

The Executive Office
Annual Report and Accounts
For the year ended 31 March 2022

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

on

9 September 2022



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2021-22 ANNUAL REPORT

THE PERFORMANCE REPORT

OVERVIEW

The purpose of the overview is to provide a description of The Executive Office (TEO), its purpose, its functions, the key risks to the achievement of its objectives and how the Department has performed during the year.

STATEMENT FROM THE DEPARTMENT'S ACCOUNTING OFFICER

I am pleased to present the Executive Office Annual Report and Accounts for 2021-22. During the year we witnessed profound and rapid socio-economic changes. Changes that have had fundamental impacts on every aspect of our lives, such as how we live, work and consume public services. Our society has been transformed for ever. In that context, TEO has a clear role as a central hub for policy making and delivery: making sense of society's most complex and challenging issues and securing agile implementation on the ground to meet the challenges. TEO is at the heart of the change process and in June 2021, NICS created a new Permanent Secretary role within TEO to lead the change. TEO's vision is:

"Wellbeing for all through improved relations, outcomes and governance"

Throughout the year TEO successfully delivered across a range of outcomes, building on the objectives set out in the draft programme for government. We led policies and programmes that contributed towards the aim of overcoming some of the biggest challenges facing society such as promoting Equality, Building a United Community, Good Relations, Racial Equality, Ending Violence Against Women and Girls and supporting victims and survivors of the Troubles/Conflict and Historical Institutional Abuse. Through this the TEO team has made a huge positive difference to our people and our society.

Without the collective talents, capabilities, and commitment from our people, our ALBs and our partners in the voluntary and community sector the scale of delivery in terms of improving outcomes would not have been possible. Our people have continued to adapt to the changing working environment to meet emerging challenges as they arise.

In the past year TEO has led on a range of specific, emergent policy issues requiring cross departmental co-ordination. Examples include supporting survivors of Historical Institutional Abuse and Mother and Baby Institutions. At the core of these issues is the protection and support of some of the most vulnerable people in our society. TEO also played a key role in supporting the work of the Executive's COVID Taskforce and in building contingency planning arrangements to protect the people who live here.

Building on this work, TEO continues to lead on International Relations on behalf of the Executive with offices in the US, China and Brussels, showcasing all we have to offer, and forging links with best practice internationally.

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It has been a challenging year and I am extremely proud of the excellent work this Department does. The recently published people survey has demonstrated the high levels of engagement across the Department. Our people are highly engaged and an engaged team is a team that is enthusiastic about their work. This enthusiasm has been evident in the broad spectrum of work that have been delivered this year and will be the building blocks of how we approach the new financial year.

A handwritten signature in black ink, appearing to read "Dr Denis McMahon". The signature is fluid and cursive, with a large initial "D" and "M".

Dr Denis McMahon
Accounting Officer

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STATEMENT FROM THE INDEPENDENT BOARD MEMBER

As Independent Board Member (IBM) of The Executive Office (TEO), my role is to support and challenge the TEO Board, TEO Permanent Secretary and the Senior Management Team in driving forward TEO's Business Plan and Programme Delivery, ensuring effective governance and adherence to robust accountability and reporting structures.

TEO Board Membership was subject to material change following the retirement of Sir David Sterling as Head of Civil Service (HOCS) and the transfer of Dr Mark Browne, TEO Accounting Officer. Jenny Pyper was appointed Interim HOCS and Chris Stewart as Acting Accounting Officer, in the initial reporting period. A re-structure of The Executive Office in August 2021, resulted in the appointment of Jayne Brady to the role of HOCS and the appointment of Dr Denis McMahon as Permanent Secretary and Accounting Officer TEO.

As IBM, I attended all TEO Board Meetings held during the financial year under report. The operation of a Forward Planner ensured robust Agendas for each Board meeting, with updates on key areas as follows:

- Political Landscape incorporating updates by HOCS / Permanent Secretary on engagements with the First Minister and deputy First Minister, Ministers, the Assembly and NIO
- Finance and Budget issues
- HR matters
- COVID-19 contingency and recovery planning
- Brexit / EU Relations
- Intergovernmental Relations
- Programme for Government
- Legislative Programme
- Audit & Risk matters including regular Audit and Risk Committee updates

Board Members participated in Board meetings (conducted on the WebEx platform) either by presentation of key reports on departmental issues or by engagement in active discussion of agenda items. Minutes of Board meetings were accurately recorded by the Board secretariat and presented for approval at subsequent Board meetings.

Communication channels in TEO are excellent, with regular updates for all staff by HOCS and the Permanent Secretary. Active use of social media platforms such as Zoom and WebEx have been effective in communicating and maintaining contact with staff, particularly those working from home.

COVID-19 continues to have a significant impact on Northern Ireland communities, business and the economy, with particular demands on the NHS and others supporting the effort in managing and controlling the pandemic. TEO have led this effort, supported by other NICS Departments in managing many difficult issues and emerging problems, ensuring a robust response and development of Contingency Planning and Recovery Plans. Regular and informed communication by TEO, Department of Health and Ministers has been instrumental in ensuring a consistent message to all impacted by this unprecedented event.

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Most particularly, COVID-19 has had a significant impact on TEO and other NICS departments' spend and budgets. TEO finances are managed robustly by the Finance Director and her team with regular detailed reports, submitted to the Department of Finance, TEO Permanent Secretary and the Board.

In May 2022, the Independent Board Member undertook a review of the Board's effectiveness, which took the form of a self-assessment review. The review demonstrated significant Board strengths in the areas of Board commitment, strategic focus, assurance and risk management, performance reporting, quality of Board papers and timeliness of information and decision-making. The review also identified a number of areas for future consideration.

Audit and Risk Committee (ARAC)

TEO ARAC currently comprises three Independent Members. As Chair of ARAC, I am supported by Stewart Barnes, Department of Finance and Glyn Capper, Department of Justice.

TEO's Accounting Officer and Finance Director are in attendance at meetings, supported by TEO Corporate Governance Section representatives. Minutes of meetings are accurately recorded and presented to the TEO Board for approval. I provide the TEO Board with regular updates of ARAC meeting outcomes, the risk environment impacting on TEO, with regular updates of the Corporate Risk Register

ARAC met on four occasions during the 2021-22 financial year. The Draft Annual Report and Accounts and Draft Report to those Charged with Governance (RTTCWG) was presented to the June meeting. Regular reports from internal and external audit and a progress report on Audit recommendations, updates from the Fraud Investigation and Oversight Group (FIOG) were standard agenda items at each meeting. ARAC continued to scrutinise and robustly oversee the Department's Risk Register, which was subject to regular review and reflects an accurate presentation of the current risk environment impacting TEO.

Non-Executive Directors Forum

I attended 3 meetings of the NICS Non-Executive Directors Forum in the reporting year. This forum established by Sue Gray, former Permanent Secretary of the Department of Finance, provides a platform for NICS Non-Executive Directors to participate in the presentation and discussion of key topics impacting Government Departments.

Overview

In the 2021-22 reporting period COVID-19 continued to impact significantly on the work and outputs of TEO and NICS Departments. In addition, Brexit / EU Relations, remain a significant challenge, as arrangements for UK exit, post January 2021 requires continued attention. Critical financial pressures continue to impact on TEO budgets and management of costs. The development of TEO's Business Plan and the TEO Board's continued focus on strategic management, streamlined reporting procedures, the implementation of Working from Home policy and critical resourcing pressures all contributed to a significant workload for TEO Senior Management and staff.

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The current suspension of The Executive and the expiration of the current Assembly mandate, and the outcome of Assembly elections in May 2022, has impacted NICS Department budgets. The Assembly has passed the Budget Act (Northern Ireland) 2022 and also authorised a Vote on Account to authorise departments' access to cash and use of resources for the early months of the 2022-23 financial year. In addition, the impact of the war in Ukraine on UK and Northern Ireland financing structures, e.g. cost of living, energy costs, incomes and inflationary pressures, is still to be determined.

Changes to TEO structure with the appointment of Jayne Brady as HOCS and Dr Denis McMahon as Permanent Secretary are most welcome. HOCS and the Permanent Secretary will continue with their strategic advisory role to the First Minister and Deputy First Minister. The Permanent Secretary has accountability for TEO Budgets and Finance. TEO will progress the Assembly's legislative programme; manage TEO's risk environment, support inter-governmental and international relations, contribute to high visibility and ground breaking socio/economic initiatives (Urban Villages, T:BUC, Good Relations) and retain oversight of the Department's ALBs.

Throughout this period of considerable challenge, I acknowledge the high level of senior management attention and oversight to financial management across TEO, the achievement of key performance targets within the Department's Business Plan and assurance from robust Internal Audit reports across a wide range of Departmental teams and service areas. It was pleasing to note that the final Report to Those Charged With Governance issued by NIAO in September 2021 confirmed an unqualified opinion of the TEO Annual Report and Accounts.

Conclusion

In conclusion, as IBM and Chair TEO ARAC, I confirm that in relation to the 2021-22 reporting year, an opinion that the Department's systems of internal control are satisfactory, the TEO Board maintains effective governance procedures, the Departmental ARAC operates in accordance with DOF guidance and that there are no major issues that ARAC considers should be brought to the attention of the Accounting Officer.

Denis Power
Non-Executive Member

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STATEMENT OF THE PURPOSE AND ACTIVITIES OF THE DEPARTMENT

The vision of TEO is: *wellbeing for all through improved relations, outcomes and governance.*

TEO has a clear role as a central hub for policy making and delivery: making sense of our society's most complex and challenging issues and securing agile implementation on the ground. In June 2021 the NICS created a new Permanent Secretary role within TEO to lead that change. Our current functions include some long-standing areas of well-established responsibility that mirror some of the biggest challenges and opportunities facing society, including promoting equality, the oversight of the Executive's Together: Building a United Community programme, Good Relations programmes, the Racial Equality Strategy, work on Ending Violence Against Women and Girls and on supporting victims and survivors of the Troubles/Conflict. We also lead on a range of specific, emergent policy issues that require cross departmental co-ordination or which have not sat easily within the responsibility of individual departments. Examples include supporting survivors of Historical Institutional Abuse and Mother and Baby Institutions. At the core of these issues is the protection and support of some of the most vulnerable people in our society. We also play a role in supporting the work of the Executive's COVID Taskforce and in building contingency planning arrangements to protect the people who live here. Building on this work here, TEO leads on International Relations on behalf of the Executive with offices in the US, China and Brussels, showcasing all we have to offer, and forging links with best practice internationally.

Departmental Boundary

The accounts of the Department comprise a consolidation of the income, expenditure, assets and liabilities of those entities within the Departmental resource accounting boundary as follows (see Note 20 of the Departmental Resource Accounts):

- Core Department;
- Office of the Commissioner for Public Appointments for NI;
- Office of the Attorney General for NI;
- North South Ministerial Council Joint Secretariat (North);
- Historical Institutional Abuse Redress Board; and
- Victims' Payments Board

Bodies outside of the Departmental Boundary

The Department has lead policy responsibility for the following bodies outside the Departmental boundary that are classified as, or analogous to, an executive Non Departmental Public Body (NDPB):

- NI Community Relations Council;
- Commission for Victims and Survivors for NI;
- Equality Commission for NI;
- Maze/Long Kesh Development Corporation;
- Northern Ireland Judicial Appointments Commission;
- Strategic Investment Board Limited;
- The Commissioner for Survivors of Institutional Childhood Abuse and:

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- Victims and Survivors Service Limited

These entities prepare separate annual report and accounts that are audited by the Comptroller and Auditor General (C&AG).

Programme for Government (PfG)

The Department leads on the development of the Executive's Programme for Government (PfG). The PfG is the government's highest level strategic document, setting out the Executive's priorities and giving clear strategic direction to the policies, programmes, services and actions of government departments and providing a basis for allocating resources.

In January 2021, a newly developed draft PfG Outcomes Framework was subject to an extensive public consultation and engagement process as the first step in the development of a new strategic, Outcomes-based PfG.

In response to the COVID-19 pandemic, the Executive published its Covid Recovery Plan in August 2021 to set out the priorities for the subsequent 24 month period with the aim of accelerating economic, health and societal recovery in the short term to enable us to emerge stronger and to plan for longer term ambitions. The plan was developed in the context of the draft PfG Outcomes Framework with the intention that the workstreams are likely to form the basis of a number of key strategic areas that will ultimately contribute to the achievement of the PfG Outcomes.

The public consultation and engagement process on the draft Outcomes Framework demonstrated widespread continued support for the application of the Outcomes-based approach and for the Outcomes consulted on. A revised draft Framework has been prepared taking account of the feedback received and stands ready for an incoming Executive to consider as an early priority at the beginning of the next mandate.

Once the Framework is agreed the next step will be to develop the action plans setting out the most impactful actions planned to contribute towards the achievement of Outcomes. It is intended that once published, the action plans will be continually reviewed and updated as required in line with what the evidence tells us.

KEY ISSUES AND RISKS

A key challenge in 2021-22 has been to maintain service delivery during the COVID-19 pandemic.

The Department has continued to focus on its key policy areas:

- **EU Future Relations:** TEO continues to lead and coordinate across the NICS on the post EU Exit arrangements, including the continued implementation of the Withdrawal Agreement and the Trade and Cooperation Agreement, and the development of our future relationship with the EU. This includes providing strategic advice to the Executive on associated impacts, risks and mitigations associated with the various Agreements, and ensuring the UK Government is aware and informed of the implications and

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opportunities for NI arising from the UK's exit from the EU. This has required liaison with NICS colleagues, the EU, UK Government and Irish Government.

- Implementing the Executive's Good Relations strategy **Together: Building a United Community (T:BUC)**: This strategy outlines a vision of "*a united community, based on equality of opportunity, the desirability of good relations and reconciliation - one which is strengthened by its diversity, where cultural expression is celebrated and embraced and where everyone can live, learn, work and socialise together, free from prejudice, hate and intolerance.*"
- TEO chairs the Good Relations Programme Board (GRPB) that oversees T:BUC on behalf of the Executive, including leadership on Headline Actions by a number of Departments. Good progress has been made across a number of the Actions and TEO has launched a Review of the T:BUC Strategy. At the same time, TEO is directly responsible for implementing and evaluating a number of T:BUC/Good Relations programmes that are having a major impact: Urban Villages (UV) Initiative (which aims to foster positive community identities, build community capacity and improve the physical environment in five areas with a history of community tension and deprivation); the Central Good Relations Fund (£3m funding per annum to voluntary and community groups to build good relations across and between all the communities in NI); and the District Council Good Relations Programme (a £4m partnership with Councils to improve community relations); the T:BUC Camps Programme (which provides opportunities for young people aged 11-19 to come together to build positive relationships across divided parts of our community and includes the popular Ambassadors programme and the recent T:BUC Trees initiative); and the Planned Interventions Programme (which is delivered by the Education Authority and aims to reduce the likelihood of children and young people becoming involved in the justice system at an early age). The Racial Equality Strategy (see below) is also represented on GRPB to ensure all aspects of good relations are covered. TEO Good Relations Division also sponsors the Community Relations Council and is an accountable department for PEACE IV Programme and the PEACE PLUS Programme with a proposed budget allocation of circa €170m.
- **Delivering Social Change**: Implementation of the Social Investment Fund (SIF) and the Delivering Social Change (DSC) Programmes (which are co-funded with Atlantic Philanthropies and lead departments), to ensure that disadvantaged areas and vulnerable groups continue to be targeted to address persistent patterns of poverty and disadvantage.
- Implementing the **Communities in Transition Project** as part of the Executive Action Plan on paramilitary activity, criminality and organised crime. TEO is taking forward a commitment within the Executive Action Plan, which provides that '*The Executive should establish a fund to support ambitious initiatives aimed at building capacity in communities in transition, including through developing partnerships across civil society and across community divisions*'. TEO is working with other departments through the Tackling Paramilitarism, Criminality and Organised Crime Programme Board to develop and implement an area based approach to support communities in transition.

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- Implementing the Racial Equality Strategy and related actions, including the proposed development of a Refugee Integration Strategy. The Racial Equality Strategy establishes a framework for government departments (and others) to: tackle racial inequalities; eradicate racism and hate crime; and along with T:BUC, to promote good race relations and social cohesion. The Refugee Integration Strategy, which is a commitment in the Racial Equality Strategy, has recently undergone a public consultation exercise and officials are currently considering the responses. In addition a new Race Equality migration unit has been established focussing on post-Brexit immigration policy. The Racial Equality Strategy commits Government to ethnic monitoring and to reviewing racial equality legislation. Work on scoping the requirements of ethnic monitoring is well advanced and proposals for how Government Departments will be supported in rolling out ethnic monitoring are being drawn up by a newly formed Cross-Departmental Working Group. The Review of the Current Race Relations Order has now been completed and officials will be putting forward proposals for a consultation exercise to Ministers early in the new mandate. The Racial Equality Strategy also outlines a commitment to the Minority Ethnic Development Fund (MEDF) to develop capacity within the minority ethnic sector and to a Crisis Fund for those who face destitution. A review of the Minority Ethnic Development Fund and the resources devoted to developing and implementing policy on these issues has been completed and the recommendations are being implemented.
- Ensuring the continued delivery of effective **victim-centred services**: Addressing the needs of victims and survivors continues to be a priority area for both the Department and the Executive. The Department will continue to support the provision of services to meet the needs of individual victims and survivors and support the groups and organisations which work in this sector.
- The **Historical Institutional Abuse Inquiry (HIAI) Report** and findings were published in January 2017. The Historical Institutional Abuse (Northern Ireland) Act 2019 was enacted on 5 November 2019. The Historical Institutional Abuse Redress Board and the Board came into operation on 31 March 2020. Fiona Ryan was appointed as the Commissioner for Survivors of Institutional Childhood Abuse and took up her position on 14 December 2020. One of the remaining Hart Report recommendations: a public apology by the State and those institutions responsible for systemic failings leading to systemic abuse took place on 11 March 2022 in the Assembly Chamber. In the absence of the First Minister and deputy First Minister, the State apology was delivered by five Executive Ministers.
- The **Victims' Payments Regulations 2020**: The Northern Ireland (Executive Formation etc.) Act 2019 provided that the UK Government would bring forward legislation providing for a scheme of payments to those living with injuries sustained in Troubles-related incidents by 31 January 2020 and that the legislation would come into force by 31 May 2020. The Regulations were duly laid before Parliament on the 31 January 2020 by NIO. While the regulations came into force on 29 May 2020 in accordance with the timetable set by the members of the House of Lords, further time has been needed to deal with outstanding issues and establish the necessary arrangements for the operation of the scheme. As provided for in the Regulations, an independent Victims' Payments Board (VPB) has been established to oversee the Scheme and consider all applications. TEO designated the Department of Justice (DoJ)

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to exercise the administrative functions of the Board on the Board's behalf. The scheme opened for applications at 12 noon on Tuesday 31 August 2021.

