Northern Ireland Assembly
Resource Accounts
For the year ended 31 March 2003

Presented to the Houses of Parliament
by the Secretary of State for Northern Ireland
in accordance with article 2(2)(a) of the Northern Ireland
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ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003

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 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 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.

The Northern Ireland Assembly was suspended with effect from midnight on Monday 14th October 2002.

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 11 government departments were created, namely:

Office of the First and Deputy First Minister; Agriculture and Rural Development; Culture, Arts and Leisure; Education; Employment and Learning; Enterprise, Trade and Investment; Environment; Finance and Personnel; Health, Social Services and Public Safety; 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 £ 15.15 million relates to staffing. Members' salaries, including office holders increases, cost £ 5.46 million. Office Costs Allowance totalling £ 4.85 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 identified Ormiston House, located approximately a mile and a half from Parliament Buildings, as being a suitable site for the development of additional office accommodation. Ormiston House was acquired in September 2001 following an initial capital outlay of £9m. It is estimated that a further £12m will be expended on development of this site over the next 4 years.

Pension Liabilities

Present and past secretariat employees are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) PCSPS(NI), 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(NI). Departments, agencies and other bodies covered by the PCSPS(NI) 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(NI) as a whole.

Pension benefits for the Members are provided through the Northern Ireland 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 Northern Ireland Assembly Members' Pension Scheme.

OPERATING AND FINANCIAL REVIEW

During the period 1 April 2002 to 14 October 2002 the Northern Ireland Assembly undertook a programme of normal Assembly business. The Assembly was suspended with effect from midnight on 14 October 2002.

Following the suspension of the Assembly on 14 October 2002 the Assembly Secretariat reviewed and revised it's forward work program to address the impact of the suspension and to identify priority projects that could be undertaken during this period. These included the editing and production of bound volumes of Hansard and the upgrading and revision of in-house systems (including an upgrade of the finance system). In addition, significant work was undertaken by the Secretariat preparing for the Dissolution of the Assembly in Spring 2003, the subsequent Elections and the reception of new Members following the Elections.

In presenting it's 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 period of suspension in February 2000 created significant delays in the recruitment process and whilst much progress was made during 2001-2002 a full complement of staff had not yet been achieved when the Assembly was again suspended on 14 October 2002. This reduced staffing complement, together with the ongoing suspension is reflected in the lower than estimated out-turn.

To address major accommodation pressures within Parliament Buildings the Assembly Commission purchased the Ormiston House site for £9 million in September 2001. It was initially anticipated that some staff would be able to move to temporary accommodation on the Ormiston site during 2002-2003, however delays in gaining planning approval together with the ongoing suspension have impeded progress significantly.

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. The first formal valuation of the scheme was made at 31 March 2002, a date chosen to coincide with the valuations of the Welsh Assembly and Scottish Parliament schemes. The Government Actuary's report indicated a fund valuation that presented a potential deficit of £1 million. In line with NIRAM and FRS17 a provision will be not be made for this in 02/03 but will be made in the next financial year. A provision has been made for the costs associated with Dissolution of the Assembly in March 2003.

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 2002-03 financial year was:

Arthur Moir	Clerk to the Northern Ireland Assembly
Tom Evans	Deputy Chief Executive
Joe Reynolds	Deputy Clerk
Clare McGivern	Director of Legal Services
Tony Logue	Clerk to the Commission
Nuala Dunwoody	Clerk Assistant
Simon Burrowes	Editor of Debates
Agnes Peacock	Keeper of the House
Allan Black	Director of Research and Information

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.

Consultation with Employees

The Assembly makes every effort to ensure that all staff are kept informed of the organisation's plans and development. The main channels of communication include a monthly magazine called "Assembly Lines", office circulars, email and regular team briefings.

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. During the financial year 2002-03, 98% of all invoices were paid within 30 days.

Auditor

The accounts are audited by the Northern Ireland Audit Office.

Arthur Moir
Accounting Officer and Clerk to the Assembly
Date: 30th October 2003

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
Date: 30th October 2003

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 2004 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 to improve their robustness.

