they either cannot or will not be used.

## 1.7 Operating income

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

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

This includes both income appropriated-in-aid of the Vote and income to the Consolidated Fund that HM Treasury has agreed should be treated as operating income.

## 1.8 Administration and Programme Expenditure

The operating cost statement is analysed between administration and programme costs. For the Northern Ireland Assembly all costs incurred are programme costs, incorporating payments of allowances and other disbursements by the Assembly. Income is analysed in the notes between that which, under the regime, is allowed to be offset against gross programme costs in determining the outturn against the programme cost limit, and that operating income which is not.

## 1.9 Capital charge

A charge, reflecting the cost of capital utilised by the Northern Ireland Assembly, is included in the operating costs. The charge is calculated at the government's standard rate of 6% in real terms on all assets and liabilities, except donated assets, cash balances with OPG and the amount due to the Consolidated Fund, where the charge is nil.

## 1.10 Foreign exchange

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

## 1.11 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is non-contributory and unfunded. Although the Scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. Departments, agencies and other bodies covered by the PCSPS meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS as a whole.

Pension benefits for the Members are provided through the Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). Members pay contributions of 6% of pensionable salary, including Office Holder's salary. All pensions increase in line with the Retail Prices Index once in payment.

## 1.12 Early Departure Costs

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

As confirmed with the Assembly Personnel Office, no liability exists for the year ended 31 March 2002.

## 1.13 Provisions

The Northern Ireland Assembly provides for legal or constructive obligations which are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

## 1.14 Value Added Tax

In the Northern Ireland Assembly output tax does generally not apply and input tax is recovered on a monthly basis from DFP.

Where input tax is recoverable, the amounts are stated net of vat.

## 1.15 Third Party Assets.

Parliament Buildings was transferred to the Northern Ireland Assembly by DFP. This asset is recognised in the Assembly accounts.

## 2. STAFF NUMBERS AND COSTS

	Members £'000	Secretariat £'000	Special Advisors £'000	2001/2002 Total £'000
<b>Staff costs</b>				
Wages and salaries	4,895	6,072	0	10,967
Social security costs	470	451	0	921
Other pension costs	819	799	0	1,618
	<b>6,184</b>	<b>7,322</b>	<b>0</b>	<b>13,506</b>

The PCSPC (NI) is an unfunded multi employer defined benefit scheme but the Assembly is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2002 and details can be found in the separate statement of the PCSPS (NI)

For 2001-02, contributions of £ 792,195 were paid to the PCSPS (NI) at rates determined by the Government Actuary and advised by the Treasury. These rates were in the range 12 – 19.5 per cent of pensionable pay. It has been agreed that contributions will remain at that level for the next two years. Employer contribution rates are reviewed every three years following a scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme – to 19.5 percent of pensionable pay.

	Number
<b>Average monthly number of whole-time equivalent persons (including senior management and ministers) employed during the year was as follows:</b>	
Members	108
Secretariat	282
	<b>390</b>

The Directors' Board comprises senior operational management. The salary and pension entitlements of the Directors' Board for the year ending 31 March 2002 were as follows:

	Age Years	Salary (as Defined below)  £'000	Real increase in pension at age 60  £'000	Total accrued Pension at age 60 at 31 March 2002  £'000	Benefits in Kind  £ '000
Clerk to the Northern Ireland Assembly <i>Arthur Moir</i>	53	70 - 75	2.5 - 5	10 - 15	0
Head of Administration <i>Gerry Cosgrave</i>	48	45 - 50	0 - 2.5	15 - 20	0
Clerk to the Commission <i>Tom Evans</i>	47	40 - 45	0 - 2.5	10 - 15	0
Clerk Assistant <i>Murray Barnes</i>	61	40 - 45	0 - 2.5	20 - 25	0
Clerk Assistant <i>*Joe Reynolds</i>	39	40 - 45	0 - 2.5	5 - 10	0
Editor of Debates <i>Simon Burrowes</i>	45	40 - 45	0 - 2.5	10 - 15	0
Keeper of the House <i>Agnes Peacocke</i>	56	40 - 45	0 - 2.5	15 - 20	0
Director of Research and Information <i>Allan Black</i>	56	45 - 50	0 - 2.5	15 - 20	0
Director of Legal Services <i>*Clare McGivern</i>	44	50 - 55	0 - 2.5	5 - 10	0
Director of Finance and Personnel <i>Dennis Millar</i>	57	45 - 50	0 - 2.5	20 - 25	0

\*Joe Reynolds replaced Murray Barnes as Clerk Assistant on 1st March '02. Murray Barnes left employment on 16/06/01.