- **Ending Violence Against Women and Girls:** Following an Assembly Motion in March 2021, the Executive has made ending violence against women and girls a priority. This will be addressed through the cross-departmental Equally Safe Strategy – A Strategy to Tackle Violence Against Women and Girls (the Strategy). The Strategy is to be evidence-based and co-designed, with new work to tackle the root causes of Violence Against Women and Girls. It is also an explicit goal of the programme of work required under the Strategy to find ways for Departments, and for Departments and external stakeholders, to work together effectively and align resources and effort in the best way possible to tackle this deep-rooted and multi-faceted problem. A 'Call for Views' was launched by Ministers on 10 January 2022 and closed on 21 March 2022. The pre-consultation target for the Strategy, subject to resources, is 31 December 2022.
- **Truth Recovery Programme:** During this period, the Truth Recovery Design Panel Report on Mother and Baby Institutions, Magdalene Laundries and Workhouses was published (October 2021) and secured Executive agreement on a way forward for the Report's recommendations (November 2021). A dedicated Division has been established to take forward the broad suite of recommendations which includes: delivery of support services for victims-survivors; design and delivery of a comprehensive redress scheme, and; the establishment of an Integrated Truth Investigation – comprised of an Independent Panel, feeding into a statutory public Inquiry. The most significant elements of the Recommendations will require legislation to proceed (the Redress scheme and the Inquiry).
- **International Relations:** TEO is responsible for driving implementation of the Executive's International Relations Strategy. The NI Bureau in Beijing helps to develop links with the Chinese Government and realise key targets in the economic, education and tourism sectors. The Executive offices in Washington DC and in Brussels ensure that our profile remains high and our interests continue to be promoted in these influential locations.
- Ensuring delivery of key actions in the Executive's **Investment Strategy, Asset Management Strategy** and **Buy Social Strategy** in partnership with the Strategic Investment Board.
- **Infrastructure Investment:** The Department continues to progress the regeneration of the Ebrington Site with key infrastructure works completed including the new entrance, resurfaced square and the installation of the peace tree and surrounding public realm. With the exception of one, all site buildings and land now have leases/development agreements in place or are subject to an expression of interest and are at an advanced stage of negotiations. The New Grade A Office Accommodation building, a key catalyst for the site, has commenced construction with a view to completing in July 2022. The Hotel project has planning approvals in place and works commenced in January 2022 with the Hotel scheduled to open in summer 2023. Derry City and Strabane District Council (DCSDC) has prepared a business case for a Maritime Museum on Ebrington and, subject to approval, will work closely with TEO to deliver this significant multi-

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agency funded project on the site, scheduled to open in Spring 2025. Officials continue to work closely with DCSDC to facilitate the transfer of the site at an appropriate time.

- **Urban Villages Initiative:** Urban Villages Initiative's aim of creating thriving places has progressed significantly in 2021-22 with the funding agreements issued to Belfast City Council on 3 major parks projects, Marrowbone Millennium Park, the Redevelopment of Ballysillan Playing Fields and the redevelopment in Pitt Park, as well as the transformational ABC Health and Leisure Hub. Overall investment committed to Urban Village areas during 2021-22 has been over £21m, including £8m of partnership funding. In total, up to £100m is also being invested in a diverse range of capital build proposals brought forward by communities to develop thriving spaces within the five Urban Village areas.
- **C3 (Command, Control and Co-ordination):** TEO leads Northern Ireland's long established, tried and tested civil contingencies response arrangements to support strategic decision making at the Civil Contingencies Group (CCG), and the Executive. The capabilities and capacities around these C3 arrangements have been refined throughout 2021 and responded to the converging issues of: the COVID Omicron spike; workplace absences; EU Protocol supply chain issues; Winter Storms; Ukrainian crisis, and P&O disruption. COVID-19 costs put a significant pressure on the NI Block. TEO is endeavouring to prioritise budgets and work efficiently and innovatively to ensure that the Department continues to deliver within available resources. COVID Recovery is continuing at pace and COVID strategy will need to have the capability to be ready to respond should a variant of concern emerge.

The Governance Statement provides further detail on the key issues and risks.

Forward Look

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

Going Concern

The Statement of Financial Position as at 31 March 2022 shows net liabilities of £100.2m. It is considered appropriate to adopt a going concern basis for the preparation of the financial statements as the Department is DoF Supply financed and draws its funding from the Consolidated Fund. Therefore, there is no liquidity risk in respect of the liabilities due in future years.

PERFORMANCE SUMMARY

Supporting the work of Government

One of TEO's key objectives is to ensure the effective operation of the institutions of Government in the delivery of the Executive's Programme for Government.

During 2021-22, the Executive Office supported 40 meetings of the Executive Committee. The business of the Executive Committee was focused substantially on the response to the COVID-19 pandemic, but it also took decisions on a range of legislative and policy issues, including but not limited to Climate Change, Organ Donation, Parental Bereavement Leave, Private Tenancies and a the Violence Against Women and Girls Strategy.

The British-Irish Council met on five occasions including two Summit meetings in Northern Ireland and Wales and there were three Ministerial meetings held in sectoral format on Transport, Indigenous, Minority and Lesser Used Languages and Energy.

International Relations

EU Future Relations

A key focus of the Department's work has been on NI's future relations with the EU and the rest of the world following the UK's exit from the EU. TEO has sought to ensure, as far as possible that all assessments of the UK's decision to leave the EU have taken account of the Executive's position, as well as the implications for NI legislation, policy and resources. This has included representing Northern Ireland interests throughout the continued implementation of the Withdrawal Agreement and the Trade and Cooperation Agreement, and co-ordinating associated operational readiness work across the NICS.

During 2021-22 the Executive meetings on EU Exit matters continued to provide an overarching strategic direction on the Executive's approach to the implementation of the Withdrawal Agreement and the Trade and Co-operation Agreement. The Executive met to discuss EU Exit Matters nine times in this period. The last meeting took place on 12 August 2021 after which the Executive agreed that EU Exit Matters should be considered as part of the agenda at full Executive meetings.

Throughout the year, the NICS EU Exit response has been overseen by the Future Relations Programme Board. The priorities of the Board were reviewed and revised in January 2021 to take account of the impacts, implications and opportunities of the Trade and Cooperation Agreement, decisions associated with the NI Protocol and the end of the Transition Period. The Board was chaired by the Director General for International Relations and latterly by the Director for EU Future Relations. The Board includes the Permanent Secretaries of the Department for Agriculture, Environment and Rural Affairs, the Department for the Economy, the Department of Finance, the Department of Infrastructure and the Department of Justice, the Head of Legal Services of the Departmental Solicitor's Office and Head of EUFR Division. The Board has met 14 times during this financial year.

There are currently 5 Strands operational under the Board:

- Protocol and Trade Policy;

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- EU Future Policy & Finance Funding;
- Governance, Ministerial and EU Engagement, Frameworks and Legislation;
- Future Security Partnership (FSP); and
- Preparedness including contingency planning for triggering of Article 16.

The Senior Users' Group continued to provide strategic support to the Programme Board meeting on 9 occasions until September 2021. In order to ensure that there was a consistent recognition of the implications and opportunities arising from the UK's decision to leave the EU and as aspects of EU Exit will transition into business as usual considerations, the Senior Users' group was replaced by a new cross-NICS Interdepartmental Steering Group (IDSG). The IDSG has met on 13 occasions and coordinates the overarching objectives and activities, while maintaining a flexible operating environment as UK and International relations progress to a steady state.

A key element of ensuring corporate readiness is the current development of the EU Legislation Information Tracking System (EULITS) to track and monitor EU legislation to which NI must remain aligned. Once finalised, the EULITS system will support Departments in maintaining regulatory alignment with the EU on legislation listed in the Protocol, in accordance with the Withdrawal Agreement.

Throughout the year, TEO continued to support Executive Engagement in the Withdrawal Agreement Governance Structures. The Withdrawal Agreement Joint Committee oversees the implementation, application and interpretation of the Agreement, including the Protocol. It is chaired jointly by the EU and UK. During this year the Joint Committee met two times, and in line with NDNA commitments both meetings were attended by TEO Ministers.

The Ireland Northern Ireland Specialised Committee (INISC) is an official level meeting co-chaired by the UK and the EU. The INISC makes recommendations to the Joint Committee on the implementation and application of the Protocol. TEO officials attended two meetings of the INISC this year.

The Joint Consultative Working Group is an official level forum to facilitate the exchange of information and mutual consultation between the UK and EU in respect of the implementation of the Protocol, operating under the supervision of the INISC. The group has met ten times this year and TEO officials attended each meeting as part of the UK delegation.

Following the conclusion of the Inter-Governmental Relations Review the UK-EU Inter-Ministerial Group (IMG) was established to act as the primary ministerial forum for the discussion of matters relating to the UK's withdrawal from, and future relationship with the EU. The IMG met once during 2021-22, on 17 February 2022. This meeting was attended by a TEO Minister.

Throughout the year TEO Ministers continued to attend meetings of the Exit Operations (XO) Cabinet Committee established to review actions and take decisions in relation to issues arising from EU Exit and the end of the Transition Period. TEO Ministers attended 12 XO meetings this financial year, while other Executive Ministers and officials attended relevant meetings as required. The XO committee met for the last time on 26 October 2021 before being replaced by the Global Britain (Operations) Committee, which was established to implement the Withdrawal Agreement and the Trade and Cooperation Agreement, and deliver

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the policy and operational transition to new international trade relationships. GB(O) met for the first time on 2 November 2021. TEO Ministers attended one GB(O) meeting this financial year, with other Executive Ministers and officials attending relevant meetings as required.

North South Ministerial Council (Joint Secretariat)

Established under the terms of the Belfast/Good Friday Agreement, the North South Ministerial Council brings together Ministers from the Northern Ireland Executive and the Irish Government to develop consultation, co-operation and action on matters of mutual interest. The North South Ministerial Council is supported by a Joint Secretariat, based in Armagh and staffed by civil servants from TEO and the Irish Civil Service.

The functions of the Joint Secretariat include arranging Council meetings in different formats; securing prior political agreement to agendas for meetings of the Council; preparing or commissioning papers for meetings of the Council, including in relation to its work programme; drafting Joint Communiqués and Records of Decisions of the Council; communicating decisions of the Council and monitoring their implementation; drafting an annual report on the proceedings of the Council; acting as a channel of communication with the six North South Implementation Bodies; and carrying out such other tasks as the Council may direct.

Staff costs are funded by TEO and the Department of Foreign Affairs. All other costs associated with the Joint Secretariat and the NSMC are shared between the two administrations.

Eleven meetings of the Council took place in-year. A wide range of matters were tabled; current and future priorities were debated, important governance issues for the Bodies were agreed and future issues and opportunities for mutually beneficial cooperation considered. Work across the NSMC sectors has continued to make a real and positive difference to people's lives and livelihoods, to businesses and to communities.

Due to the pandemic, Council meetings have taken place by videoconference this year. It's anticipated in person meetings will resume when it's safe to do so.

Wider International Relations

Ministers met with Officials in early 2020 to discuss the new International Relations Strategy and the changes in our future international operating environment which takes account of the global changes such as Brexit. Planning was interrupted by the COVID-19 pandemic; however, international activity in a number of areas and our key relationships with international partners were maintained.

During 2021-2022 international visits to NI saw a significant rise in incoming visits to NI in comparison to the previous year. The International Relations Unit provided briefings, facilitated visits and meetings for foreign delegations with a range of partners across government departments, councils and agencies on economic, educational, community, social and cultural issues to support delivery of shared objectives.

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There was one virtual meeting with the newly appointed Netherlands Ambassador and 24 in person visits which included Ambassadors from Finland, Austria, Hungary, Turkey, Republic of Serbia, Moldova, Sweden, and Italy, as well as visits by the Indian and Canadian High Commissioners and a visit by a Minister from the North Rhine Westphalia region in Germany. Deputy Heads of Missions visited from the Embassies to the UK for Lithuania, Canada, Germany, Denmark, Switzerland, and Japan. Foreign Affairs Committees visited from Switzerland and Estonia accompanied by their Ambassador to the UK and an Austrian Federal Council led by the Austrian Ambassador to the UK.

International Relations and the Office of the Northern Ireland Executive in Brussels also facilitated inward visits by EU Vice President Maroš Šefčovič and two MEP Chairs of Committees in the European Parliament.

The First Minister and deputy First Minister and senior officials met with the Consuls General, based in NI, for the US and the People's Republic of China, to promote economic and government to government programmes.

The International Relations team continue to participate in briefings of new British Ambassadors going overseas and liaised with the Foreign, Commonwealth and Development Office (FCDO) to ensure the Executive's Programme for Government priorities were reflected in the development of policy and programmes in targeted regions. TEO officials also met with the new Chief Executive of the British Council UK to discuss how the British Council could support our international objectives

Northern Ireland Bureau, Washington DC

The variable nature of the COVID-19 situation in North America meant that the Bureau had to respond quickly and adapt its plans for 2021-22 on a number of occasions during the year. Restrictions on meeting in-person and on travel, eased around the end of the summer and then returned towards the end of 2021, when the rapid spread of the Omicron variant became problematic. During the period up to the end of March 2022, there was a cautious return to in-person events. The investment in IT equipment and processes allowed the Bureau to respond quickly to the changing position on the ground, with a virtual platform continuing to be used effectively throughout this period.

The Bureau also lost its two longest serving members of staff during the year, so a considerable amount of resource was invested in recruiting new team members. The return of in-person engagement has provided an opportunity for the new team to connect with established stakeholders as well as building new relationships.

Engagement at senior levels of the US Administration has continued at pace with excellent working relationships being established in the Whitehouse, Speaker's Office and with Members of Congress. The cultivation of these relationships resulted in access to the entire programme of events during St Patrick's week for the Economy Minister, Finance Minister and the Head of the Civil Service, including meeting with the President of the United States, the Speaker of the House of Congress and senior members of Congress.

The Bureau capitalised on the window for in-person engagements to meet with stakeholders in a range of important locations around the United States including New York, Alabama and

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Florida. It also allowed engagement to be re-established for the first time in two years with stakeholders in Canada. These engagements highlighted the importance of having representatives from the Bureau engaging directly with stakeholders and diaspora right across North America.

Use of a virtual platform continued to play an important role in the work of the Bureau. The partnership with the Boston College Global Leadership Institute (GLI) continued to ensure that Executive Ministers and other senior NI people were connected to a US audience. Following on from the Ministers Diane Dodds, Conor Murphy and Naomi Long, the GLI Leadership Series featured the Infrastructure Minister, Nicola Mallon; Economy Minister, Gordon Lyons, Belfast City Council Chief Executive, Suzanne Wylie; Interim Head of the NI Civil Service, Jenny Pyper; and Cooperation Ireland Chief Executive, Peter Sheridan.

A number of important meetings were also held virtually between senior officials and members of the East and West Coast Advisory Councils looking at areas for potential investment into Northern Ireland. These initial meetings were followed up in person during the visit by the Economy Minister and Head of the Civil Service to New York and Washington, DC in March 2022.

The Bureau continued to promote Northern Ireland as a dynamic, vibrant and forward-thinking region committed to promoting economic prosperity, cultural development and international growth and engagement on both a virtual platform and at in-person events. This included participation and sponsorship of a range of events and programmes including:

- Co-hosting a screening of Sir Kenneth Branagh's award-winning film, 'Belfast', with the British and Irish Embassies;
- Co-hosting a Women Writers event with the Irish Embassy;
- Hosting the Bureau's St Patrick's Day Big Breakfast event;
- A 'Pasts, Presents and Futures' event jointly with American University and Georgetown University;
- Participating in 'A Celebration of Female Northern Irish Writers' event with the Irish Network DC
- Hosting a Reconnecting event with the Washington Ireland Programme
- New York, New Belfast 2021;
- Hosting the International Funds for Ireland AMBIT delegation;
- Partnership with Solas Nua for the Norman Houston award for best short film;
- Ireland Funds Virtual Winter Celebration
- Irish Arts Centre performances by Northern Irish artists
- Golden Bridges (Boston – NI)
- Nollaig na mBan
- Participation in the Flax Trust Breakfast

The Bureau has maintained regular engagement with key contacts in the State Department, Congress, the British and Irish Embassies, think tanks and universities, to strengthen relationships and ensure good understanding. Work to promote our social media presence continued with a growth in Bureau followers by approximately 1,000 for the second year running.

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Executive Bureau in Beijing

NIB (Northern Ireland Bureau) China's work was significantly impacted by COVID-19 during the 2021-22 year as China continues to follow a zero Covid strategy, with both international and internal travel restrictions adversely affecting activity throughout the year.

One of NIB China's key objectives is to work with Invest NI to increase trade and economic activity. In furtherance of this, the Bureau and INI held a joint International Export to China online Conference in November, with almost 100 participants from NI businesses and local councils.

The Bureau also supported Queens University in securing approvals for chartered flights from China in September for students travelling to Belfast to attend the University, and held the first alumni event in Beijing in October, with over 60 graduates attending.

In partnership with the Confucius Institute, based in Ulster University, and the Chinese People's Association for Friendship with Foreign Countries (a Chinese government body), NIB China developed a programme of online cultural exchanges for students and schoolchildren in China and NI.

The Bureau also held a NI Creative Industries media showcase event over St Patrick's Day, attended by thirty well-placed traditional media and social media representatives.

Extensive engagement with key stakeholders both at home and in China was also undertaken, including Government entities, Councils, Universities, Colleges, Business Representatives, and Embassies.

European Division including the Office of the Northern Ireland Executive in Brussels

During 2021-22 the Office of the Northern Ireland Executive in Brussels continued to lead and coordinate key EU engagement to support Northern Ireland Executive priorities. The office in Brussels also supports the Executive in respect of the Protocol on Ireland/Northern Ireland, and in the associated governance structures.