We have taken appropriate steps to ensure that we have identified the Assembly's objectives and risks and determined a control strategy for each of the significant risks. As a result, risk ownership has been allocated to the appropriate staff and the Assembly has set out its attitude to risk to the achievement of Assembly objectives.

The management board has ensured that procedures are in place for verifying 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 2004. 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 are being 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 has been 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:

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

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 manages 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.

During the 2002/03 year, no major weaknesses were detected which would impact on the Statement of Internal Control. Concerns were, however, raised regarding the financial management responsibilities of budget holders. Since then associated recommendations have been implemented.

Arthur Moir
Accounting Officer and Clerk to the Assembly
Date: 30th October 2003

NORTHERN IRELAND ASSEMBLY

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements on pages 9 to 31 under the Government Resources and Accounts Act (Northern Ireland) 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 15 to 17.

Respective responsibilities of the Accounting Officer and Auditor

As described on page 5, the Accounting Officer is responsible for the preparation of the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001and Department of Finance and Personnel directions made thereunder and for ensuring the regularity of financial transactions. The Accounting Officer is also responsible for the preparation 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 Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Annual Report 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 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 misstatements or material inconsistencies with the financial statements.

I review whether the statement on page 6 reflects the Northern Ireland Assembly's compliance with the Department of Finance and Personnel's guidance 'Corporate Governance: Statement on Internal Control'. I report if it does not meet the requirements specified by the Department of Finance and Personnel, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom 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 Northern Ireland Assembly in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Northern Ireland 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 misstatement, 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 Northern Ireland Assembly and the financial transactions conform 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 2003 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 there under by DFP; and
- In all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

J M Dowdall
Comptroller and Auditor General

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

31 October 2003

Schedule 1: Summary of Resource Outturn 2002/2003

	2002/2003 Estimate			2002/2003 Outturn				
	Gross Expenditure	A in A*	Net Total	Gross Expenditure	A in A	Net Total	Net outturn compared with Estimate Saving /(excess)	2001/02 Prior year data
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Request for Resources 1	40,400	5	40,395	38,819	2	38,817	1,578	35,966
Total Resources (note 6)	**40,400**	**5**	**40,395**	**38,819**	**2**	**38,817**	**1,578**	**35,966**
Non-Operating Cost A in A	-	-		-	-	-	-	
Net Cash Requirement	-	-	**39,876**	-	-	**27,734**	**12,142**	**35,950**

Reconciliation of Resources to Cash Requirement

	Note	£'000		£'000	2001/02 £'000
Net Total Resources Capital:		**40,395**	**38,817**	**1,578**	**35,966**
Purchase of fixed assets	9	10,050	226	9,824	9,275
Investments		-			
Non-Operating A in A		-		-	
Accruals adjustments:					
Non-cash items	3	(10,569)	(9,452)	(1117)	(9,633)
Increase in working capital other than cash	10	-	(1,335)	1,335	284
Transitional Adjustment	10		3	(3)	58
Changes in creditors falling due after more than one year Use of provision	3	-	(525)	525	
Net Cash Requirement (Schedule 4)		**39,876**	**27,734**	**12,142**	**35,950**

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

Actual Net Total Outturn for the year '03 was £ 38,817,689.32

Savings in resources outturn over estimate was £1,577,310,68

Net cash requirement was £27,733,631.21

Net cash requirement saving over estimate was £12,142,368.79

(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 previous years. However the suspension called on 14th October made a significant impact on both anticipated recruitment programmes and Assembly Business. This resulted in overbudgeting for 2002/2003.

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

(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 previous years. However the suspension called on 14th October made a significant impact on both anticipated recruitment programmes and Assembly Business. This resulted in overbudgeting for 2002/2003.