\*Clare McGivern took up the post of Director of Legal Services on 4th February '02

The information given above relates to the senior Management of the Assembly.

Salaries include gross salaries, performance pay or bonuses, overtime payments and travel allowances.

None of the above received benefits in kind.

Officials' pensions are provided through the Principal Civil Service Pension Scheme (PCSPS). This is a statutory scheme that provides benefits on a "final salary" basis at a normal retirement age of 60. Benefits 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. Members pay contributions of 1.5 per cent of pensionable earnings. Pensions increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump-sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

### Staff numbers and costs (continued)

The salary and pension entitlements of the Assembly Commission for the year ending 31 March 02 were as follows:

	Age Years	Salary £000	Real increase In pension at Age 60 £000	Total accrued Pension at age 60 at 31 March 02 £000
Presiding Officer	47	70-75	0-2.5	0-5
<b>Members of the Assembly Commission:</b>				
Mrs Eileen Bell	58	50-55	0-2.5	0-5
Rev Robert Coulter	72	50-55	0-2.5	0-5
Mr John Fee	38	50-55	0-2.5	0-5
Dr Dara O'Hagan	37	50-55		
Jim Wells	44	50-55	0-2.5	0-5

The basic salary for a member of the Assembly was £ 40,313 for 2001/2002, with office holders' increases ranging from £5,300 for a deputy chairperson to £ 68,158 for the First Minister. With the exception of the Presiding Officer, office holders' increases are not payable when the Assembly is in suspension.

Pension benefits for the Members are provided through the Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). Members pay contributions of 6% of pensionable salary, including Office Holder's salary. All pensions increase in line with the Retail Prices Index once in payment. There is a separate scheme statement for the Assembly Members' Pension Scheme.

The rules of the Assembly Members' Pension Scheme require the employer to meet the balance of the cost of providing the

benefits as recommended by the actuary from time to time. There is currently an anticipated liability of approximately £1 Million.

For 2001-02, contributions of £ 788,597 were paid to the Assembly Members' Pension Scheme. Contributions were at a rate of 18% of pensionable pay, as determined by the Government Actuary and advised by the Treasury.

### 3 OTHER ADMINISTRATION COSTS

	2001/2002 £'000	2001/2002 £'000
Office cost allowance		3,873
Party allowance		413
Travel and subsistence		1,027
Miscellaneous		7,519
<b>Non cash items:</b>		
Depreciation	2,390	
Impairment of fixed assets	443	
Cost of capital charge	6,729	
Notional charges	41	
Auditor's remuneration and exps (Notional)	30	
Total non cash items	-	9,633
		<b>22,465</b>

**4 NET PROGRAMME COSTS**

	2001/2002 £'000	2001/2002 £'000
Total current expenditure		35,971
Less: programme income		5
		<b>35,966</b>

**5. INCOME AND APPROPRIATIONS IN AID****Operating income 2001/02**

Operating income analysed by classification and activity, is as follows:	Netted off gross expenditure in sub-head £'000	Appropriated in Aid £'000	Payable to Consolidated Fund £'000	Income included in Operating Cost Statement £'000
Programme income		5		5
<b>Total</b>		<b>5</b>		<b>5</b>

**6 RECONCILIATION OF NET OPERATING COST TO CONTROL TOTAL AND NET RESOURCE OUTTURN**

	2001/2002 £'000
Net operating cost	35,966
Net resource outturn	35,966

Net operating cost is the total of expenditure and income appearing in the operating cost statement (Schedule 2). Net resource outturn is the total of those elements of expenditure and income that are subject to parliamentary approval and included in the department's Supply Estimate. The outturn against the Estimate is shown in the summary of resource outturn (Schedule 1). Schedule 1 will not be fully relevant until after the introduction, subject to Parliamentary approval, of resource-based Supply.