The office facilitated extensive high level virtual engagement with Brussels-based contacts for the Director General and Deputy Secretary for International. Virtual Programmes were organised for the new TEO Permanent Secretary. A total of 5 in-person meetings and 14 virtual meetings were held and have ensured continued engagement with the European Commission, MEPs and Member State Representatives along with both the UK Mission to the EU and the Irish Permanent Representation. The Office also supported DoJ engagement for the Minister for Justice and cross-departmental engagement with Norway and the Flanders region.

Easing of COVID-19 restrictions allowed the Office to hold its first in person event in two years with the Ulster Fry for St Patrick's Day on 17 March. While Covid restrictions limited in-person events for most of the reporting period the Office continued to showcase Northern Ireland to Brussels and wider Europe with online policy and cultural events, including Transpoesie, a virtual poetry event and seminars with students from Queen's University

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Belfast and University of Birmingham. EU, international and NI diaspora contacts were also kept up-to-date via a weekly Newsletter which had a circulation of over 600.

During the year key achievements of the Division included:

- Organising virtual engagement programmes with Brussels-based contacts for the Director General for International Relations, which included a total of 5 in-person meetings and 14 virtual meetings. The Director of the Office held a further 34 meetings with senior representatives and key decisions makers in this reporting period;
- Providing detailed information to the Department on relevant EU Policy matters; including 37 Brussels Bulletins for Senior Officials across the NICS, which focussed on issues related to the Protocol on Ireland/Northern Ireland, the Trade and Cooperation Agreement, COVID-19 policy, and EU sanctions against Russia, along with more general EU policy issues; 14 letters to Permanent Secretaries to outline the priorities of incoming Council of the European Union Presidencies and the 2022 Commission Work Programme; and 4 Brussels Reports to Departments and Assembly Committees to update on the work of the office;
- Hosting an in-person Ulster Fry for St Patrick's Day, which featured a total of 120 guests sittings, including attendance by the Irish Minister for Older People and Mental Health, EU Member State Ambassadors and Bi-lateral Ambassadors, MEPs, senior officials from the European Commission, as well as regional and policy contacts.
- Engaging with the Cabinet Office, Foreign, Commonwealth and Development Office and the ongoing business teams in the Scottish and Welsh governments on developing new structures and intra-UK processes in respect of the Withdrawal Agreement Governance Structures;
- Leading a cross-departmental steering group to identify needs and potential issues associated with tracking EU legislation, to support Departments in understanding the EU legislative cycle and the opportunities for upstream engagement in the EU;
- Developing an IT system to track and monitor the legislation listed in the annexes of the Protocol on Ireland/Northern Ireland in order to ensure compliance with statutory obligations;
- Ensuring NI Departments were informed and updated on relevant EU measures in relation to COVID-19;
- Attending bi-weekly update meetings with the UK Mission to the EU and the Scottish and Welsh Offices which to ensure NI Executive interests are represented in the work of the Mission.
- Raising the positive profile of NI in Europe by working with Department for Infrastructure (DfI) to participate with partners from other EU regions in a seminar as part of European Week of Regions and Cities to promote the work of the Medicines Optimisation Innovation Centre and demonstrate how the MOIC's operating model has been successfully applied in other EU regions;
- Promoting NI excellence in arts, culture, tourism, food & drink in a weekly E-Newsletter direct mailed to over 600 EU, international and NI diaspora contacts and promoted on social media, including a summer series with a focus on literature, featuring specially commissioned short stories by Northern Irish writers;
- Raising the positive profile of NI in Europe through a virtual 'Transpoesie' event in partnership with the Arts Council NI.

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- In association with Invest NI, finalising flexible working space in the Brussels Office that can support its Hub concept in Brussels and support businesses and organisations in their engagement with the EU organisations and partners in the Benelux.

Executive Information Service

The Executive Information Service (EIS) provides communications advice to Ministers and senior officials across the NICS departments. As a specialism within the NICS, press officers are out posted from TEO to the eight other departments, Government Advertising Unit and NI Direct. These teams are managed by the EIS Head of Communications.

Civil Contingencies

The Strategic Risk Management and Civil Contingencies Directorate (CCD) works in partnership with NICS departments, emergency responders and local government partners to provide emergency resilience, response and recovery through delivery of the Northern Ireland Central Crisis Management Arrangements (NICCMA).

The modernisation programme for Civil Contingencies management in Northern Ireland has continued apace, despite operational and staffing pressures. In July 2021, the Head of Civil Service launched the Northern Ireland Civil Contingencies Framework document and a bespoke training package for it. The Framework modernises the old civil contingencies protocols into one multi-agency, cross-departmental structure which clearly articulates everyone's role through the phases of civil contingencies management. The Framework has not only been welcomed in Northern Ireland but has been exceptionally well received by Cabinet Office and Devolved Administration partners as best practise.

Through the Summer of 2021 governance workshops were held with all partners, resulting in a new 9 pillared risk management structure that was approved by the Civil Contingencies Group NI (CCG (NI)) in November 2021. By Christmas 2021 CCD had delivered on its promise to support departments in rewriting their Major Emergency Response Plans to reflect the Framework and lessons learned from COVID-19 and the Winter D20 stand-up.

Since January 2022, the team have been conducting workshops on the development of the first Northern Ireland Civil Contingencies Risk Register. This is an exciting strand of work as it will provide the Executive with an ability to manage, prioritise and mitigate the highest risks prevalent to this region.

In the backdrop to the delivery of the strategic review programme the Division has managed numerous operational spikes, fine-tuned to the C3 escalation and de-escalation structures. This has allowed the converging issues of Winter 2021-22 to be managed in a collaborative manner, but without the need to move to an operational footing, a solution welcomed by Departments also facing resourcing challenges.

Looking forward, the Division is intent on delivering the Northern Ireland risk register in summer 2022 and supplementing that with a pan-Northern Ireland training and exercising programme. There is much anticipation on the development of this final strand, with all C3 partners seeing the opportunities joint exercising of risks will provide. It will also facilitate the

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continued professionalisation of Northern Ireland's civil contingencies management by enabling training opportunities for all levels of leadership.

COVID-19 Strategy and Recovery Division

Work within the Division related to two main areas:

1. Executive's Covid Taskforce (ECT)
2. Recovery Taskforce

Additional information on each area is provided below.

1. Executive's Covid Taskforce (ECT)

Main Division work is related to:

- **Meetings**

The Executive's COVID-19 Taskforce (ECT), chaired by HOCS, meets regularly and reports to the Executive on a fortnightly basis. The Taskforce consists of the Permanent Secretaries for Health, Justice, Communities and Economy and is attended by the Head of Covid Strategy & Covid Contingencies and the Head of Executive Communications. The Taskforce has four work streams: Adherence; Protect; Communications; and Recovery.

The Taskforce also runs the Cross Departmental Working Group, which initially met weekly, then fortnightly and now monthly to consider the proposals submitted for the next set of relaxations as well as other Covid-related cross-cutting issues and to provide and receive updates on the position in other jurisdictions, sectoral engagement and recovery.

- **Adherence work stream**

The Adherence Group brought together departmental stakeholders as well as enforcing agencies in order to provide input into how changes in law and guidance impact on adherence, how to best encourage compliance with the public health messaging and to work with behavioural science experts to support efforts to reduce transmission of the virus. The Group ensured that timely guidance was developed to inform the public of what was expected, given the numerous changes to the rules during the past 12 months.

The group implemented COVID-19 population polling from June 2021 to March 2022, producing 12 waves of polling data to ascertain attitudinal opinions from an adult sample of the COVID-19 restrictions in place. This information was key to confirm or challenge the approach to restrictions and enforcement.

To tie in with the Executive's Autumn / Winter plan, a subset of members of the Adherence Group operated a Ventilation Group, which reviewed how to deliver good ventilation in order to reduce the risk of transmission of the virus. The Ventilation Group developed and published guidance for individuals and businesses which was published on NIDirect and NIBusinessinfo respectively.

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- **Advice to Executive**

The COVID-19 Strategy & Recovery team provided timely advice and proposals on COVID-19 matters to support the Executive and ensure decision-making was proportional and based on the latest medical and scientific evidence.

- **Pathway Out of Restrictions**

On 2 March 2021, the Executive published the Pathway out of Restrictions. The Pathway set out a four-week review process and key indicators including economic, social and health data which would inform the stage at which relaxations to restrictions could be delivered. Ahead of each four-week review by the Executive, the Cross Departmental Working Group (CDWG) agreed departmental proposals for possible relaxations and potential knock on consequences which would require consideration.

The regular discussions and reviews undertaken ensured that any restrictions put in place were only retained as long as was necessary and where possible, alternative arrangements and appropriate mitigations were considered and deployed in order to allow sectors to open as soon as conditions allowed. Guidance for the public was developed alongside the decisions to relax the measures in place to control the spread of COVID-19.

As part of this, TEO, in conjunction with other departments, the PSNI, Local Government and the Irish Football Association, carried out a Logistical and Operational Learning Event at Mourneview Football Park in Lurgan on 21 May 2021. This was an outdoor sporting event involving 1,000 spectators to enable logistical and operational learning to inform the future safe return of spectators to large scale venues. The report produced from the event provided a number of recommendations on the safer running of large outdoor events.

- **Autumn Winter Plan publication**

The Executive agreed the Autumn Winter COVID-19 Contingency Plan on 7 October 2021 setting out the options the Executive had at its disposal in the event of rising cases numbers or unsustainable pressures on hospitals. Extensive engagement took place with the arts, entertainment and hospitality sectors.

- **Sectoral Engagement**

Throughout the pandemic there has been extensive engagement by the COVID-19 Taskforce with a number of sectors, including hospitality, retail, business, events and faith groups. For example, the Taskforce held eight engagement sessions with a range of sectors, including hospitality and arts, in the week before mandatory COVID-19 Status Certification was introduced. These sessions were followed up with further sectoral engagement on 2 December 2021, when feedback on practical implementation was received. In addition, on 9 December, Junior Ministers met with the sectors to discuss wider COVID-19 related issues and the emergence of Omicron, as well as thanking them for their support and engagement to date. Six further engagement sessions were held with the hospitality sector between 10 and 23 December 2021 to discuss emerging operational issues, enforcement and funding.

- **Four Nations Engagement**

Weekly engagement with the UK Government's COVID-19 Taskforce and the Scottish and Welsh governments continued to support the Executive's COVID-19 response,

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building best practice and ensuring alignment, where practicable, across the four nations on key areas such as the Pathway out of Restrictions in early 2021 and Autumn Winter planning.

At Ministerial level, the COVID-19 Recovery & Strategy team supported the First Minister and deputy First Minister in their weekly engagements with the UK Government's Michael Gove MP, firstly as the Chancellor of the Duchy of Lancaster and lately as Minister for Levelling UP and Communities.

- **Direct Engagement with Citizens**

During the year there has been ongoing engagement with citizens via case work assigned to the COVID-19 Strategy and Recovery Division. Internal tracking indicates that the Division dealt with 220 items of correspondence received directly from members of the public. For 2022-23 case work tracking will continue as a way to monitor services provided.

2. Recovery Taskforce

The 'Building Forward: Consolidated COVID-19 Recovery Plan' was agreed by the Executive on 29 July 2021 and subsequently published on 2 August 2021. The Executive Office worked with all departments to develop an integrated COVID-19 Recovery Plan which contains 83 high level interventions to be progressed over 24 months to inform priorities to deliver societal, economic and health recovery under four strategic Recovery Accelerators: sustainable economic development; green growth and sustainability; tackling inequalities; and health of the population.

The Recovery Plan was designed in the context of the draft PfG Outcomes Framework and it is anticipated that the work streams contained within the Recovery Plan may help to inform the basis of some key strategic areas in any new PfG.

In September 2021, the COVID-19 Recovery Taskforce was established to support the implementation of the Recovery Plan through collaborative effort at strategic level. Its focus is to help shape priorities and themes and to retain an ongoing focus on delivering outcomes for the people who live here. Since its inception, the Taskforce has met on 5 occasions and provided progress reports to the Executive's COVID-19 Taskforce and the TEO Committee. Owing to political circumstances it was not possible to report to the Executive before the end of the mandate.

A key focus for the year ahead will be to monitor and report on the progress of the Recovery Plan, using Outcomes Based Accountability (OBA) and to align with departmental business planning cycles in order to mitigate against duplication of work. At the end of March 2022, 80 interventions in the Recovery Plan have reported progress or activity. Continued delivery of the Recovery Plan in 2022-23 will be subject to funding considerations within departments.

The Office of the Legislative Counsel

The Office of the Legislative Counsel (OLC) has the core function of drafting Assembly Bills to deliver the Executive's Legislative Programme, which is closely aligned to the Programme for Government. OLC also provides input to Westminster Bills that extend to Northern Ireland, to ensure that they operate properly in the domestic legal context.

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An impressive number of Executive Bills, all drafted by OLC, has been passed by the Assembly over the reporting year (including in the exceptionally busy period towards the end of the 2017/22 Mandate). Aside from Budget Bills, Bills cover a huge variety of subject areas across the whole breadth of policy portfolios in Northern Ireland. OLC has throughout collaborated with colleagues within the Civil Service to ensure the preparation of Bills of high quality for Departments and Ministers. OLC has also been engaged by Departments on many Private Members Bills, as workable legislation is the desirable outcome of these too. The substantial nature and range of Bills of different kinds and topics, ultimately affecting the people of Northern Ireland, is evident from the legislation pages on the Assembly's website: <http://www.niassembly.gov.uk/assembly-business/legislation/>.

OLC has a wider legislative stewardship role beyond drafting Bills, for the purpose of supporting the rule of law and in striving for effective law making in Northern Ireland. OLC has delivered a significant amount of training on drafting and legislative matters, including on EU and Brexit implications, to colleagues within the Civil Service during the reporting year. OLC (along with Statutory Publications colleagues) has also assisted Departments, particularly by way of specialist advice on legislative and technical issues, on various Statutory Rules going before the Assembly.

The Statutory Publications Office (SPO) is part of OLC's Division. SPO, in conjunction with the National Archives, is responsible for keeping the Statute Book up to date by ensuring that the statute law of Northern Ireland is freely accessible. This work is an important aspect of the wider legislative process, as the ability of the people of Northern Ireland to access legislation as it affects them is a key element of the rule of law. The updating during the reporting year has involved the application of changes to countless pieces of primary and secondary legislation for Northern Ireland, covering most subject areas (including in relation to Brexit and COVID-19), on the Legislation.gov website: www.legislation.gov.uk.

Infrastructure and Racial Equality Division

Ebrington

The Department is responsible for all aspects of the Ebrington Site. The regeneration of the site has, and will continue to, lever private sector investment and provide new jobs delivering economic and social benefits to the region.

To regenerate the site, TEO continues to focus on five main strategic elements:

- Resource projects - maintain and secure the Site pending its transfer to DCSDC;
- Capital projects - delivering and progressing a range of separate build and civil engineering projects to enable and maintain private sector investment on the Site and protect the existing listed buildings;
- Progressing the legal arrangements to allow the delivery of a number of projects on the site. Managing the delivery of development agreements for uses on the site for all buildings including the Grade A office building, the hotel and the Maritime Museum; and

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- In line with Ministers' wishes, Officials continue to work to transfer the site to Derry City and Strabane District Council in due course.

Maze/Long Kesh

At the Maze/Long Kesh site, the Maze/Long Kesh Development Corporation (MLKDC) has continued to support the Royal Ulster Agricultural Society (RUAS) in the development of its exhibition and events facility with two additional buildings on the RUAS site. The Balmoral Show returned with success in September 2021. MLKDC has also undertaken preparatory surveys to support the future development of Conservation Management Plans for the Listed and Retained Buildings, which include both the former prison and the WW2 hangars. A substantial project of Health and Safety restoration work has continued on the WW2 hangars, which house the Ulster Aviation Society (UAS) collection of heritage aircraft. A range of minor works were undertaken to improve the security of the site.

MLKDC continues to support and enable the Air Ambulance Northern Ireland (AANI), which became operational from the MLKDC site in July 2017. AANI is the local charity providing Helicopter Emergency Medical Service (HEMS) for Northern Ireland, together with partners at the Department of Health/Northern Ireland Ambulance Service (NIAS), which provide the HEMS Paramedics, Doctors, medical supplies and a rapid response vehicle. By the end of March 2022 the AANI had been tasked over 2,700 times, providing critical pre-hospital care at trauma incidents across Northern Ireland, saving lives and reducing disability.

TEO continues to support the effective governance of MLKDC through grant in aid funding.

There is currently no agreement on the way forward with the site. The MLKDC Business Plan objectives for 2021-22 were set to enable MLKDC to fulfil its current remit, as defined by TEO. These objectives are as follows:

- *To identify and explore possible options that could help to maximise the economic, historical and reconciliation potential of the site and inform the development of a regeneration strategy, in line with the MLKDC Board's vision and concept.*
- *To fulfil MLKDC's statutory and landowner responsibilities in relation to Health and Safety, estate management and the protection of the listed and retained buildings, and scheduled monuments, taking account of requirements relating to public access.*
- *To honour MLKDC's agreements with its tenants and occupiers, supporting and facilitating them, as appropriate, in their activities and future planning.*
- *To ensure MLKDC fulfils its corporate responsibilities with good governance, propriety and regularity.*

Strategic Investment Board

During 2021-22, SIB's first priority was to support the delivery of the outcomes set out in the Outcomes Delivery Plan. As in previous years, SIB has provided assistance to every government Department and to a range of other customers, including agencies, arms-length bodies, city and local councils.

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Highlights of SIB's work in 2021-22 include its contribution to:

- Ongoing support for the NICS and District Councils in responding to COVID-19, including working in the NI Co-ordination Hub, and providing expertise for data analytics in support of the Health Service;
- Supporting DAERA to develop the Green Growth Programme;
- Advising NI Water on hydrogen projects;
- Supporting the Project Stratum (Ultrafast Broadband) investment that will help enable the development and growth of IT and knowledge-based businesses, particularly in rural areas;
- Delivery of the High Street Support Scheme;
- Developing the new Investment Strategy and managing the public consultation; and
- Supporting the development of business cases and other studies to help progress both the Derry City and Strabane District Council City and Growth Deals, and the Belfast Region City Deal.