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

		2002/2003 Forecast		2002/2003 Outturn	
	Note	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
Subtotal		0	0	0	0
Other operating income and receipts Not classified as A in A	5	0	0	0	0
Other non-operating income and receiptsnot classified as A in A		-	-		
Other amounts collectable on behalf of The Consolidated Fund		0	0	0	0
Total		**0**	**0**	**0**	**0**

Schedule 2: Operating Cost Statement for the year ended 31 March 2003

	Notes	2002/2003 £'000	2001/2002 £'000
Programme Costs			
Staff cost	2	**15,152**	**13,506**
Other administration costs	3	**23,667**	**22,465**
Gross programme costs		**38,819**	**35,971**
Operating income	5	**(2)**	**(5)**
Net programme costs		**38,817**	**35,966**
Net operating cost	**6 & 7**	**38,817**	**35,966**
Net resource outturn	**6 &7**	**38,817**	**35,966**

All income and expenditure are derived from continuing operations.

Statement of Total Recognised Gains and Losses for the year ended 31 March 2003

	2002/2003 £'000	2001/2002 £'000
Net gain/(loss) on revaluation of tangible fixed assets	**2,376**	**37**
Backlog depreciation on revaluation	**(66)**	
Total recognised gains and losses for the financial year	**2,310**	**37**

Schedule 3: Balance Sheet as at 31 March 2003

	Notes	2002/2003 £'000	2001/2002 £'000
Fixed assets			
Tangible assets	9	**112,825**	113,004
Current assets			
Stock	11	**14**	106
Debtors	12	**276**	282
Cash at bank and in hand	13	**869**	44
		1,159	432
Creditors: amounts falling due within one year	14	**(3,396)**	(1,337)
Net current assets		**(2,237)**	(905)
Total assets less current liabilities		**110,588**	112,099
Creditors: amounts falling due after more than one year		**-**	-
Provisions for liabilities and charges	15	**(525)**	-
Net assets		**110,063**	112,099
Taxpayers' Equity			
General fund	20	**107,202**	111,790
Revaluation reserve	16	**2,861**	309
		110,063	112,099

(Signed) . . . . (Accounting Officer)

Arthur Moir
(Date) 30th October 2003

Schedule 4: Cash Flow Statement for the year ended 31 March 2003

	Notes	2002/2003 £'000	2001/2002 £'000
Net cash outflow from operating activities (Note i)		**(27,505)**	**(26,617)**
Capital expenditure and financial investment (Note ii)		**(226)**	**(9,275)**
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		**—**	**121**
Payments of amounts due to the Consolidated Fund		**—**	**(226)**
Financing (Note iii)		**28,556**	**35,774**
Increase in cash in the period 02/03		**825**	**(223)**

Notes

(i) See the table below giving a reconciliation of operating cost to operating cash flows.
(ii) See the table below giving an analysis of capital expenditure and financial investment.
(iii) 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	**38,817**	**35,966**
Adjustments for non-cash transactions	3	**(9,977)**	**(9,633)**
Adjustments for movements in working capital other than cash	10	**(1,335)**	**284**
Net cash outflow from operating activities		**27,505**	**26,617**

Note ii: Analysis of capital expenditure and financial investment

Purchase of tangible fixed assets	8	**226**	**9,275**
Proceeds of disposal of fixed assets			
Net cash outflow from investing activities		**226**	**9,275**

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

From the Consolidated Fund: current year		**28,556**	**35,774**
Net financing		**28,556**	**35,774**
Increase in cash 02/03		**(825)**	**223**
Net cash flows other than financing		**27,731**	**35,997**
Adjust for payments and receipts not related to Supply:			
Transitional Adjustment	10	**3**	**58**
Amounts due to the Consolidated Fund - received in a prior year and paid over (Consolidated Fund Extra Receipts)		**-**	**(105)**
Amounts due to the Consolidated Fund - received and not paid over (Consolidated Fund Extra Receipts)			
Net Cash Requirement for the year (Schedule 1)		**27,734**	**35,950**

Amount of grant actually issued to support the net cash requirement was £ 28,556,000

Schedule 5: Resources by Departmental Aims and Objectives for the year ended 31 March 2003

	2002/2003			2001/2002
	Gross £'000	Income £'000	Net £'000	Net £'000
Aim:				
Objective 1	38,819	2	38,817	35,966
Net operating cost	38,819	2	38,817	35,966

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

NOTES TO THE RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003

1. Statement of accounting policies

The financial statements have been prepared in accordance with the Northern Ireland 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

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land and items for collections since they have unlimited or very long estimated useful lives. The principal annual rates used for depreciation purposes 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. A policy was introduced in 02/03 to expense "publication" stocks.