**7. ANALYSIS OF RESOURCE OUTTURN BY FUNCTION AND RECONCILIATION TO OPERATING COST STATEMENT.**

	2001/2002						
	Admin £'000	Other Current £'000	Gross resource expend £'000	A in A £'000	Net total £'000	Estimate £'000	Net total out- turn Versus estimate £'000
<b>Request for resources 1</b>		35,971	35,971	5	35,966	39,059	3,093
Function 1		-					
<b>Resource Outturn</b>		<b>35,971</b>	<b>35,971</b>	<b>5</b>	<b>35,966</b>	<b>39,059</b>	<b>3,093</b>
Non-Supply expenditure					-	-	-
Non-A in A operating income					-	-	-
<b>Net operating cost</b>					<b>35,966</b>		

## 8. ANALYSIS OF CAPITAL EXPENDITURE, FINANCIAL INVESTMENT AND ASSOCIATED A-IN-A

	2001/2002			Net total £'000
	Capital Expenditure £'000	Loans etc £'000	A-in-A £'000	
Request for resources 1	9,275	-	-	9,275
<b>Total</b>	<b>9,275</b>	<b>-</b>	<b>-</b>	<b>9,275</b>

## 9 TANGIBLE FIXED ASSETS

	Computer Equipment £'000	Office Equipment £'000	Fixtures & fittings £'000	Buildings £'000	Total £'000
<b>Cost or valuation</b>					
At 1 April 2001	1,246	928	1,533	100,000	103,707
Additions	122	41	108	9,004	9,275
Disposals					
Revaluations	(429)	(13)	37	3,719	3,314
<b>At 31 March 2002</b>	<b>939</b>	<b>956</b>	<b>1,678</b>	<b>112,723</b>	<b>116,296</b>
<b>Depreciation</b>					
At 1 April 2001	425	306	170	-	901
Charge for year	232	121	193	1,979	2,524
Backlog depreciation	(133)	(4)	4		(133)
Disposals					
<b>At 31 March 2002</b>	<b>524</b>	<b>423</b>	<b>367</b>	<b>1,979</b>	<b>3,292</b>
<b>Net book value</b>					
<b>At 31 March 2002</b>	<b>415</b>	<b>533</b>	<b>1,311</b>	<b>110,744</b>	<b>113,004</b>
At 31 March 2001	821	622	1,363	100,000	102,806

Parliament Buildings and Land was professionally valued at £103.7million on the basis of current replacement cost. The Valuation and Lands Agency, in accordance with RICS *Appraisal and Valuation Manual*, carried out the valuation in September 2001.

Additions in the current year include the necessary adjustment to the value of Parliament Buildings at 1st April 02

## 10 MOVEMENTS IN WORKING CAPITAL OTHER THAN CASH

	2001/2002 £'000	2000/2001 £'000
Increase in stocks	52	19
(Decrease) / increase in debtors	(179)	208
Decrease / (increase) in creditors	411	(199)
Net increase in working capital other than cash	284	28
Transitional adjustment, being adjustment for outstanding balances relating to the department's Appropriation Accounts for 2000/01	58	
Working capital movement recognised in Schedule 1	342	

**11 STOCKS**

	2001/2002 £'000	2000/2001 £'000
Stationery	16	13
Office consumables	-	-
IT consumables	17	5
Sundry office equipment	-	-
Publications	73	35
	<b>106</b>	<b>54</b>

**12. DEBTORS**

	2001/2002 £'000	2000/2001 £'000
Amounts falling due within one year		
Value Added Tax	224	375
Prepayments	53	62
Sundry debtors	0	18
Suspense debtors	5	6
	<b>282</b>	<b>461</b>

**13. CASH AT BANK AND IN HAND**

	2001/2002 £'000	2000/2001 £'000
<b>Balance at 1 April 2001</b>	<b>267</b>	<b>-</b>
Net cash inflow	-223	267
Balance at 31 March 2002	44	267
<b>The balance at 31 March is held at:</b>		
Commercial banks and cash in hand.	44	267
The balance at 31 March comprises:		
Amounts issued from the consolidated fund for supply but not spent at year end.	44	267
Consolidated Fund balance owed	47	
Irreconcilable Difference	-3	
	<b>44</b>	

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2001/2002 £'000	2000/2001 £'000
Other taxation and social security	211	212
Other creditors	55	128
Amounts due to the Consolidated Fund (Consolidated Fund Extra Receipts)	-	109
Accruals and deferred income	1,024	1,361
Amounts issued from the consolidated fund for supply but not spent at year end	47	223
	<b>1,337</b>	<b>2,033</b>

Accruals and deferred income relate to both Members Office Cost Allowances and the Assembly Secretariat.

Amounts due to the Consolidated Fund are based on the accounting conventions adopted for resource-based supply.