With support from its partners SIB also:

- Delivered over 12,828 person weeks of employment to 430 people through the 'Buy Social Initiative', giving school leavers, long term unemployed and disadvantaged citizens opportunities to gain work experience and learn skills that increase their employability;
- Provided over 2,475 days of support on 136 assignments to departments and councils through the deployment of staff from the Strategic Support Unit;
- Managed £290m of loans of Financial Transactions Capital, including facilitating a further £21 million loan in 2021-22 to the support the University of Ulster's Greater Belfast Development; and
- Obtained £18.5m additional funding through successful applications to the Levelling Up Fund.

SIB's priority work for the year 2022-23 will be:

- To support government departments in the development of infrastructure investment proposals;
- To lead the development of the Executive's medium-term Infrastructure Investment Plan;
- To support the development of the Executive's medium-term financial plan;

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- To establish and support the implementation of new arrangements for the oversight and governance of the delivery of the Investment Strategy;
- To create a new SIB team to improve coordination between government departments and councils in the delivery of regeneration programmes and projects;
- To continue to deliver, to time and budget, the programmes, projects and assignments that we lead and support;
- To respond positively to requests for additional support for the delivery of the Green Growth Action Plan;
- To support the development of a new regional waste management strategy and promote the circular economy;
- To support the development of new models for social housing;
- To implement fully a new leadership structure for SIB that will meet the needs of the organisation in the coming years; and
- To manage the transfer of responsibilities for Asset Management, Energy Management and Social Value from SIB to the NICS.

Social Investment Fund (SIF)

TEO is delivering SIF on behalf of the Executive to help address issues associated with deprivation including poverty, unemployment and physical dereliction in deprived areas. The programme is in the final stages of delivery, with 65 projects approved and funding committed across the nine Social Investment Fund zones. The 46 capital projects are making improvements to 106 premises and the 19 revenue projects are focused on employment/education and early intervention including mental health, capacity building, and social economy support. 63 projects, 44 capital (104 premises) and all 19 revenue have completed. The remaining 2 capital projects are in construction and are expected to be completed shortly.

As a result of COVID-19, delivery timeframes have extended on the final 2 committed capital projects into the 2022-23 financial year, also delaying the programme's post project evaluation (PPE). The construction defects periods and full programme PPE will be completed in 2022-23 essentially bringing the programme to completion. Monitoring on completed projects will continue three years post construction.

Spend to date totals £85.5m which includes completed and operational revenue and capital projects. Capital spend to date is £45.7m and Revenue spend to date is £39.8m.

COVID-19 has also affected the delivery of services in SIF funded premises and SIF continue to work with statisticians and groups to monitor and minimise this effect.

Over 58,000 people have benefitted from the range of revenue projects to date: this includes over 6,000 through employment/training projects; over 29,800 through early intervention projects and over 22,000 through projects focused on education, with 99% of participants

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reporting that the projects helped them. Additionally, to date 377,000 people have availed of the services on offer in operational capital builds. This has benefited 303 organisations and over 8,500 volunteers with 94% of users reporting the programmes have benefited them. These figures will continue to increase during the capital project monitoring phase.

Racial Equality

The Racial Equality Strategy is a framework for government departments (and others) to tackle racial inequalities, to eradicate racism and hate crime to promote good race relations and social cohesion. The Racial Equality Subgroup is an independent panel that gives minority ethnic communities a voice in implementing the Racial Equality Strategy and the work of Government generally. Over £1 million was distributed through the Minority Ethnic Development Fund to assist minority ethnic and local community organisations to promote good relations between people of different ethnic backgrounds, and the competition launched earlier as per a recommendation from a recent review of the Fund. Another main recommendation was for a 3 year fund, and the competition for the 22-25 Fund launched in December 2021 and completed in March 2022.

The Red Cross was appointed to administer the Crisis Fund for 2021-22, with an increased budget of just over £200k. The Crisis Fund provides support to the most vulnerable minority ethnic individuals in emergency situations and helps them avoid destitution.

The Racial Equality Legislation Team within TEO has conducted a review of the Race Relations Order 1997 (The Order) in line with the commitment made in the Racial Equality Strategy 2015-25. The overall objective of this work stream is to undertake a review of the Order to assess the extent that it aligns with the approach in Great Britain and the Republic of Ireland.

Strategic Planning and Social Change

The Executive's Delivering Social Change Programme aimed to deliver the following two outcomes:

- a sustained reduction in poverty and associated issues, across all ages; and
- an improvement in children's and young people's health, wellbeing and life opportunities thereby breaking the long-term cycle of multi-generational problems.

Six initial Signature Programmes (£27m) which sought to tackle key issues being faced by parents, children and families were completed during 2015. A further three Signature Programmes were developed, focusing on dementia (£12.3m), shared education (£25m) and early intervention (£25m) TEO and Atlantic Philanthropies each committed to contribute 40% of the overall cost of each of these four programmes, and the other 20% for each has been provided by the relevant lead department or through cross-departmental funding in the case of the Early Intervention Transformation Programme (EITP).

These programmes are now largely complete. The Shared Education Programme which aimed to increase the level of sharing in education and improve education and reconciliation

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outcomes, is largely completed but the final interventions have been delayed due to the closure of schools and other restrictions due to COVID-19.

Officials are currently working to gather and promulgate the lessons learned from the DSC programmes and exploring options for a further round of DSC programmes.

Tackling Paramilitary Activity, Criminality and Organised Crime

TEO is taking forward a commitment within the Executive Action Plan (Action B4) which provides that: *“The Executive should establish a fund to support ambitious initiatives aimed at building capacity in communities in transition, including through developing partnerships across civil society and across community divisions.”* The Department engaged a strategic partner to work with communities to develop bespoke transition plans to support communities in transition in the eight geographical areas identified as those most vulnerable to paramilitary activity and coercive control. The strategic partner led an engagement process with a broad range of community-based organisations and stakeholders to gather evidence to help inform the development of the plans, and to develop a series of projects that could be delivered within and by communities where possible.

A series of proposals for such projects were approved by the Tackling Paramilitarism, Criminality and Organised Crime Programme Board (TPCOCPB) in April 2019. Following approval by the TPCOCPB, TEO worked with the strategic partner to develop appropriate specifications to enable procurement of delivery partners to take forward projects in each area. During Phase 1 (December 2019-June 2021), 34 projects were delivered across the 8 Communities in Transition (CiT) areas and covered a variety of themes for intervention, such as community development, health and wellbeing, and community safety.

Community response to these opportunities was positive and progress saw the delivery and establishment of local community consortia that have delivered projects across community divisions. This progress was maintained throughout COVID-19 as officials worked closely with delivery partners to continue implementation of projects.

Phase 2 delivery of projects commenced in July 2021 and CiT currently have 28 projects in place covering issues including community safety, health and wellbeing, culture and identity, youth development, employability support and community capacity building. Regional Restorative Practice and Ex-Prisoner support has continued on from Phase 1 across all eight areas.

The projects encouraged and provided the opportunity to not only build the resilience of communities but to be a vehicle for collaborative working between delivery partners, the community and the PSNI, NIHE, EA, schools and other local stakeholders.

Historical Institutional Abuse - Implementation of the Hart Report

The Historical Institutional Abuse (Northern Ireland) Act 2019 came into force on 5 November 2019 and The Historical Institutional Abuse (Applications and Appeals) Rules (Northern Ireland) 2020 came into force on 31 March 2020. The Historical Institutional Abuse (Northern Ireland) Act 2019 (Commencement No. 1) Order (Northern Ireland) 2020 came into force on

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27 March 2020, commencing the provisions in Part 1 and Schedule 1 of the Act, i.e. the Redress Board.

The Historical Institutional Abuse Redress Board became fully operational on 31 March 2020 and its primary function is to receive, process and make determinations of awards of compensation to applicants who were victims and survivors of historical institutional abuse in accordance with the governing legislation. The compensation award levels are from £10,000 to £80,000; for those children who were part of the Child Migrants Programme and who were sent from here to Australia under that UK-wide Programme, a further £20,000 is available.

The Commissioner for Survivors of Institutional Childhood Abuse (COSICA) laid its Annual Report and Accounts for its first year of operation (2020/21) on 25 March 2022.

The HIA Support Service administered by the Victims and Survivors Service, dedicated to supporting the health and wellbeing of survivors of Historical Institutional Abuse was launched. Throughout 2021-22 TEO has provided £28.5k grant funding via the HIA Small Grant Scheme for Social Support to victims and survivors groups to aid their provision of low level social support. The scheme closed on 31 March 2022 as such funding is now provided by the VSS HIA Support Service.

The Interdepartmental Working Group on Mother and Baby Homes and Magdalene Laundries and Historical Clerical Child Abuse (IDWG) met 4 times in 2021-22. During this period, it took receipt of the Truth Recovery Design Panel Report on Mother and Baby Institutions, Magdalene Laundries and Workhouses and secured Executive agreement on a way forward for the Report's recommendations. In addition, work has progressed on the Historical Clerical Child Abuse review project led by a small review team from the HSC Leadership Centre. The Terms of Reference for the review were approved in August 2021 and the review is scheduled to formally commence in 2022.

On 11 March 2022 five of the Executive Ministers delivered an apology on behalf of the State to victims and survivors of Historical Institutional Abuse. In addition, six of the institutions found to have had systemic failings by the HIA Inquiry also delivered apologies on behalf of these institutions. The apology was one of the remaining, outstanding recommendations of the HIAI Report to be implemented.

The Victims' Payment Scheme for Permanent Disablement

Under Section 10 of the Northern Ireland (Executive Formation etc.) Act 2019, the UK Government was required to bring forward legislation providing for a scheme of payments to those living with injuries sustained in Troubles/Conflict-related incidents by 31 January 2020 and for that legislation to come into force by the end of May 2020. The Scheme established by these Regulations is designated as the 'Troubles Permanent Disablement Payment Scheme' and set up as the 'Victims' Payment Scheme for Permanent Disablement' within TEO. Consultation on the Scheme, and drafting of the Regulations, were matters for the NIO.

The purpose of the Scheme, as set down by the NIO, is to provide those living with permanent disablement (either physical or psychological) caused by injury through no fault of their own in a Troubles-related incident, with payments primarily in acknowledgement of the acute harm which they have suffered.

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It will also provide a measure of recognition of the implications of living with a disablement caused by a serious Troubles-related injury and the associated impact of such disablement on carers (who are often family members) and recognition that in many cases coping with disablement caused by the serious injury had an adverse financial impact on individuals and their families.

As provided for in the Regulations, an independent Victims' Payments Board (VPB) has been established to oversee the Scheme and consider all applications. TEO designated the Department of Justice (DoJ) to exercise the administrative functions of the Board on the Board's behalf on 24 August 2020. An online system to receive applications to the Scheme has also been developed, alongside the appointment, by the DoJ, of an assessment service provider; and accommodation secured for staff who will be delivering the Scheme.

The Scheme opened for applications at 12 noon on Tuesday 31 August 2021. The Scheme application forms have also been published on the VPB website along with relevant guidance notes. However, TEO remains responsible for the overall sponsorship and governance of the Scheme and sponsorship of the VPB. Issues relating to operation of the Scheme fall under statute within the responsibility of the VPB.

Help and advice on making an application to the scheme is available to victims and survivors. Funding has been provided to a number of Victims and Survivors organisations by TEO to help applicants, and to manage the anticipated demand for support and advice. This includes funding to provide additional welfare staff and additional administrative support in VSS funded organisations.

T:BUC and Good Relations Division

The Division is responsible for good relations strategy and delivery. The work can be divided into T:BUC Strategy; wider good relations; and PEACE funding.

T:BUC Headline Actions

TEO oversees the allocation and monitoring of £12m Executive Good Relations Funding for delivery of the T:BUC Strategy. This funding facilitates delivery of the T:BUC Headline Actions, Central Good Relations Fund and an element of the District Council Good Relations Programme. There are seven Headline Actions:

- (i) The Uniting Communities through Sport and Creativity Programme, delivered by DfC (Department for Communities), was rolled out to the new areas in South Belfast and Lurgan/Portadown. Uniting Communities also includes Young Leaders Training and Ambassadors and this year supported 21 projects through the T:BUC Uniting Opportunities grant scheme. In total, over 1,000 young people aged 11-24 have participated in the programme with the aim of promoting good relations and reconciliation through sport and creativity.
- (ii) The Department for Economy's Peace4Youth programme, delivered by the Special EU Programmes Body (SEUPB), is an integrated programme which supports disadvantaged and marginalised young people aged 14 – 24, to develop their

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employability and improve their life chances. 11 lead projects have delivered programmes under Peace4Youth across NI and the Border Counties of Ireland, to over 7,000 participants. An independent evaluation of Phase 2 (October 2020) was highly positive. Of the participants surveyed, 87% achieved at least one qualification in areas such as personal development, good relations, citizenship and essential skills and 79% of young people indicated that they intended to progress to areas such as education, training, employment or voluntary/community work.

- (iii) Under the Shared Education Campus Programme (SECP) four shared projects involving Controlled and Maintained schools are progressing. Construction is currently ongoing within the Limavady Shared Campus, while progress continues to be made across the other three projects in Ballycastle, Moy and Brookeborough. The Department of Education (DE) is currently considering options on how to progress successful 3rd call Shared Campus projects.
- (iv) The target in the T:BUC strategy of building 10 Shared Neighbourhood developments has now been achieved, providing 483 new homes. Focus has now shifted to developing and delivering a five-year Good Relations Plan in each of the shared neighbourhoods. The delivery through T:BUC has also acted as a catalyst for further shared neighbourhoods and DfC is supporting the delivery of a further 1,245 Housing for All homes across 48 shared neighbourhoods. In total, the Shared Housing Programme is now supporting 1,728 homes across 58 shared neighbourhoods.
- (v) Department of Justice (DoJ) and partners continue to engage with communities in Belfast, Portadown/Lurgan and Derry-Londonderry through the Interfaces Programme. The number of interface security structures has been reduced from 59 to 42.
- (vi) The Urban Villages Initiative has continued to deliver a range of community led revenue, cross-cutting/strategic and capital projects during 2021-22. In partnership with local communities, Urban Villages has now delivered 1,191 events with more than one million attendees, 2,362 training courses and 2,013 workshops. Up to £100m is also being invested in a diverse range of capital build proposals brought forward by communities to develop thriving spaces within the five Urban Village areas.

The Urban Villages Initiative is an important good relations programme leading to positive good relations outcomes. For example, 80% of participants feel more favourable towards people from a different background, 88% of respondents are more likely to take part in shared groups/activities with people from a different background, and 88% of respondents feel more strongly that the culture and traditions of different backgrounds adds to the richness and diversity of society.

Over the past year £1.4m has been invested in 38 community led projects, with a further £1m supporting 19 cross cutting projects including collaborative projects with the Department of Education (DE) and Public Health Agency, to address educational underachievement and COVID-19 recovery.

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During 2021-22, the Urban Villages Initiative has supported the Recovering Communities/ Connecting Communities programme in partnership with the Public Health Agency. This pilot cross cutting capacity building programme has been developed as a response to COVID-19 and supports community groups across Belfast and Derry-Londonderry to deliver activities which brings the wider community together to shape recovery from the pandemic.

Urban Villages has formed a collaborative relationship with the Department of Education in the implementation of the Fair Start – Final Report & Action Plan on educational underachievement. This has resulted in an additional £200,000 being channelled through Urban Village projects to facilitate delivery across Belfast and Derry-Londonderry. Activities include additional delivery into the resilience educational programmes, homework clubs, reading rooms, speech and language; and training provision for key stakeholders i.e. schools, youth clubs.

The process for identifying community led projects for 2022-23 has now closed with 37 successful projects. A number of cross-cutting projects will also continue into 2022-23, involving partnerships with central and local government and other stakeholders to support schools, employability, tourism and heritage, capacity building and health and well-being projects.

72 capital projects comprising community facilities, parks and public realm are progressing through the capital development lifecycle with 48 now complete. £24m, including £5m of partnership funding, has been invested in capital projects in Urban Village areas so far. In 2021-22 funding commitments have been issued for 8 projects, including 3 major parks, Marrowbone Millennium Park, Ballysillan Playing Fields and Pitt Park, totalling a further over £23m of investment including £8m of partnership funding. During this year, seven capital business cases and four business case addendums have also been approved.

This year, a further 3 projects have been completed including Ballysillan Park Upper Crumlin Road, Cathedral Youth Club and Crumlin Road/ Ligoniel Road. Works have also commenced on Colin Valley Football Club, Newgate Arts and Cultural Centre, ProKick gym and the Colin Health Living Centre. Planning applications have been submitted for Ballysillan Playing Fields, Gasyard Heritage and Exhibition Centre and the Newgate Arts and Cultural Centre.

Through this combination of community, cross-cutting and capital projects the Urban Villages initiative has made good progress in building good relations by fostering positive community identities, building community capacity and improving the physical environment.

- (vii) The T:BUC Camps Programme provides young people from all backgrounds with opportunities to increase understanding and form new friendships. 111 camps were successfully delivered (against a target of 100) in 2021-22, using innovative alternative methods to deliver Camps during the pandemic. In 2021-22, 33 young people were selected to take part in the T:BUC Camps Good Relations Ambassadors Programme. It provides opportunities for experiential learning and

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development, and seeks to provide a legacy not only for the young people, but for the T:BUC Strategy and local communities. The Ambassadors continue to work collaboratively with Ambassadors from the Department for Communities (DfC) Uniting Communities Programme.

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They key findings from the evaluation of the 2020/21 T:BUC Camps Programme are set out in the infographic below:



T:BUC CAMPS PROGRAMME OUTCOMES 2020/2021

The T:BUC Camps Programme is one of the seven headline actions of the T:BUC Strategy. The Education Authority (EA) act as Programme Administrator for the T:BUC Camps Programme on behalf of the Executive Office (TEO). Good Relations learning is at the heart of every T:BUC Camp. It provides opportunities for young people aged 11 to 19 from all backgrounds to come together, try new experiences, have fun, and build longer term relationships

HOW MUCH DID WE DO?



1,579 young people participated in T:BUC Camps in 2020/2021



75 camps successfully completed

HOW WELL DID WE DO IT?