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 NI Principal Civil Service Pension Scheme (NIPCSPS), 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 2003.

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. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the Treasury discount rate of 6% in real terms.

1.14 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with FRS12, the Assembly discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote: These comprise:

- Items over £100,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to Parliament by departmental Minute prior to the Department entering into the arrangement.
- All items (whether or not they arise in the normal course of business) over £100,000 (or lower, where required by specific statute or where material in the context of resource accounts) which are required by the Resource Accounting Manual to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under FRS12 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by FRS 12 are stated at the amounts reported to Parliament.

1.15 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.

1.16 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	Secretariat	Special Advisors	2002/2003 Total	2001/2002 Total
	£'000	**£ '000**	**£ '000**	**£'000**	**£ '000**
Staff costs					
Wages and salaries	4,356	8,231	—	12,587	10,967
Social security costs	404	500	-	904	921
Other pension costs	702	959		1,661	1,618
Sub Total	5,462	9,690		15,152	13,506
Inward Secondments	-	-		-	-
Total	**5,462**	**9,690**		**15,152**	**13,506**
Less recoveries in respect of outward secondments	-	-		-	-
Total Net Costs *	**5,462**	**9,690**		**15,152**	**13,506**

* Of the total, £000 has been charged to capital

The PCSPC (NI) is an unfunded 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) and an interim estimate of the scheme liability is available at 31 March 03.

For 2002-03, contributions of £ 959,778 were paid to the PCSPS (NI) (2002-02 £792,195) 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. The 2003/2004 rates are in the range 12 to 18 percent of pensionable pay, based on the revalorised salary bands.

Employer contributions are to be reviewed every four years following a full 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.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of 0.8 per cent of pensionable pay were payable to the PCSPS(NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

	Number 2002/2003	Number 2001/2002
Average monthly number of whole-time equivalent persons (including senior management and ministers) employed during the year was as follows:		
Members	**108**	**108**
Secretariat	**313**	**282**
	421	**390**

The salary and pension entitlements of the senior officers for the year ending 31 March 2003 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 2003 £'000	Benefits in Kind £ '000
Clerk to the Northern Ireland Assembly *Arthur Moir*	54	75 –80	0 - 2.5	10 - 15	0
Deputy Chief Executive *Tom Evans*	48	50 – 55	0 - 2.5	15 – 20	0
Deputy Clerk *Joe Reynolds*	40	40 – 45	0 - 2.5	5 – 10	0
Director of Legal Services *Clare McGivern*	45	50 – 55	0 – 2.5	5 – 10	0
Clerk Assistant *Nuala Dunwoody*	43	40 - 45	0 – 2.5	5 - 10	0
Editor of Debates *Simon Burrowes*	46	45 – 50	0 - 2.5	10 – 15	0
Keeper of the House *Agnes Peacocke (consent for disclosure withheld)*	-	-	-	-	-
Director of Research and Information *Allan Black (consent for disclosure withheld)*	-	-	-	-	-

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

Salary

Salaries include gross salaries, performance pay or bonuses, overtime payments , recruitment and retention allowances: private office allowances and any other allowance to the extent that it is subject to UK taxation.

Pension

Pension benefits are provided through the Civil Service pension arrangements. From 1st October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium and classic plus). New entrants after 1 October 2002 may choose between membership of premium or joining a good quality "money purchase" stakeholder based arrangement with a significant employer contribution (partnership pension account)

(a) Classic Scheme

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 . 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.

(b) Premium Scheme

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 commute some of their pension to provide a lump sum up to a maximum of 3/80ths of final pensionable earnings for each year of service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation. Members pay contributions of 3.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of 3/8ths the member's pension (before any commutation). On death in service, the scheme pays a lump-sum benefit of three times pensionable earnings 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. Where the member's ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued at age 60.

(c) Classic Plus Scheme

This is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

All staff in service at 1 October 2002 will be given the option to join the premium or classic plus arrangements.

Pensions payable under classic, premium, and classic plus are increased in line with the Retail Prices Index.