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**15 PROVISIONS FOR LIABILITIES AND CHARGES**

There are no anticipated liabilities for Early departure costs or Legal claims

**16 RESERVES**

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	<b>Revaluation Reserve £'000</b>
Balance at 1ST April 2001	(27)
Gain on revaluation (Fixtures & Fittings)	37
Transferred to general fund in respect of realised element of revaluation reserve	299
- Depreciation	
- Disposal of assets	
<b>Balance at 31 March 2002</b>	<b>309</b>

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The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments (excluding donated assets).

**17 COMMITMENTS**

There were no commitments for the following at 31 March 2002:

Capital commitments

Commitments under operating leases

**18 CAPITAL COMMITMENTS**

There were no capital commitments at 31 March 2002.

**19 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 March 2002.

**20 RECONCILIATION OF NET OPERATING COST TO CHANGES IN GENERAL FUND**

	2001/2002 £'000	2000/2001 £'000
<b>Net operating cost for the year (Schedule 2)</b>	<b>(35,966)</b>	(29,825)
Income not appropriated in aid paid to Consolidated Fund	-	(7)
	<b>(35,966)</b>	(29,832)
Net Parliamentary funding	<b>35,774</b>	23,860
Transfer to general fund of realised element of revaluation reserve (Note 16)	<b>(299)</b>	(103)
Depreciation		(7)
Disposal of assets		
Non-cash charges:		
Cost of capital	<b>6,729</b>	6,089
Notional Audit costs	<b>30</b>	30
Notional Procurement costs	<b>9</b>	14
Notional Research costs	<b>30</b>	20
Other notional costs	<b>2</b>	8
Transfer of assets	<b>3,721</b>	101,134
Reversal of consolidated & fund y/e '01	<b>225</b>	351
Consolidated Fund creditor	<b>(47)</b>	(158)
Transitional adjustment (Note 25)		(65)
<b>Net increase/(decrease) in general fund</b>	<b>10,208</b>	101,341
General fund at 1 April 2001	<b>101,582</b>	241
<b>General fund at 31 March 2002 (Schedule 3)</b>	<b>111,790</b>	101,582

Includes donated asset reserves of £2,706

**21 NOTES TO SCHEDULE 5**

The Assembly's resources are employed exclusively for programme purposes

Current expenditure has been allocated as follows

	2002/02 £'000
Aim:	
Objective 1	<b>35,966</b>
	<b>35,966</b>

**22 RELATED PARTY TRANSACTIONS**

The Northern Ireland Assembly is independent from the Executive for funding purposes. It has a number of transactions with the Executive and with other government departments and public bodies. Most of these transactions have been with the Department of Finance and Personnel and one of its agencies (Business Development Services).

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

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

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**23 FINANCIAL INSTRUMENTS**

The Northern Ireland Assembly, because of the largely non-trading nature of its activities and the way Government departments are financed, is not exposed to the degree of financial risk faced by business entities. The assembly has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by the day-to-day operational activities and are not held to change the risks faced in undertaking its activities.

**Liquidity risk**

The Assembly's net revenue resource requirements are financed by resources voted annually by Parliament, as is its capital expenditure. It is therefore, not exposed to significant liquidity risks.

**Interest Rate Risk**

The Assembly's financial assets and liabilities carry nil or fixed rates of interest and it is therefore not exposed to significant interest rate risk.

**Fair Values**

The Assembly's exposure to foreign currency risk is not significant. There is no foreign currency income and foreign currency expenditure is less than 2% of total expenditure.

**24 POST BALANCE SHEET EVENTS**

There have been no post balance sheet events.

**25 ADJUSTMENT TO OPENING BALANCES AS A RESULT OF IMPLEMENTING RESOURCE-BASED SUPPLY**

The opening balance of amounts due to the Consolidated Fund has been adjusted to bring it into line with the amount assessed as due at 31 March 2001 on the basis of the 2000/01 Appropriation Accounts rather than on the basis of what was recorded as due in the department's 2000/01 dry run Resource Accounts. Whereas the latter reflected the accounting conventions adopted for resource-based Supply, this was for illustrative purposes, and the amount actually due was assessed on the basis of the former. This is a transitional adjustment because Resource-based Supply was implemented in 2001/02. The amount of the adjustment is an increase of £65,000 in the opening creditor balance. The corresponding adjustment is to the General Fund. Because the 2000/01 dry run resource accounts followed the accounting conventions for resource-based Supply, comparative figures for 2000/01 have not been restated, the effect on the current and preceding years have not been disclosed, and the adjustment has not been included in the Statement of Recognised gains and Losses.





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ISBN 0-10-292420-1



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