94% of the respondents stated they had made new friends with someone from a different religious/community background

93% of participants reported personal benefit from their experience in the Camps including increased confidence and learning new skills.

IS ANYONE BETTER OFF?

90% of participants feel open to making new friends from different religious backgrounds

85% of participants agree that the culture and traditions of different backgrounds add to the richness and diversity of communities

WHAT ARE PEOPLE SAYING?

I wouldn't have had any Catholic friends before this and now I get along with them

T:BUC Camps changed my views on Protestants. I feel like I could now go into protestant areas to meet up with the people I've met.

It helped me understand that we all may be different, but we are all going through this pandemic together.



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Northern Ireland Executive
www.northernireland.gov.uk



Department of Education



Education Authority

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Wider Good Relations

In addition to the T:BUC Programme, TEO leads a range of wider Good Relations initiatives including a FICT Working Group chaired by Junior Ministers to oversee the publication of the Report of the Commission on Flags, Identity, Culture and Tradition (FICT) on 1 December 2021 and delivery of £10m worth of good relations projects through the Central Good Relations Fund (£3m of the Executive's £12m Good Relations Funding), District Council Good Relations Programme (£3m TEO plus £1m from Councils), Planned Interventions Programme and the budget for CRC (totalling circa £7m of TEO baseline funding). Further information on the Central, District Council and the Planned Interventions programmes is set out in the following infographics.

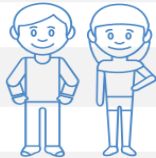
Further information on the Northern Ireland Community Relations Council is set out in the Entities outside the Accounting Boundary section below.



CENTRAL GOOD RELATIONS FUND OUTCOMES 2020/2021

The Central Good Relations Fund (CGRF) supports constituted community and voluntary sector groups to deliver good relations projects which contribute towards the delivery of one of the Together: Building a United Community (T:BUC) Strategy key priorities. CGRF project funding opens for applications once a year (more than £1,500), and small grants of up to £1,500 are available throughout the funding year.

HOW MUCH DID WE DO?



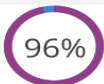
£3.2 million in funding

Impacting positively on approximately 30,000 people.

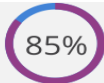
103 Good Relations projects funded



HOW WELL DID WE DO IT?



96% of the respondents felt the CGRF programme played a positive role in bringing people from different backgrounds together



85% of participants recorded a positive attitudinal change having taken part in a CGRF programme

IS ANYONE BETTER OFF?



93% felt their knowledge of cultural traditions and backgrounds increased as a result of participation in a CGRF event



90% felt their attitude towards people from a different religious background improved after participation in a CGRF event

WHAT ARE PEOPLE SAYING?

This has made me a little nicer and it was really fun

Just because we are different it doesn't mean we can't get along. There will always be things in common.

I learned a lot about diversity in our country and I have more understanding of the different cultures and groups living here



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DISTRICT COUNCIL GOOD RELATIONS PROGRAMME 2020/2021

The District Council Good Relations Programme (DCGRP), is delivered as part of the Executive's wider 'Together: Building a United Community (T:BUC)' Strategy. The key aims of the programme are to improve relations between and within District Council areas and to support local solutions to local good relations issues.

HOW MUCH DID WE DO?



132 Projects Funded across 11 council areas

100,000+ direct and indirect participants

£4m in funding from The Executive Office and District Councils



HOW WELL DID WE DO IT?



Projects addressed all T:BUC key aims including Our Children and Young People, Our Cultural Expression, Our Shared Community and Our Safe Community

100%

of participants report their attitudes towards people from a different background were either maintained or improved

IS ANYONE BETTER OFF?

99%

of participants feel this programme has played a positive role in bringing people from different backgrounds together

87%

of participants felt their knowledge of cultural traditions/backgrounds has increased

WHAT ARE PEOPLE SAYING?

This programme enriched my knowledge of a living history and reinforced the importance of using this knowledge to move forward

I feel this course helped me reflect on, and question some of the ideas and feelings about my own culture, and that of other people here.

We share a common background and history, we have the same characteristics within us and are woven from the same cloth.



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PLANNED INTERVENTIONS PROGRAMME OUTCOMES 2021/2022

The Planned Interventions Programme seeks to provide young people from all backgrounds with alternative activities at times of heightened tension and reduce levels of anti-social behaviour. It is delivered in partnership with EA and DE as part of the wider T:BUC Strategy.

HOW MUCH DID WE DO?



1,300 young people engaged in PIP during July and August 2021

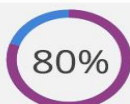


108 diversionary projects were funded

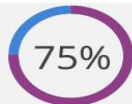
£400,000 in funding provided to groups to deliver projects



HOW WELL DID WE DO IT?



80% of young people felt more favourable people towards people from a different religious/community background



75% of young people felt more favourable towards people from a different ethnic background.

IS ANYONE BETTER OFF?



96% of young people said due to the impact of their projects, there were less likely to be involved in negative behaviour.



95% of participants indicated increased confidence and increased skills after participation.

WHAT ARE PEOPLE SAYING?

The programme was good and insightful. I learned a lot from taking part in it. I hope that going forward I can make better decisions

I realize how my actions within the community can impact on my family & friends but also affect my employment & travel plans in the future

They began to see that their behaviour has consequences on themselves and on the community. Sometimes that can enforce fears that people may hold



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PEACE IV and PEACE Plus

TEO is the Accountable Department for actions under three of the four main objectives of the **PEACE IV** Programme, totalling of €110M with €13M of match funding.

Through the PEACE IV's Shared Spaces and Services objective, 17 local initiatives have been supported to improve shared use of public areas/buildings. Projects delivered under the Children and Young People objective aimed to support at least 21,000 participants aged 0-24 years to develop their soft skills and a respect for diversity. Under Building Positive Relations objective projects are being delivered to ensure that there is purposeful contact between persons from different communities, and border counties

Throughout the year steady progress has been made in delivery of all three objectives and, at 31 March 2022, 10 councils have completed delivery, seven in NI and three in the border counties of Ireland. The remaining Local Authority Action Plans are expected to be completed by 2023. Around 22,490 children and young people have engaged in programme activity under the Children and Young People's strand exceeding the target.

Key highlights from PEACE IV included the completion of enhancements to Belfast City Council's Forth Meadow Community Greenway project; Derry City & Strabane District Council's 'Castlederg Animation of Shared Spaced' project; Fermanagh and Omagh District Council's Youth Focused Shared Space Programme; and Newry, Mourne and Down's re-creation of a 1914 Armstrong Hut from Ballykinlar Camp at Down County Museum.

A further €30.3m has been allocated to community groups to support 21 projects under the Building Positive Relations at a regional level. Again steady progress on delivery is being made with 15 projects complete and three due to complete shortly. By February 2022 circa 95,215 participated in these projects, with 11 of the completed projects having fully met or exceeded their participation targets.

During the year TEO continued to support SEUPB in the development of the £1 billion **PEACE PLUS** programme which secured the approval of the Executive and Irish government in October 2021 and was submitted to the European Commission for approval in March 2022. Through the provision of advice on drafts of guidance material for future calls under PEACE PLUS the Department supported SEUPB to help facilitate the launch of the PEACE PLUS programme at the earliest possible point in 2022-23.

TEO officials continue to develop and promote an outcomes focus in all good relations programmes funded through TEO. During 2021-22, data collected in 2020-21 was analysed. Over 4,000 participants of TEO good relations projects responded and some key findings included:

- 79% increased their knowledge of other community backgrounds
- 60% of participants experienced a positive attitudinal change towards people from different cultural and religious backgrounds
- Around two thirds of participants indicated an increased likeliness to go to areas which are predominantly associated with different community backgrounds.

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Victims and Survivors

A Collaborative Design Programme was established to develop an improved victim-centred service delivery model to better meet the needs of all victims and survivors. The programme is led by the Executive Office together with the Victims and Survivors Service (VSS) and the Commission for Victims and Survivors (CVS). The outcome of this programme has been the implementation of a VSS Delivery Model which aims to provide better outcomes for victims while securing services for the future. The model, which came into effect from 3 April 2017, covered the 3 year period from 2017-2020 and ensured that support provided was victim-centred, simple to access and tailored to need. The model has been extended for a further four years to 2024. This further extension period will ensure that support and services are maintained for victims and survivors to meet their health and wellbeing needs and allow certainty and stability within the sector to continue whilst development of a new strategy and associated new delivery model is developed.

The collaborative design programme is currently focused on the development of a new Strategy for Victims and Survivors. In November 2019 the current Victims and Survivors Strategy 2009-2019 was extended under the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 for a further two years (with an option to extend for a further year) to ensure continued strategic cover for the delivery of services to victims and survivors. On 2 December 2021 Ministers approved an additional 18 month extension to the current Strategy to allow the new Victims and Survivors Strategy to be developed. It is anticipated that the new Strategy will be developed and ready for consultation by Summer 2022.

An independent evaluation of the current strategy was commissioned to help inform the development of the new Strategy. The evaluation which had been extended due to the limited ability of the evaluators to engage with the Sector due to COVID-19 restrictions has now been completed. Work is ongoing through the Collaborative Design Programme to take forward the findings and recommendations of the evaluation of the current strategy as well as consideration of areas for potential development in the new strategy.

The VSS Delivery Model was designed to sit alongside and complement the Victims PEACE IV funding and the development of an integrated Mental Trauma Service, now known as the Regional Trauma Network (RTN).

The establishment of a Regional Trauma Network (RTN), as announced by the then Minister for Health, Social Services and Public Safety (now Department of Health) in September 2015, aims to develop capacity to address unmet mental health needs. The RTN will provide an integrated range of services both from within the community and in clinical settings, dealing with a spectrum of severity and providing additional capacity to address the unmet need including those created by the conflict. It was hoped that Phase 1 of the service would be launched in 2020-21, however as Department of Health staff have been focussed on dealing with COVID-19 resources were not available to progress this in year. The Minister for Health made an announcement on 14 February 2022 instructing officials to resume work to establish the RTN. A collaborative design programme has commenced to plan for full implementation for the service, including referral pathways and overarching governance structures. Phase 1 is expected to commence in Autumn 2022.

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VSS is the single Lead Partner for the €17.6m (£13.4m) victims and survivors' element of the EU's PEACE IV Programme (Shared Spaces and Services). The project aims to enhance the capacity for the delivery of comprehensive shared services for victims and survivors in NI and the border region, for the first time in an all-inclusive and co-ordinated way. This includes a focus on improving the health and well-being of victims and survivors and their families through the development, implementation and co-ordination of new and innovative initiatives such as: a Health and Well-Being Caseworker Network; an Advocacy Support Programme; a Resilience Programme and work in the area of Research, Standards and Trauma Training. The Programme will complement the work being taken forward by others to deliver on commitments for victims and survivors, in particular the rollout and delivery of the RTN.

As a result of EU Exit and exchange rate changes, an additional €1.9m (£1.6m) became available to spend. The additional funding application was approved in January 2020 and extends the life of the project to December 2022.

The VSS Board met monthly, providing strategic direction to ensure that VSS continued to provide support for all victims and survivors in a coordinated, outcome focused and efficient manner.

VSS responded promptly to the COVID-19 crisis by ensuring much needed funds were available to groups and individuals at the earliest opportunity. The VSS was able to issue payments on 1 April, along with guidance to groups allowing them to diversify in order to help vulnerable clients deal with the COVID-19 restrictions. VSS staff have been working off-site and the central telephone line has remained open.

Commitments arising from the New Decade, New Approach Agreement

In early 2020, a new team was formed to put in place arrangements to enable the three Bills which were published alongside the New Decade, New Approach Agreement (the Agreement) on 9 January 2020 to be introduced to the Assembly.

The proposed Bills will amend the Northern Ireland Act 1998 to implement core elements of the Agreement's proposed rights, language and identity framework. The Agreement commits to their presentation to the Assembly for consideration within 3 months of restoration of the institutions. The team's work is ongoing to bring forward the Bills on a timely basis recognising the impact of the current COVID-19 crisis.

PERFORMANCE ANALYSIS

In the 2021-22 year, TEO used a range of methods of performance monitoring, such as financial reporting, balanced scorecards and departmental/divisional business plans (which outline the Department's key objectives), risk registers and assurance statements. Monitoring performance against key objectives was carried out by way of regular written updates with quantitative and qualitative analysis provided on progress where this information was available.

Going forward into 2022-23 TEO, in line with an outcomes focused PfG, will also take an increased focus on organisational outcomes on which performance can be regularly monitored through the use of organisational performance accountability measures.

FINANCIAL PERFORMANCE

Table 1: TEO Outturn against Estimate by Category of Spend

Table 1 provides a breakdown of the total outturn figure, as compared against Estimate, by category of expenditure.

2021-22	Estimate	Outturn	Underspend/ (Overspend)	
	£000s	£000s	£000s	%
Administration Costs	19,344	17,215	2,129	11.01%
Grants/Grant-in-Aid	75,262	94,770	(19,508)	(25.92%)
Other Current (including accruing resources)	466,479	145,212	321,267	68.87%
Total Resources	561,085	257,197	303,888	54.16%
Capital	5,905	5,639	266	4.50%
Departmental Total	566,990	262,836	304,154	53.64%

The Department's total Resource Outturn for the 2021-22 financial year was £257,197k against an Estimate of £561,085k. Total Capital Outturn for the 2021-22 financial year was £5,639k, against an Estimate of £5,905k.

The expenditure in relation to Grants/ Grant-in-Aid showed an overspend of 25.92%, while the bulk of the total underspend relates to Other Current expenditure (including accruing resources) in support of the Department's objectives. This category showed an underspend of £321,267k, representing 105.63% of the total underspend for the year. The majority of this underspend relates to the setting up of the provision to cover Compensation payments resulting from the outcomes of the Historical Institutional Abuse Inquiry. After work progressed by the Government Actuary's Department, a smaller provision than initially anticipated was posted for the HIA Scheme.

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Resource Outturn

Analysis of Resource Underspend by Request for Resource

Table 2: Summary of Resource Outturn by Request for Resource

Request for Resource (RfR)	Estimate	Outturn	Underspend/ (Overspend) £m/%	
	£000s	£000s	£000s	%
RfR A	561,085	257,197	303,888	54.16%
Departmental Total	561,085	257,197	303,888	54.16%

Request for Resources A (RfR A)

Driving investment and sustainable development; making people's lives better through support for equality, human rights and community relations; and the effective operation of the institutions of Government.

The net underspend against RfR A of £303,888k arose as a result of an Administration underspend of £2,129k; a Grants/ Grant in Aid overspend of £19,508k; and Other Current underspend of £321,267k.

This total underspend of £303,888k can be further analysed as follows:

- (i) Historical Institutional Abuse (HIA) estimate for the provision for HIA Redress Scheme reduced from £414,462k to £102,000k. This underspend relates to the outcome of a review of the scheme carried out in 2021-22 by Government Actuary's Department (GAD);
- (ii) Baseline salaries easements as a result of vacancies not being filled as planned across a number of branches;
- (iii) Presentational overspend of FTC Grant in Aid as a result of funding being included in the SSE Net Cash Requirement but incorrectly presented in Grant in Aid;
- (iv) Underspend in Victims payments redress compensation scheme due to a decrease in forecast determinations along with contract costs and managed services costs lower than anticipated; and
- (v) Underspend in a number of ring fenced funding areas such COVID-19; EU Exit and NI Protocol.

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Capital Outturn

Analysis of Capital Underspend by Request for Resource

Table 3: Summary of Capital Outturn by Request for Resource

Request for Resource (RfR)	Estimate	Outturn	Underspend/ (Overspend)	
	£000s	£000s	£000s	%
RfR A	5,905	5,639	266	4.50%
Departmental Total	5,905	5,639	266	4.50%

Request for Resources A (RfR A)

The Department had a total capital underspend against Estimate provision of £266k (4.50%) due mainly to minor underspends across a number of business areas.

Assets Valuation

TEO Land and Buildings are valued annually by Land and Property Services. In the 2021-22 financial year TEO impaired its land and buildings by £567k (Note 8) which was funded by Annually Managed Expenditure budget.

Net Cash Requirement

The net cash requirement for 2021-22 was £150,955k. This is £24,632k lower than the Spring Supplementary Estimates net cash requirement of £175,587k.

The reduction of £24,632k was mainly due to a reduced working capital requirement and lower than anticipated provision for Historical Institutional Abuse Scheme redress payments.