(d) Partnership Pension Account

This is a stakeholder-type arrangement where the employer pays a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute but where they do make contributions, these will be matched by the employer up to a limit of 3% (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement). The member may retire at any time between the ages of 50 and 75 and use the accumulated fund to purchase a pension. The member may choose to take up 25% of the fund as a lump sum.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. There were no benefits in kind during 2002-03.

The salary and pension entitlements of the Assembly Commission for the year ending 31 March 03.

	Age Years	Salary £000	Real increase In pension at Age 60 £000	Total accrued Pension at age 60 at 31 March 03 £000
Presiding Officer	-	-	-	-
Members of the Assembly Commission :				
Mrs Eileen Bell	-	-	-	-
Rev Robert Coulter	-	-	-	-
Mr John Fee	-	-	-	-
Dr Dara O'Hagan	-	-	-	-
Mr Jim Wells	-	-	-	-

The 2002-2003 Resource Accounts were prepared during a period in which the Assembly was in dissolution. Under these circumstances the Accounting Officer has been unable to confirm consent in respect of the disclosure of salary information from all Commission Members. It has therefore been decided that, on the basis of consistency, it is not appropriate to make a partial disclosure in respect of the Corporate Body. This decision has been taken in respect of the 2002-2003 Resource Accounts only.

The basic salary for a member of the Assembly was £41,321 for 2002/2003, with office holders' increases ranging from £5,433 for a deputy chairperson to £ 69,862 for the First Minister. Following suspension in October '02 the basic salary was reduced to £ 31,817 on 15/11/02.

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 and this will be provided for in the next financial year, in line with NIRAM and FRS 17.

For 2002-03, contributions of £ 701,945 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

	2002/2003 £'000	2001/2002 £'000
Office cost allowance	**4,857**	**3,873**
Party allowance	**738**	**413**
Travel and subsistence	**950**	**1,027**
Miscellaneous	**7,145**	**7,519**
Non cash items:		
Depreciation	**2664**	**2,390**
Impairment of fixed assets (99k less 49k of downward backlog depreciation.)	**50**	**443**
Cost of capital charge	**6,662**	**6,729**
Notional charges	**46**	**41**
Auditor's remuneration and exps (Notional)	**30**	**30**
Provisions	**525**	
Total non cash items	**9,977**	**9,633**
Total	**23,667**	**22,465**

	2002-03 £000
Other administration costs- non-cash items as above	9,977
Add: other non-cash amounts charged to operating expenditure	-
Less non-cash income	-
-deferred donation income released from the Donated Asset Reserve	-
-profit on sale of fixed assets	-
Total non-cash transactions	**9,977**

Note a – the total of non-cash transactions included the Reconciliation of Operating Costs to Operating Cashflows In Schedule 4 comprises:

Note b – the total of non-cash items included the Reconciliation of Resources to Net Cash Requirement comprises:

	2002-03 £000
Total non-cash transactions as above	9,977
Adjustment for profits and losses on disposal of fixed assets	
- losses on disposal of tangible fixed assets -	-
- profits on disposal of tangible fixed assets -	-
Non-cash items per reconciliation of resources to net cash requirement	**9,977**

4. Net programme costs

	2002/2003 £'000	2001/2002 £'000
Total current expenditure	**38,819**	**35,971**
Less: programme income	**2**	**5**
	38,817	**35,966**

5. Income and Appropriations in Aid

OPERATING INCOME 2002/03

Operating income analysed by classification and activity, is as follows:	**Netted off gross expenditure in sub-head**	**Appropriated in Aid**	**Payable to Consolidated Fund**	**Income included in Operating Cost Statement**
	£'000	**£'000**	**£'000**	**£'000**
Programme income	**00**	**2**	**0**	**2**
Total	**0**	**2**	**0**	**2**

OPERATING INCOME 2001/02

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

6. Reconciliation of net operating cost to control total and net resource outturn

	2002/2003	2001/2002 £'000
Net operating cost	**38,817**	**35,966**
Net resource outturn	**38,817**	**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).