Forward Look Financial Position

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

Long Term Expenditure Trends

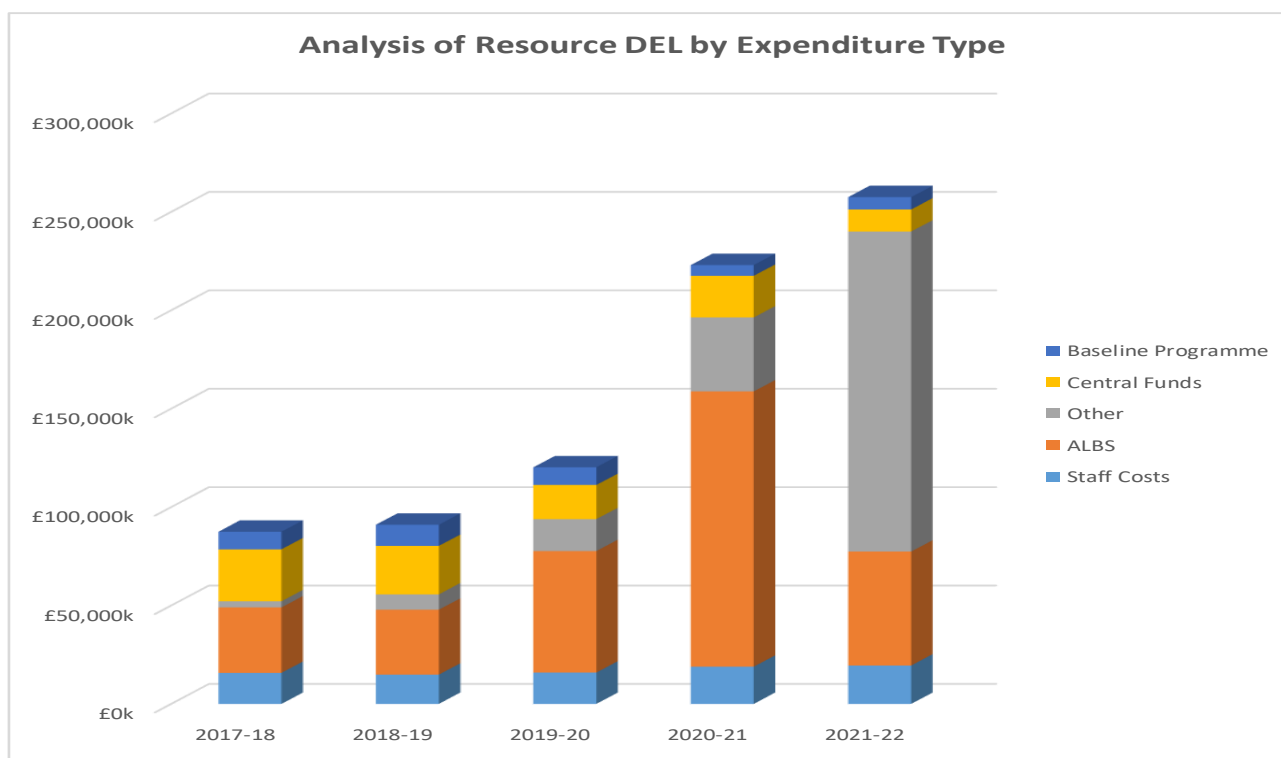
Total Departmental Spending	Outturn 2017-18 £000s	Outturn 2018-19 £000s	Outturn 2019-20 £000s	Outturn 2020-21 £000s	Outturn 2021-22 £000s
Resource DEL (including Non Budget)					
RfR A	87,474	91,029	120,214	222,975	257,197
Of Which					
Staff Costs	15,783	14,851	15,935	18,904	19,525
ALBS	33,252	33,034	61,739	139,891	57,910
Other	3,111	7,776	16,211	37,564	162,263
Central Funds (includes FS)	26,383	24,633	17,357	21,159	11,225
Baseline Programme	8,945	10,735	8,972	5,457	6,274
Total Resource DEL	87,474	91,029	120,214	222,975	257,197
Resource AME					
RfR A	3,696	3,400	(274)	1,149	102,602
Of Which:					
Diminution of Value of PPE	3,411	3,385	(325)	746	942
Provision for Bad Debt	-	-	-	-	-
Increase in Provision	285	15	51	403	101,660
Settlement of NICS Equal Pay Claims	-	-	-	-	-
Total resource AME	3,696	3,400	(274)	1,149	102,602
Of Which:					
Depreciation	507	425	428	503	472
Capital DEL					
RfR A	3,910	3,840	3,717	2,053	5,639
Of Which:					
Plant, Property and Equipment	3,909	3,803	3,441	1,704	5,576
Intangible Assets	1	38	276	349	63
Total Capital DEL	3,910	3,841	3,717	2,053	5,639
Capital AME					
RfR A	-	-	-	-	-
Of Which	-	-	-	-	-
Total Capital AME	-	-	-	-	-
Total Departmental Spending					
Of Which:					
Total DEL	91,384	94,869	123,931	225,028	262,836

The Executive Office

Total AME	3,696	3,400	(274)	1,149	102,602
Workings 1					
	2017-18	2018-19	2019-20	2020-21	2021-22
Central Funds - Salary costs	£'000	£'000	£'000	£'000	£'000
SIF	665	562	543	523	497
Childcare	-	-	-	-	-
DSC	121	18	-	24	-
Fresh Start	-	144	193	207	-
T:BUC	416	1,583	1,635	1,613	1,757
Total	1,202	2,307	2,371	2,367	2,254

Notes

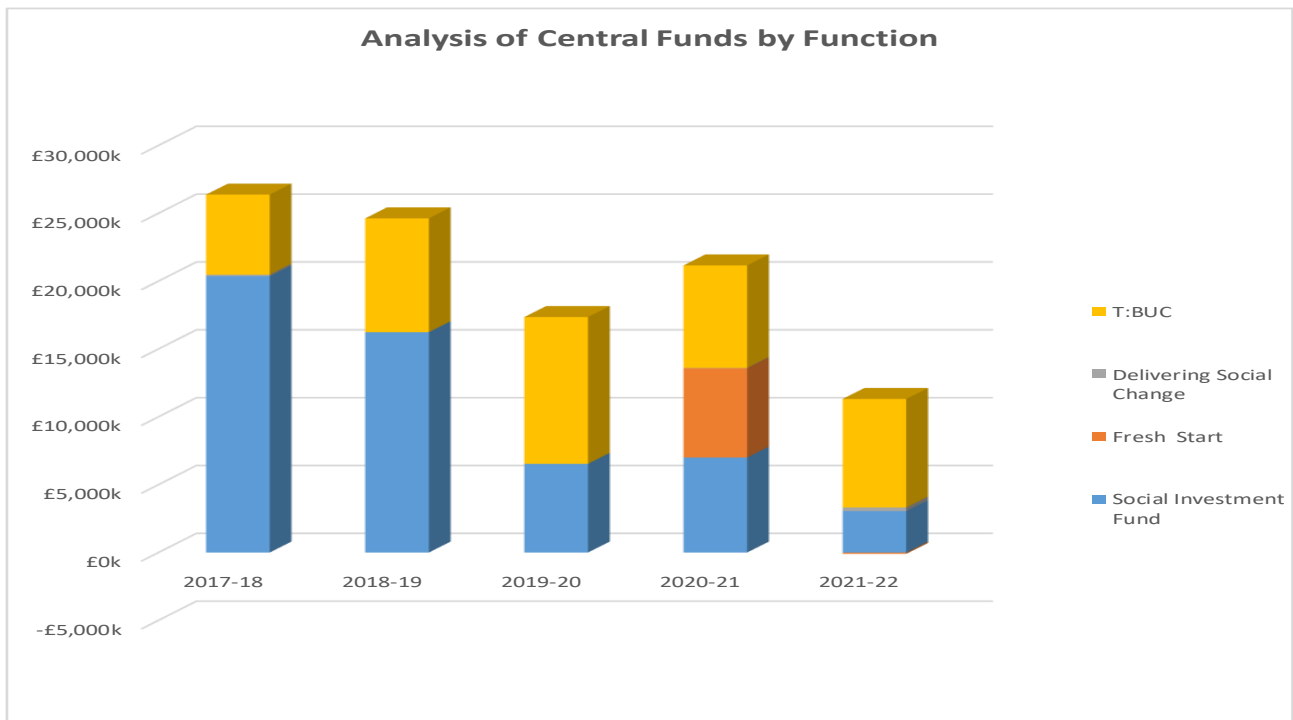
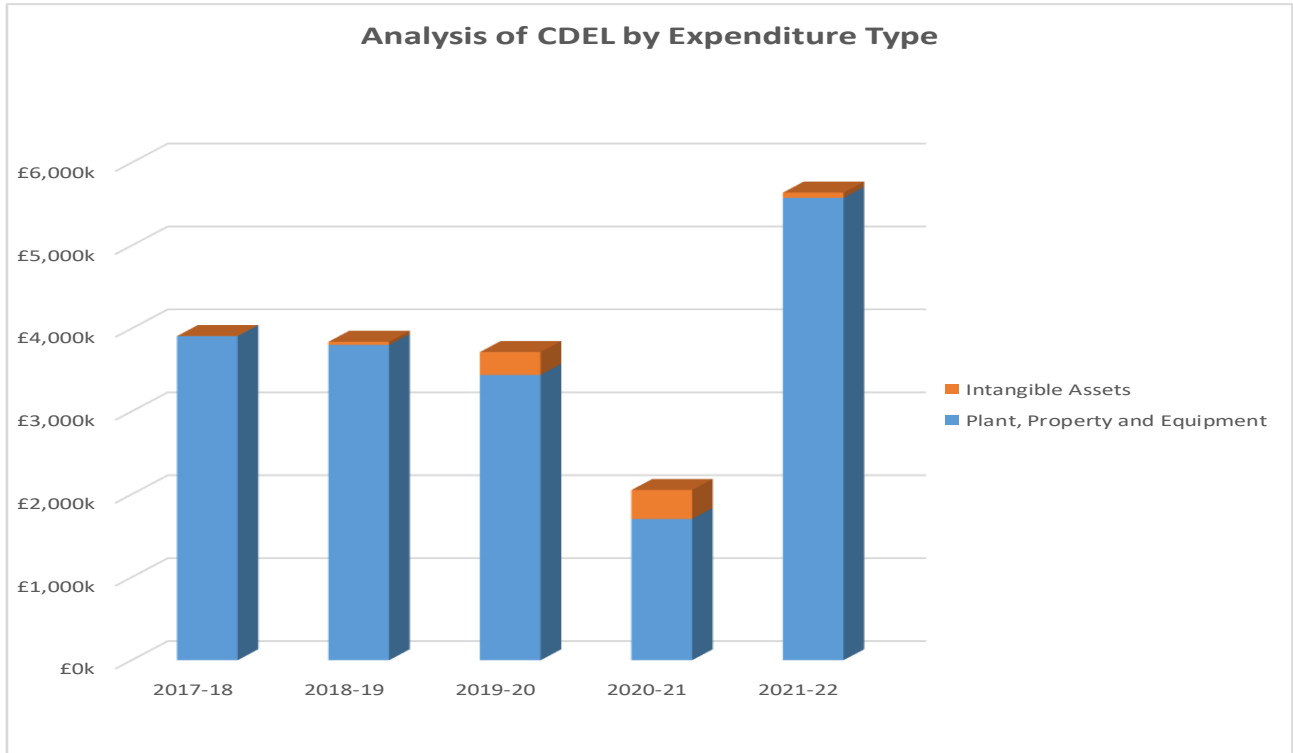
1. *FTC (£21m) is included in the 2021/22 figure*



Notes

1. *FTC (£21m) is included in the 2021/22 figure*

The Executive Office



NON-FINANCIAL PERFORMANCE

Equality

TEO Equality, Human Rights and Delivering Social Change branch provides advice and support to the Department and the wider NICS on the application of equality responsibilities relating to Section 75 of the Northern Ireland Act and the Disability Discrimination Act. This includes creating and maintaining the Department's Equality Scheme and Disability Action Plan. An Annual Progress Report on both issues is prepared for the Equality Commission for NI.

Human Rights

TEO aims to promote a culture of rights and responsibilities within the civil service and to promote awareness of other human rights considerations under international instruments to which the UK is a signatory.

TEO has specific responsibility for responding to the United Nations on:

- The international covenant on civil and political rights;
- The international covenant on economic, social and cultural rights; and
- The convention on the elimination of racial discrimination.

Freedom of Information

During 2021 calendar year, TEO dealt with 125 requests for information under the Freedom of Information Act. This is an increase of 10 (8%) on the number of requests received in 2020. Of those FOI requests commissioned, 73% came from members of the public and 14% from the media. The remainder came from businesses, campaigning groups, and public representatives.

In addition to the 125 FOI requests, a further 94 requests for information were responded to under normal course of business; an increase of 32 (34%) on 2020.

There were 12 requests for an internal review of the Department's response to a request for information (an increase of one on 2020).

There were 5 complaints, under the Freedom of Information Act made to the Information Commissioner, to the Department response (an increase of 4 on 2020).

In June 2021 the Information Commissioner, in her Freedom of Information Audit Report on the Executive Office, concluded that she was reasonably assured that there are processes and procedures in place in the Department for delivering freedom of information compliance.

In December 2021 the Public Record Office of Northern Ireland (PRONI) released, under the Freedom of Information Act, approximately 700 official files, many with a terminal date of 1998. The Executive Office was responsible for the review of 90 of those files prior to release.

The Executive Office

Information Assurance and Management

The Information Management and Central Advisory Branch (IMCAB) continue to provide central advice, assistance and business delivery in regard to records management; supporting the Senior Information Risk Owner (SIRO), and Information Asset Owners (IAOs) in meeting the Department's information governance obligations, including the management of internal controls for information and data management.

Data Protection Compliance

The Department's Data Protection Officer (DPO) continues to fulfill the legal and organisational functions required under the UK General Data Protection Regulation and the Data Protection Act 2018; ensuring data protection governance, transparency and accountability, and providing assurance of data protection compliance to Senior Management).

In this regard, during 2021 the DPO issued a Department Data Protection Policy to all staff; continued to monitor data protection compliance; provided data protection awareness and training; advised on data protection obligations (including data protection principles, data subjects rights, lawful bases, records of processing activities, data flow maps, data protection impact assessments (DPIAs), data sharing, privacy notices, data security and data breach management); and acted as the contact point for data subjects and the Information Commissioner.

There were five minor data breaches involving the use of email, which did not warrant reporting to the Information Commissioner. Consequently, a memo about protecting data when using email was issued to all staff in the Department.

Also during 2021, as provided for under Article 15 of the UK General Data Protection Regulation (UK GDPR) and Section 45 of the Data Protection Act 2018, the Department received, and responded to, four subject access requests.

Complaints Handling

TEO is committed to providing good customer service, including investigating and addressing any cause of dissatisfaction. Any customer who is unhappy with the quality of service received from TEO is able to have their complaint addressed through the Complaints Procedure. Details are available at: [TEO Complaints Procedure](#)

Two complaints were received during the 2021-22 financial year.

Corporate Social Responsibility

The Department maintained a Corporate Social Responsibility (CSR) Framework Document, addressing its CSR responsibilities in the environment, marketplace, community and workplace.

The Executive Office

Payment to Suppliers

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

In 2021-22, the Department's performance in relation to the payment of invoices within 30 days was an average of 96%; this is a slight increase in performance compared to the previous year and is slightly below the NICS average. In 2021-22 an average of 92% of invoices were paid within 10 days; this is below the NICS average.

TEO Prompt Payment Performance 2021-22 and 2020-21

Prompt Payments Rates	2021-22		2020-21	
	TEO	NICS	TEO	NICS
Total number of invoice payments	2,903	164,840	2,715	153,003
Number of invoice payments within 30 days	2,800	160,626	2,588	148,298
Percentage paid within 30 days (%)	96%	97%	95%	96%
Number of invoice payments within 10 days	2,663	154,642	2,448	142,362
Percentage paid within 10 days (%)	92%	94%	90%	93%

Environmental and Sustainability Matters

Departmental Premises Officers energy management and energy related responsibilities include implementing, within their building, Departmental strategies and policies in relation to the efficient use of energy and which contributes to the Department's sustainability initiatives. This includes a commitment to raise awareness through the publication of intranet articles and sustainability themed briefings. Sustainable behaviours are promoted through encouraging staff to travel by sustainable methods, for example, the Cycle to Work initiatives, car sharing, car parking spaces with electric charging points and the mandatory use of recycled paper from legal and sustainable sources. The Department is also represented on the NICS Plastic Reduction Action Plan (PRAP) working group, whose aim is to reduce the use of unnecessary single use plastic across the government estate.

The Department has reduced the number of printers and installed multi-functional devices throughout its buildings. Due to the number of staff availing of hybrid working, the cost for printing has reduced by 68% compared to pre-Covid figures. In line with NICS Policy the Department supports the use of Fair Trade products. The Stormont Estate has a dedicated staff allotment site which provides opportunities to promote more sustainable living.

Departmental Premises Officers in larger buildings have access to a building energy management interface to provide direct access to temperature variables and overtime settings. This provides a facility for Premises Officers to fine tune temperature settings in order to reduce energy consumption and reduce Helpdesk calls.

The Executive Office

EU Withdrawal

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. On 31 January 2020, the Withdrawal Agreement between the UK and the EU became legally binding and the UK left the EU with the future relationship to be determined through negotiations during a transition period ending 31 December 2020. However, the Joint Committee did not take a number of decisions as to how the Protocol would operate until December 2020, with the conclusion of the Trade and Cooperation Agreement also taking place later that month.

The EU and UK agreed to a series of “grace periods” which served to temporarily suspend the full application of the Protocol, simplifying some procedures and delaying the introduction of certain checks and controls.

In July 2021, following the publication of its Command Paper on the Protocol, the UK Government proposed a standstill arrangement to maintain the current functioning of the Protocol to “provide space for discussions on those proposals”. This standstill continues.

During 2021-22 discussions continued between the UK and the EU on a number of areas associated with the implementation of the Protocol.

Any subsequent changes in legislation, regulation and funding arrangements are subject to the outcome of these ongoing discussions. As a result, an unquantifiable contingent liability is disclosed, relating to EU funding TEO provides, refer to note 15.2. In accordance with accounting standards, no contingent assets can be recognised.

COVID-19

In November 2019 a novel strain of coronavirus was detected and spread rapidly, leading the World Health Organisation to declare a pandemic on 11 March 2020.

The ongoing disruption caused by COVID-19 has created significant economic uncertainty, and this uncertainty may continue throughout 2022 in the event that a serious Variant of Concern emerges, although potentially at a lower level. As a result, an unquantifiable contingent liability is disclosed, relating to the operation of the NI Hub that TEO is responsible for, refer to note 15.3. In accordance with accounting standards, no contingent assets can be recognised.

The Executive Office

COVID-19 and EU Withdrawal Expenditure

Details of the recorded expenditure of Department in relation to COVID-19 and the UK's Exit from the EU during 2021-22 Control totals are set out in the tables below:

COVID-19 Costs	January Monitoring Round £000s	Outturn £000s	Revised (pressure)/ easement £000s
COVID-19 C3 Hub	70	55	15
COVID-19 Executive Information Service	1,530	1,243	287
COVID Recovery	510	338	172
COVID-19 Salaries	1,096	899	197
	3,206	2,535	671

Covid-19 expenditure related primarily to Covid-19 ring fenced funding across the range of TEO's Covid-19 activities (public information campaign, the operation of the NI Hub, Covid Strategy and Recovery and ALBs).

One of TEO's key objectives is to ensure the effective operation of the institutions of Government in the delivery of the Executive's Programme for Government, of which the response to, and recovery from the Covid-19 pandemic has been a major focus during 2021-22.

The Covid-19 budget consisted of a ring-fenced allocation of £3,206k. In all Covid-19 related expenditure, available resources have been managed appropriately, balancing public health need with also ensuring best use of public funds and value for money. The small, dedicated Covid-19 team has worked collaboratively, and at a very fast pace to offset risks to services and their effective delivery, as caused by the pandemic. Collaborators included all Departments, with engagement extending to a wide range of stakeholders and partners within TEO, other government departments, external partners such as local councils, PSNI and a range of external stakeholders.

The majority of Covid-19 outturn related to work undertaken by the Covid Strategy and Recovery Division (CSR D), and by the Executive Information Service (EIS).

The CSR D expenditure enabled support and guidance to Ministers and Senior Officials, at pace, on the management of the COVID-19 pandemic. Examples include the implementation of the delivery of the Executive's 'Pathway Out of Restrictions', and informing development of Executive Covid Taskforce data dashboards, and the 'Building Forward Consolidated Recovery Plan'. Behavioural science expertise was engaged to inform Executive decision-making, and inform public health responses. Local polling on Covid-19 attitudes and behaviours provided local evidence, for example, on adherence to non-pharmaceutical interventions (NPIs), such as face coverings, meeting outdoors and social distancing. Both provided evidence that enabled decision making more appropriate to the local context.

Throughout 2021, EIS was responsible for the delivery of the Executive's award winning Covid-19 public information campaign. Using a wide range of communication channels, the campaign raised awareness about Covid-19, and encouraged compliance with the latest

The Executive Office

public health advice and uptake of the Covid-19 vaccination. An example of a public information campaign message is shown below.

Independent evaluation demonstrated that 78% of individuals questioned agreed that the public information campaign “would persuade me to take steps to protect myself and others from coronavirus infection”.



The Covid-19 underspend of £671k arose as a result of: (i) an underspend in salaries of £197k, due to the unpredictable nature of the pandemic and the limited supply pool of HR resources available to fill funded posts. (ii) an underspend of £287k by The Executive Information Service and an underspend of £172k by Covid Recovery, primarily due to the difficulty of predicting the course of the pandemic, and (iii) a variance of £15k in the COVID-19 C3 Hub, which was stepped down during the period.

The Travel Agents Coronavirus Financial Assistance Scheme closed for applications in 2020-21 however payments were processed in 2021-22. The 'Travel Agents (Coronavirus, Financial Assistance) Regulations (Northern Ireland) 2021' contained two eligibility criteria that were confirmed via a self-declaration. These were; (i) intends to continue so operating; and (ii) has suffered financial hardship as a travel agent as a result of the outbreak of coronavirus. The self-declaration was taken as evidence that the applicants met these criteria. The decision to rely on self-declarations was taken in the context of the exceptional circumstances brought about by the Covid-19 pandemic and the extreme urgency with which businesses required these financial support interventions.

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Payments were made for claims outstanding at the year end. In order to minimise the risk of fraud and error, all claims received for the Travel Agents Coronavirus Financial Assistance Scheme were assessed by a claims team against the Scheme's eligibility criteria, then reviewed by a separate vouching and verification team, prior to a further additional management review before payments were authorised.

Rejected claims were then reviewed again by a management panel, independent of the application process. One of the eligibility checks on one claim identified one application where the occupancy of the premises ended before the end of the eligible period (although the applicant remained operating as a travel agent). This was the only criteria that was not fully met by the applicant. Taking into account the fact that recovery of this amount would not represent value for money; could be considered unfair, as the applicant appeared to have acted in good faith; and with the applicant claiming financial hardship due to the Covid-19 pandemic, it was decided not to pursue the recovery of £1,132. Permission from DOF was obtained to write off this amount. Further information on the Travel Agents Coronavirus Financial Assistance Scheme is found on page 82.

The TEO EU Exit activities, primarily consisted of coordinating the cross-NICS response with respect to the implementation of the withdrawal Agreement including the Ireland – Northern Ireland Protocol and the ongoing UK – EU Negotiations in that regard, as well as the implementation of the Trade and Co-Operation Agreement.

EU Exit Costs	January Monitoring Round £000s	Outturn £000s	Revised (pressure)/ easement £000s
EU Exit - Other Programme costs	146	104	42
EU Exit - Staff costs	1,409	1,108	301
Internal BCS Review	0	14	(14)
Total	1,555	1,226	329

TEO has sought to ensure that UKG has been fully aware of any agreed Executive position, and/or any impact for NI associated with UK's decision to leave the EU and the potential implications for NI legislation, policy and resources. This has included representing Northern Ireland interests throughout the continued implementation of the Withdrawal Agreement and the Trade and Cooperation Agreement, coordinating associated operational readiness work across the NICS in relation to UK-EU discussions on implementing the Protocol and development of Common Frameworks.

During the period of this report the EU Future Relations Division (EUF RD) activities included providing secretariat support to the 'Executive Committee meeting to Discuss EU Matters' and coordination and provision of briefings for Ministerial Engagement with UKG colleagues, including attendance at the Withdrawal Agreement Joint Committee, XO meetings. The Division provided support to senior officials attending meetings of the Ireland/NI Specialised Committee and other regular UKG-Devolved Administration liaison meetings. Officials attended the monthly meetings of the Joint Consultative Working Group, as well as establishing relevant cross-NICS processes in order to ensure a common understanding of issues discussed at aforementioned meetings.

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EUFRD also provided the coordination and oversight function for the NICS Operational Readiness workstream, ensuring that the Executive was informed of Post Transition period issues and impacts for NI and progress in EU-UK negotiations. The Division also conducted, in liaison with NICS Departments, an initial contingency planning analysis of the potential impacts for NI in the event that Article 16 was triggered, developed cross-NICS arrangements and undertook initial analysis of the actions that were required to mitigate the impacts of the UK-EU Divergence, and continued its oversight and coordination do the Common Frameworks workstream.

The EUFR Programme Management Office provided a single point of contact for departments, and the secretariat function to the Future Relations Programme Board, as well as the cross-departmental Senior Users Group and its successor, the Post Transition Period Interdepartmental Steering Group.

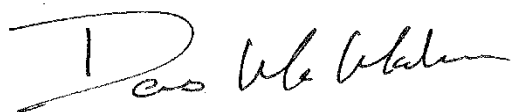
EU Exit expenditure related primarily to the EU Exit ring-fenced funding allocation of £1,555k.

An underspend of £329k arose as a result of not having a full complement of staff in place and the COVID-19 pandemic, which continued to curtail national and international travel throughout 2021-2022. An internal BCS review commenced in November 2021, completion of which remains outstanding at year end.

Rural Needs

The Rural Needs Act (Northern Ireland) 2016 came into operation for departments and district councils on 1 June 2017 and for remaining specified public authorities from 1 June 2018. The Act provides a statutory duty on public authorities to "have due regard to rural needs" in the development and delivery of strategies and policies. A Rural Needs Impact Assessment is required to be carried out in each case. Details of these assessments are required to be provided to the Department of Agriculture, Environment and Rural Affairs (DAERA) for publication in its Rural Needs Annual Monitoring Report for each financial year. No Rural Needs Impact Assessments under Section 3 of the Act were completed by policymakers within the Executive Office between 1 April 2021 and 31 March 2022.

Approved and signed



Dr Denis McMahon
Accounting Officer
18 August 2022

THE ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

The purpose of the corporate governance report is to explain the composition and organisation of the Department's governance structures and how they support the achievement of the Department's objectives.

DIRECTORS' REPORT

TEO presents its accounts for the financial year ended 31 March 2022 as directed by the Department of Finance under section 9(1) of Government Resources and Accounts Act (Northern Ireland) 2001. These accounts have been prepared in accordance with the appropriate form and disclosure requirements of the Government Financial Reporting Manual.

Accounting Boundary

The Departmental boundary is determined by the way in which in-year budgetary control is exercised by the department. For the year 2021-22 in addition to the TEO core department the following are considered to be within the boundary and their financial performance is consolidated in the Department's resource accounts:

- **Attorney General for Northern Ireland**

The commencement of Sections 22-26 of the Justice (Northern Ireland) Act 2002 on 12 April 2010 (when policing and justice powers were devolved) established the position of the Attorney General for Northern Ireland as a statutory office within the devolved administration. The Attorney General is an independent statutory office holder appointed by the First Minister and deputy First Minister for a fixed term in accordance with the terms of the appointment and the provisions of the Justice (Northern Ireland) Act 2002. Ministers appointed Brenda King as Attorney General in June 2020. This appointment has been extended to 2025. A review of the Office of the Attorney General is ongoing. Further details are available at www.attorneygeneralni.gov.uk.

- **Commissioner for Public Appointments for Northern Ireland**

The post of Commissioner for Public Appointments for Northern Ireland (CPANI) was established in 1995 on the recommendation of the Committee on Standards in Public Life. The Commissioner is appointed by the First Minister and deputy First Minister and is a statutory office holder operating at arm's length from the department. The Commissioner's role is to publish a code of practice, and regulate, monitor and report on Ministerial appointments to a range of public bodies as outlined in legislation. Further details are available at www.publicappointmentsni.org

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The CPANI Annual Report is normally due no later than June each year however the CPANI position is currently vacant and interim measures put in place include deferring the submission of the Annual Report until the position is filled.

- **North South Ministerial Council Joint Secretariat (North)**

Established under the terms of the Belfast/Good Friday Agreement, the North South Ministerial Council brings together Ministers from the Northern Ireland Executive and the Irish Government to develop consultation, co-operation and action on matters of mutual interest. The North South Ministerial Council is supported by a Joint Secretariat, based in Armagh and staffed by civil servants from TEO and the Irish Civil Service. The North South Ministerial Council Joint Secretariat (North) provides advice and support for Ministers in relation to their participation in the North South Ministerial Council. Eleven meetings of the Council took place in 2021. Staff have continued to deliver the objectives of the Secretariat while working from home. Further details are available at www.northsouthministerialcouncil.org.

- **Historical Institutional Abuse Redress Board**

In addition, the Historical Institutional Abuse Redress Board was established by the Historical Institutional Abuse (Northern Ireland) Act on 5 November 2019 and came into operation on 31 March 2020. The Redress Board falls within TEO's departmental boundary.

- **Victims' Payments Board**

The Victims' Payments Board was established by the Victims' Payments Regulations 2020, which came into force on 24 February 2020 and 29 May 2020. Board members were sworn into office on 23 February 2021 and the President of the Board was appointed on 1 March 2021. The Victims' Payments Board also falls within TEO's departmental accounting boundary.

TEO Departmental Board

During the previous 2020-21 financial year, the Departmental Board was chaired by David Sterling in his capacity as Head of the Northern Ireland Civil Service (HOCS) and Permanent Secretary of TEO, until his retirement on 31 August 2020. Jenny Pyper was appointed as Interim HOCS on 1 December 2020 and chaired the Board, until Jayne Brady was appointed on 1 September 2021. The Board supports the delivery of effective Corporate Governance and operates within best practice guidelines outlined in *Corporate Governance in Central Government Departments: Code of Good Practice (Northern Ireland) 2013*. It advises on the operational implications and effectiveness of policy proposals and takes an objective long-term view of the business of the department, leading its strategic planning process and supporting corporate governance responsibilities for the department.

The roles and responsibilities of the Departmental Board and its sub committees are detailed in the Governance Statement at Pages 60-82.

During 2021-22 the Departmental Board comprised the following members:

- Jenny Pyper, Interim HOCS from December 2020 also undertook the role of Permanent Secretary for the Department until 25 July 2021.

The Executive Office

- Dr Denis McMahon, TEO Permanent Secretary and Accounting Officer from 26 July 2021.
- Denis Power, Independent Board Member.
- Andrew McCormick, Director General, International Relations Group until 31 August 2021.
- Chris Stewart, Accounting Officer until 25 July 2021.
- Gareth Johnston, (Acting) Director of Good Relations and Inclusion (formerly Strategic Policy, Equality and Good Relations) from 9 September 2021.
- Karen Pearson, Director of COVID Recovery, Civil Contingencies & Programme for Government.
- Neelia Lloyd as Director of Finance and Corporate Services from 1 April 2021, then as Director of Corporate Services from 14 March 2022, following a restructure.
- Tara Kennedy as (Acting) Director of Finance and Corporate Services from 12 January 2022 to 13 March 2022, then as (Acting) Director of Finance from that date following a restructure.
- Marcella Phillips, NICS HR Business Partnering Team, replaced Ann Moore on 16 August 2021.
- Tom Reid, Director of EU Exit and International Relations.
- Alexander Gordon, Head of the Office of the Legislative Counsel.
- Claire Archbold, Director of Ending Violence Against Women & Girls from 1 December 2021.

Management

Jenny Pyper was appointed as Interim HOCS on 1 December 2020 and chaired the Board and acted as Permanent Secretary until Jayne Brady was appointed on 1 September 2021. Chris Stewart was appointed as Interim Accounting Officer from 1 March 2021 to 25 July 2021, following the promotion of Dr Mark Browne to another department. Dr Denis McMahon was appointed as Accounting Officer from 26 July 2021.

Departmental Reporting Cycle

This report provides a summary of the Department's performance and key achievements during 2021-22. The Department's original Estimates for the year were set out in *NI Main Estimates 2021-22*. Revised Estimates were published in *NI Spring Supplementary Estimates 2021-22*. Both documents are available at <https://www.finance-ni.gov.uk/publications/estimates-publications> or from *The Stationery Office (TSO)*.

Pension Liabilities

The treatment of pension costs and liabilities is disclosed in the Remuneration Report and Note 1.7 of the departmental resource accounts.

Register of Interests

DOF guidance FD 04/21 guidance, contains a new requirement that the disclosure of interests for Special Advisors should be included in the Annual Report & Accounts, alongside the disclosure of Board members interests. Ministers' and Special Advisors' interests information is collated by DoF and can be found at: [Ministers and Special Advisors Register of Interests as at March 2022](#).

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No members of the Departmental Board held any positions outside the Department which may have conflicted with their management responsibilities. The Department's register of interest is available at: [TEO Register of Interests as at 31 March 2022](#)

A policy for the declaration and management of interests for all staff is under development. NICS-wide guidance is currently awaited from DoF.

Data Related Incidents

The Departmental Security Officer continued to review and report to the Departmental Board on data resilience, vulnerabilities and risks during the year.

During 2022 there were five minor data breaches, none of which warranted reporting to the Information Commissioner.

Auditors

The Department's Accounts are audited by the Comptroller and Auditor General for Northern Ireland in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. The audit of the financial statements for 2021-22 resulted in a notional audit fee of £87,000 and is included in the administration costs in the statement of comprehensive net expenditure.

The Executive Office

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (Northern Ireland) 2001 the Department of Finance (DoF) has directed TEO to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

The Executive Office

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- Observe the Accounts Direction issued by DoF including the relevant accounting and disclosure requirement, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts;
- Prepare the accounts on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary is appointed by the DoF as Accounting Officer of a department. Dr Denis McMahon was appointed as Permanent Secretary and Accounting Officer of TEO on 26 July 2021.

The responsibilities of an Accounting Officer, including the responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by DoF and published in *Managing Public Money Northern Ireland (MPMNI)*.

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

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GOVERNANCE STATEMENT

Introduction

This statement is given in respect of the Departmental Resource Accounts for 2021-22. It reflects the Department's governance, risk management and internal control arrangements for directing and controlling its functions and how assurance is provided to support me in my role as Accounting Officer for the Executive Office (TEO).

During 2021-22, the Department was responsible for 12 Arm's Length Bodies (ALBs), having established a new one: the Victims' Payments Board.

The 12 ALBs include independent bodies and executive Non-Departmental Public Bodies which sit both inside and outside the Department's accounting boundary. Oversight of the ALBs is delivered by partnership divisions responsible for advising on, and monitoring of adherence to, all aspects of accountability and good governance.

The following statement, whilst primarily focussing on the Department, incorporates key issues from within its ALBs.

Budget Position and Authority

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

Compliance with Corporate Governance Code

NI Government Departments are expected to apply the principles of the Department of Finance and Personnel's DFP (now Department of Finance (DoF)) *Orange Book Management of Risk – Principles and Concepts (2020)* ('the Orange Book') and the (DFP) (now DoF)) *Corporate Governance in Central Government Departments: Code of good practice (2013)* ('the Code') unless good governance can be achieved by other means.

The Department's compliance with the principles of good practice in the extant 2004 Orange Book and the Code, was confirmed as satisfactory by the most recent Internal Audit evaluation in November 2019. However, an update of the Orange Book released in 2020 has not yet been considered by TEO.

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During the 2019 evaluation, Internal Audit highlighted an ongoing departure from the Code as TEO only has one Independent Board Member, who also acts as Chair of the Audit and Risk Assurance Committee (ARAC). ARAC had one more independent member appointed from another government department and co-opted by the Committee to provide continued support until 30 June 2022. He is not a member of the Board as prescribed in Paragraphs 3.1 and 5.9 of the Code. The Department continues to further strengthen its governance arrangements through the ongoing development of support and guidance for staff, including enhanced policies and procedures for the approval of departmental expenditure; ALB sponsorship fora; learning and development seminars; and the continued development of communication and engagement channels between policy and support functions.

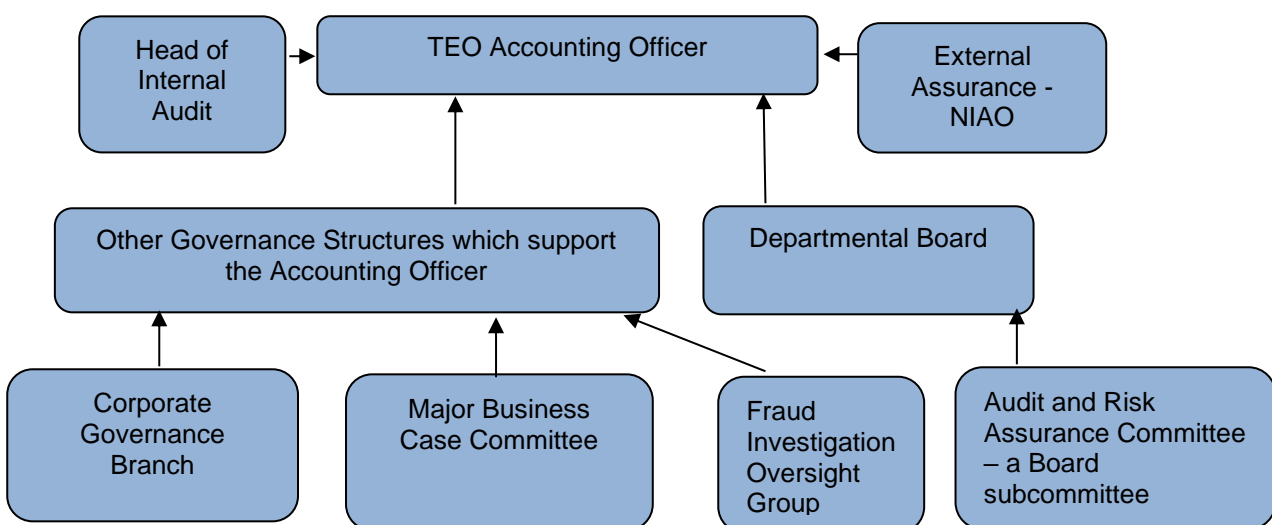
Corporate Governance Framework

Corporate Governance refers to the way in which organisations are directed, controlled and led. TEO's governance framework, which sets out the structures, roles, responsibilities and procedures for the effective and efficient conduct of its business, is summarised in the following paragraphs. In compliance with the Code, TEO has established key organisational structures which support the delivery of departmental business, including: the Ministers; the Accounting Officer; the Departmental Board; the Audit and Risk Assurance Committee (ARAC), which is a Sub-Committee of the Board; and the Major Business Case Committee (MBCC).