7. Analysis of resource outturn by function and reconciliation to operating cost statement.

	2002/2003						
	Admin	Other Current	Gross resource expend	A in A	Net total	Estimate	Net total outturn Versus estimate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Request for resources 1			38,819	2	38,817	40,395	1,578
Function 1							
Resource Outturn			**38,819**	**2**	**38,817**	**40,395**	**1,578**
Non-Supply expenditure					-	-	-
Non-A in A operating income					-	-	-
Net operating cost			**38,819**	**2**	**38,817**	**40,395**	**1,578**

8. Analysis of capital expenditure, financial investment and associated A-in-A

	2002/2003			
	Capital Expenditure	Loans etc	A-in-A	Net total
	£'000	£'000	£'000	£'000
Request for resources 1	226	-	-	226
Total	**226**	**-**	**-**	**226**

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

9. Tangible fixed assets

	Computer Equipment £'000	Office Equipment £'000	Fixtures & fittings £'000	Buildings £'000	Total £'000
Cost or valuation					
At 1 April 2002	939	956	1,678	112,723	116,296
Additions	135	35	56	—	226
Disposals					
Revaluations	-99	34	16	2,326	2,277
At 31 March 2003	**975**	**1,025**	**1,750**	**115,049**	**118,799**
Depreciation					
At 1 April 2002	524	423	367	1,979	3,293
Charge for year	224	268	219	1,953	2,664
Backlog depreciation	-49	15	3	48	17
Disposals					
At 31 March 2003	**699**	**706**	**589**	**3,980**	**5,974**
Net book value					
At 31 March 2003	**276**	**319**	**1,161**	**111,069**	**112,825**
At 31 March 2002	415	533	1,311	110,744	113,004

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.

10. Movements in working capital other than cash

The movements in working capital used in the Reconciliation of resources to cash requirement comprises:

	2002/2003 £'000	2001/2002 £'000
Decrease in stocks	**(92)**	52
(Decrease) / increase in debtors	**(6)**	(179)
Decrease / (increase) in creditors	**(1,237)**	411
Net increase in working capital other than cash	**(1,335)**	284
Transitional adjustment, being adjustment for outstanding balances relating to the department's Appropriation Accounts for 2000/01	**3**	58
Working capital movement recognised in Schedule 1	**(1,332)**	342

The movements in working capital other than cash used in the Cash Flow Statement comprises:

	2002/2003 £'000	**2001/2002 £'000**
Decrease in stocks	**(92)**	52
(Decrease) / increase in debtors	**(6)**	(179)
Decrease / (increase) in creditors	**(1,237)**	411
Net increase in working capital other than cash	**(1,335)**	284
Transitional adjustment, being adjustment for outstanding balances relating to the department's Appropriation Accounts for 2000/01	**3**	58
Working capital movement recognised in Schedule 1	**(1,332)**	342

11. Stocks

	2002/2003 £'000	**2001/2002 £'000**
Stationery	**13**	16
Office consumables		-
IT consumables		17
Sundry office equipment	**1**	-
Publications		73
	14	106

12. Debtors

	2002/2003 £'000	2001/2002 £'000
Amounts falling due within one year		
Value Added Tax	**208**	224
Prepayments	**55**	53
Sundry debtors	**0**	0
Suspense debtors	**13**	5
	276	282

13. Cash at bank and in hand

	2002/2003 £'000	2001/2002 £'000
Balance at 1 April 2002	**44**	267
Net change in cash balances	**825**	-223
Balance at 31 March 2003	**869**	44
The balance at 31 March is held at:		
Commercial banks and cash in hand.	**869**	44
The balance at 31 March comprises:		
Amounts issued from the consolidated fund for supply but not spent at year end.	**869**	44
Consolidated Fund balance owed	**869**	47
Irreconcilable Difference	**0**	-3
	869	44

14. Creditors: amounts falling due within one year

	2002/2003 £'000	2001/2002 £'000
Other taxation and social security	**228**	211
Other creditors	**2**	55
Amounts due to the Consolidated Fund (Consolidated Fund Extra Receipts)	—	-
Accruals and deferred income	**2,297**	1,024
Amounts issued from the consolidated fund for supply but not spent at year end	**869**	47
	3,396	1,337

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.

15. Provisions for Liabilities and charges

	Pension Costs £'000	Dissolution Costs £'000	Total £'000
Balance at 1 April 2002	-	-	-
Provided in the year	-	525	525
Provision not required written back	-	-	-
Provision utilized in the year	-	-	-
Unwinding of discount	-	-	-
Balance at 31 March 2003	**-**	**525**	**525**

Assembly Member's Pension Scheme

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). 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. According to NIRAM and FRS 17 this should not be provided for until the financial year 03-04.

Dissolution Costs

A provision of £525,000 has been made in respect of the specific costs associated with the dissolution of the Northern Ireland Assembly in advance of elections. These costs include the specific additional administrative costs incurred while preparing for the end of a mandate together with the estimated cost of resettlement allowances for former Members.

16. Revaluation Reserve

	2002/2003 £'000	2001/2002 £'000
Balance at 1st April 2002	**309**	(27)
Gain on revaluation	**2,376**	37
Backlog Depreciation on revaluation upwards	**(67)**	-
Transferred to general fund in respect of realised element of revaluation reserve	**243**	299
Balance at 31 March 2003	**2,861**	**309**

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

Donated asset reserves are included in General Reserves

17. Commitments

There were no commitments for the following at 31 March 2003:

- Capital commitments
- Commitments under operating leases

18. Capital Commitments

There were no capital commitments at 31 March 2003.

19. Contingent liabilities

There were no contingent liabilities at 31 March 2003.

20. Reconciliation of net operating cost to changes in general fund

	2002/2003 £'000	2001/2002 £'000
Net operating cost for the year (Schedule 2)	**(38,817)**	(35,966)
Income not appropriated in aid paid to Consolidated Fund		-
	(38,817)	(35,966)
Net Parliamentary funding	**28,556**	35,774
Transfer to general fund of realised element of revaluation reserve (Note 16) - Depreciation - Disposal of assets	**(243)**	(299)
Non-cash charges:		
Cost of capital	**6,662**	6,729
phaNotional Audit costs	**30**	30
Notional Procurement costs	**20**	9
Notional Research costs	**-**	30
Other notional costs	**26**	2
Transfer of assets	**-**	3,721
Reversal of consolidated & fund y/e '01	**47**	225
Consolidated Fund creditor	**(869)**	(47)
Transitional adjustment (Note 25)		
Net increase/(decrease) in general fund	**(4,588)**	10,208
General fund at 1 April 2002	**111,790**	101,582
General fund at 31 March 2003 (Schedule 3)	**107,202**	**111,790**

Donated Assets of £2,430 are included in reserves.

21. Notes to Schedule 5

The Assembly's resources are employed exclusively for administration purposes

Current expenditure has been allocated as follows

	2002/03 £'000
Aim:	
Objective 1	**38,817**

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 transactions with the Northern Ireland Assembly during the year.

23. Financial Instruments

The Northern Ireland Assembly, because of the largely non-trading nature of it's 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 it's 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. The effects of Suspension of Devolution

Suspension of the Northern Ireland Assembly

1. The Secretary of State for Northern Ireland signed an Order on 14 October effectively suspending devolved government in Northern Ireland from midnight that night. Under suspension:
    a. the Assembly and its committees ceased to meet or conduct business;
    b. the First Minister, Deputy First Minister, Departmental Ministers, Junior Ministers, Chairmen and Deputy Chairmen of Statutory Committees all ceased to hold office;
    c. direct rule was reinstated; the Northern Ireland Departments discharged their functions subject to the direction and control of the Secretary of State; the functions of the First Minister and Deputy First Minister were discharged by the Secretary of State;
    d. legislation on devolved matters were made by Order in Council at Westminster.
2. The provisions allowing members of the Executive Committee to participate in the North/South Ministerial Council and the British Irish Council were also suspended.
3. The Secretary of State could at any time make an Order, subject to Parliamentary approval, to restore devolved government.
4. The costs and practicalities of producing separate resource accounts for the period up to and following suspension are prohibitive, and one resource account for the complete financial year has therefore been prepared.

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