The Department's Corporate Governance Framework was reviewed and updated during this year to reflect best practice and the latest departmental structures and responsibilities.

The key structures which support the delivery of Corporate Governance in the Department are illustrated in the diagram below.

TEO Corporate Governance Structures



These key organisational structures within the Department's Corporate Governance Framework, including the governance and accountability procedures in relation to its ALBs, and the assurance that they provide are discussed below.

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Corporate Governance Responsibilities and Performance

Ministers

The First Minister and the deputy First Minister (acting jointly) lead the Department and are responsible and accountable to the Northern Ireland Assembly for the policies, programmes and actions of TEO, including its ALBs. They may designate their Junior Ministers to assist them in carrying out their duties.

On 3 February 2022, the First Minister resigned from office, which triggered the dissolution of the joint office. However, the deputy First Minister was able to and did continue to exercise the functions of her office, in accordance with the Northern Ireland Act 1998, until the Assembly election on 5 May 2022.

After the election on 5 May 2022, no Speaker, First Minister or deputy First Minister were nominated; an Executive could not be formed. Other Ministers continue in their offices for a period of up to 24 weeks following the first sitting of the new Assembly, until appointments can be made.

Permanent Secretary

Jenny Pyper (Interim Head of the Civil Service until 31 August 2021) undertook the role of Permanent Secretary for the Department until 25 July 2021.

I was appointed as Permanent Secretary by DoF on 26 July 2021.

As Permanent Secretary, I have responsibility to the First Minister and deputy First Minister for the day-to-day operation of the departmental functions, and as Accounting Officer for the managing and controlling of the resources used by the Department.

This responsibility also includes chairing the Departmental Board

Accounting Officer

Chris Stewart undertook the Department's Accounting Officer role on an interim basis, from 1 April 2021 to 25 July 2021. I was appointed as Accounting Officer on 26 July 2021.

As Accounting Officer, I am responsible for maintaining a sound system of internal governance that supports the achievement of the Department's policies, aims and objectives. I also have responsibility for the propriety and regularity of the public finances voted to the Department and for safeguarding those public funds and departmental assets, in accordance with the responsibilities assigned to me in DFP's (now DoF) guidance Managing Public Money Northern Ireland (MPMNI). In my role as Accounting Officer, I am supported by the Departmental Board ('the Board'). My responsibilities to the Board include highlighting specific business issues or risks and, where appropriate, their implications and/or the mitigating measures that could be employed to manage these risks.

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In addition, I am required to combine my Accounting Officer role with my responsibilities to the Ministers, which include providing advice on the allocation of departmental resources and the setting of appropriate financial and non-financial performance targets for ALBs.

Departmental Board

The Departmental Board supports the delivery of effective Corporate Governance and operates within best practice guidelines outlined in *Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013 ('the Code')*. It does not decide policy nor exercise the powers of a Minister, as policy is decided by Ministers on advice from officials. The Board advises on the operational implications and effectiveness of policy proposals and takes an objective long-term view of the business of the Department, leading its strategic planning process and assisting the Permanent Secretary/Accounting Officer in meeting their corporate governance responsibilities. It also provides support and advice to those members who have corporate responsibility for Executive matters such as the Programme for Government (PfG) and the Legislative programme.

The Board is supported by a secretariat, until the end of December 2021, provided by the Office of the Head of the Civil Service (HOCS); and now the responsibility of the Office of the Permanent Secretary. The secretariat is responsible for organising the agenda for monthly Board meetings and ensuring that the Chair and Board members are provided with timely information to support full discussions at each meeting. In order to achieve the Board's objectives, a forward plan is maintained to schedule matters for its consideration. These requirements are set out in the Board Operating Framework.

The Board Operating Framework is in compliance with the Code and makes clear the Board's responsibility to establish and oversee the Department's Corporate Governance arrangements.

The Board advises on the five key areas set out in the Code:

- *Strategic Clarity* – the Board is responsible for ensuring that all TEO activities, either directly or indirectly, support the work of the Northern Ireland Executive and the vision of the Department. It is also responsible for ensuring that strategic decisions are based on a collective understanding of wellbeing and outcome-based policy issues; and that, through the appointment of its Independent Board Member, the Department is challenged on the delivery of its outcomes;
- *Commercial Sense* – the Board is responsible for ensuring sound financial management (scrutinising the allocation of financial and human resources); and that, the organisation and structure supports the delivery of TEO's outcomes-based PfG commitments and strategic objectives. It sets the risk appetite and ensures that controls are in place to manage risk and to evaluate the Board and its members;
- *Talented People* – the Board is responsible for ensuring that TEO has the capability to plan to meet, and to deliver, current and future needs;
- *Results Focus* – the Board agrees the draft business plan for submission to Ministers including objectives, targets and actions. It monitors performance against plans and holds senior staff to account for their performance and holds its funded organisations to account for their contribution to the delivery of outcomes; and

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- *Management Information* – the Board is responsible for ensuring clear, consistent, comparable performance information is used to drive improvement.

Individual Board Roles and Responsibilities

The Chair

The Chair is the Permanent Secretary and Departmental Accounting Officer of TEO. The role of the Chair is to:

- ensure adherence to the principles of good governance, as set out in the Department's Corporate Governance Framework and the Code;
- ensure the Board fulfils its responsibilities and facilitates Board meetings;
- ensure that the business of Board meetings is conducted efficiently and effectively, that there is open debate and that all views are heard;
- sum up Board debates, seek agreed decisions and control the order of Board meetings;
- ensure that systems are in place to provide Board members with accurate and timely information of good quality to allow the Board to properly consider all matters before it;
- ensure that an evaluation of the Board's effectiveness is performed annually with independent input at least every three years, and that results are acted upon;
- notify the Board of any matters that threaten the regularity, propriety, or value for money of the way the Department conducts its business;
- notify the Board of any significant issues which may impact on the Department's leadership, medium-term capability and significant risks to delivery of policy, along with mitigating actions taken; and
- disclose all Ministerial Directions.

The Chair encourages all Board members to make full use of their skills and expertise in order to robustly challenge and thereby improve the standard of discussion in Board meetings.

Executive Board Members

Each Executive Board Member:

- participates in the high-level corporate decision-making process as a member of the Board;
- advises the Board of any matters that threaten the regularity, propriety or value for money of the way the Department conducts its business;
- notifies the Board of any significant issues which may impact on the Department's leadership, medium-term capability and significant risks to delivery of policy, along with mitigating actions;
- contributes to corporate governance arrangements within the Department; and
- supports the Permanent Secretary/Accounting Officer.

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The Board will act in an advisory capacity, offering advice to the Accounting Officer, while also exercising a challenge function. It is expected that this will be applied constructively.

Independent Board Member

The Board includes one Independent Board Member (IBM), appointed on merit in line with the Commissioner for Public Appointments' guidance. The appointment for a two-year fixed term is reviewed annually. The IBM:

- supports the good corporate governance of the Department and contributes to decision making on corporate governance issues;
- assists and advises on the development of departmental business and strategic plans;
- challenges the quality of the policy formulation process;
- challenges the Board on the operational and delivery implications of policy proposals; monitors and challenges the Department's performance in relation to its objectives and commitments;
- ensures that the Board obtains and considers all appropriate information relating to the performance and progress of the Department, including the use of human and financial resources;
- provides an independent perspective on the monitoring of performance and progress of the Department, including the use of human and financial resources;
- maintains a critical overview of the Department's financial controls and procedures for assessing and managing risk;
- advises the Board of any matters that threaten the regularity, propriety or value for money of the way the Department conducts its business;
- advises the Board of any significant risks or issues which may impact on service delivery or on the Department's reputation;
- adds rigor to Board processes;
- provides a safe sounding board for new approaches;
- uses their experience to challenge and support the Board, acting corporately and not simply reflecting their own functions;
- chairs the Audit and Risk Assurance Committee (ARAC); and
- provides input to the appraisal of the Chair of the Board.

Membership and attendance at the Departmental Board

Eleven Departmental Board meetings were held in 2021-22. The members and their records of attendance are set out below.

Board Member	Role	Meetings attended (11)
Jenny Pyper	Interim Head of the NI Civil Service: TEO Permanent Secretary (to 25 July 2021) and Secretary to the Executive (to 31 August 2021)	4/5
Dr Denis McMahon	TEO Permanent Secretary and Accounting Officer (from 26 July 2021)	8/8
Andrew McCormick	Director General – International Relations Group (to 31 August 2021)	2/5
Claire Archbold	Director of Ending Violence Against Women & Girls	2/3

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	(from 1 December 2021)	
Alex Gordon	Head of the Office of the Legislative Counsel	11/11
Gareth Johnston	Acting/Director of Good Relations and Inclusion (formerly Strategic Policy, Equality and Good Relations) (from 9 September 2021)	5/6
Karen Pearson	Director of COVID Recovery, Civil Contingencies and Programme for Government	9/11
Tom Reid	Director of International Relations and EU Exit	9/11
Chris Stewart	Director of Executive Support; Accounting Officer (to 25 July 2021); and Director of Strategic Policy, Equality and Good Relations (to 8 September 2021)	10/11
Denis Power	Independent Board Member	11/11
Neelia Lloyd	Director of Finance and Corporate Services (to 13 March 2022) Director of Corporate Services (from 14 March 2022)	7/10
Tara Kennedy	(Acting) Director of Finance and Corporate Services (from 12 January 2022 to 13 March 2022) (Acting) Director of Finance (from 14 March 2022) [including one meeting deputising for Neelia Lloyd]	4/4
Ann Moore	NICS HR Strategic Business Partner (to 15 August 2021) [including one meeting deputising for Marcella Phillips]	3/4
Marcella Phillips	NICS HR Strategic Business Partner (from 16 August 2021)	7/8

Board Decisions and Reporting

The Board offers rigorous challenge and collectively scrutinises the performance of TEO and its funded organisations. It also operates in an advisory and consultative capacity and takes strategic decisions on:

- issues of strategic importance to the management of TEO and its business areas;
- the departmental and ALBs business plans for submission to Ministers;
- key business risks that might affect the delivery of the Department's priorities;
- corporate leadership of the Department;
- appropriate operational strategies to best implement policies set by Ministers and ensure coherence of policy across TEO business areas;
- cross-cutting matters for which senior TEO staff have lead responsibility for example PfG and NICS of the Future, the Executive's Legislative Programme, Executive business, International Relations and external communications;
- financial, physical and human resources required to implement the business plan and long-term capability of the Department; and
- budget and resource allocation across TEO business areas.

The Departmental Board also plays a key role in:

- informing Ministers of any changes likely to impact on strategic direction, performance and delivery of departmental priorities;
- ensuring that Section 75 and Human Rights issues have been fully considered; and,
- reviewing the scope and content of the Governance Statement.

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Day-to-day TEO operational matters are the responsibility of the Directors and Heads of Divisions.

Quality of the Data used by the Board

A standard Board agenda has been developed that includes:

- **TEO matters:**
 - declarations of interest;
 - budget and finance issues;
 - governance issues;
 - our people;
 - business improvement;
 - international relations/intergovernmental relations; and
 - ALB oversight.
- **Executive matters:**
 - Programme for Government;
 - Legislative programme; and
 - Executive business.
- **Other matters:**
 - updates on the current political position; and
 - the NICS of the future.

A standard reporting template provides a high-level strategic update on headline issues at each Departmental Board meeting.

All reports/papers conform to a standard layout to ensure the appropriate focus on key issues. Financial and performance data is extracted from the accounting and operational systems and is therefore subject to regular, planned internal quality assurance checks, independent audits and external assurance.

The Board considers the information provided to be sufficient to allow it to discharge its strategic planning and corporate governance responsibilities.

The Board also reviews, prior to publication, the Departmental Annual Report and Accounts and the Governance Statement.

Review of Board Effectiveness

In line with best practice, the operational procedures of the Departmental Board are kept under continuous review.

The independent evaluation planned for 2020-21 was paused due to the impact of the COVID-19 pandemic. An independent evaluation is scheduled for 2022-23.

In May 2022, the Independent Board Member undertook a review of the Board's effectiveness, in the form of a self-assessment review. The review demonstrated significant Board strengths in the areas of Board commitment, strategic focus, assurance and risk

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management, performance reporting, quality of Board papers and timeliness of information and decision-making. The review also identified several areas for future consideration. The Board Operating Framework was last reviewed and updated in May 2022.

Conflicts of Interest

The Code requires that actual and potential Board Member conflicts of interest identified; and, how they have been managed, are published within the annual Governance Statement. The Board Operating Framework includes guidance on conflicts of interest. Conflicts of interest are identified through the requirement to declare actual and potential conflicts on induction to the Department; and, as and when they arise, thereafter. Board and ARAC members are required to declare any conflicts of interest, with the business to be discussed, at the start of each meeting. After declaration, consideration is given to the action needed to manage them appropriately. No such consideration or action was required during 2021-22.

Departmental Audit and Risk Assurance Committee

During 2021-22, the Board was supported and advised in its role by the Audit and Risk Assurance Committee (ARAC). The ARAC does not have executive powers and its membership is independent of the Department. Its purpose is to support the Board and the Accounting Officer by monitoring the departmental risk, control and governance systems (including financial reporting). Additionally, the Committee will give advice to the Accounting Officer on the adequacy of the coverage of audit arrangements (internal and external) to provide the required assurances.

The Terms of Reference of the Committee are usually reviewed on an annual basis in accordance with best practice contained in the DoF Audit and Risk Assurance Committee Handbook (NI) 2018; and, in consultation with the Committee and Departmental Board members. The Terms of Reference were reviewed in February 2022 and updated to reflect changes in Committee membership.

Membership of the TEO ARAC in 2021-22 comprised a Chairman, [also the Independent Board Member] and two independent members: one was appointed on 1 November 2021; and the other [who retired on 31 December 2021] was co-opted by the Committee to provide continued support until 30 June 2022. Despite attempts to appoint a replacement member, the recruitment process is still ongoing.

The Committee met four times during 2021-22.

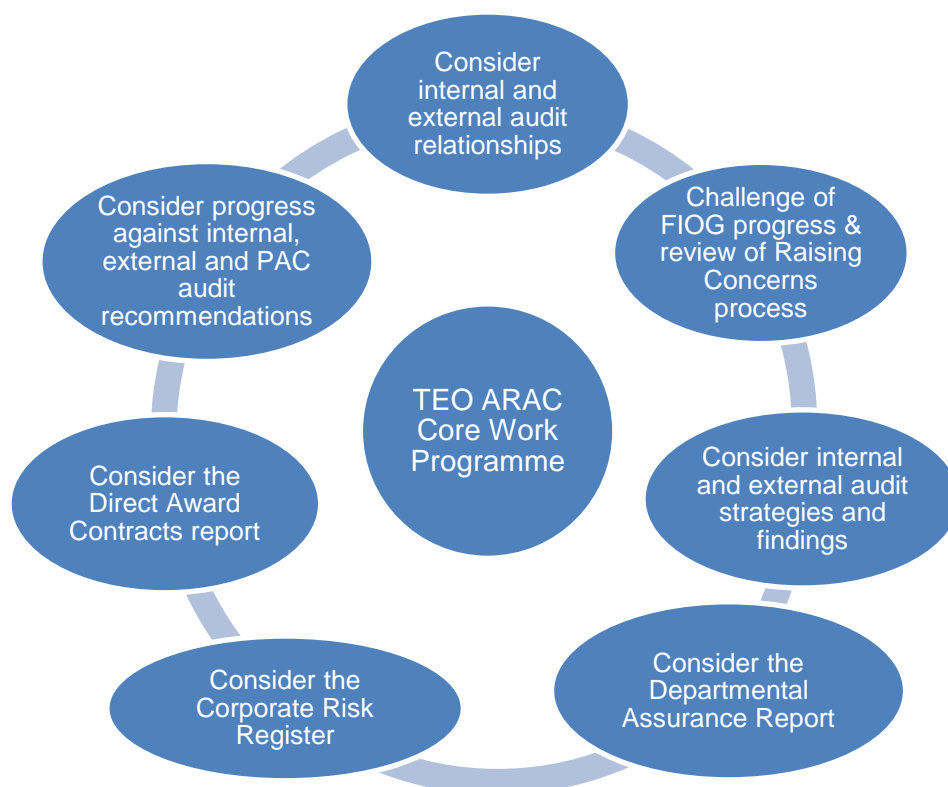
A summary of the ARAC members' attendance is detailed below:

ARAC Member	Role	Meetings Attended (4)
Denis Power	Chair and Independent Board Member	4/4
Glyn Capper	Independent ARAC Member (appointed from Department of Justice, retired on 31 December 2021 then co-opted to provide continued support until 30 June 2022).	4/4
Stewart Barnes	Independent ARAC Member (appointed from Department of Finance on 1 November 2021)	2/2

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A minimum of two members of the Committee is required to form a quorum and all meetings in 2021-22 were deemed quorate. ARAC meetings are normally attended by the Accounting Officer, the Director of Finance, the Head of Internal Audit and a representative from the Northern Ireland Audit Office. The ARAC may ask any other departmental official to attend to assist with its deliberations on any particular matter. In line with best practice set out in the DoF Handbook, the Chair set an agreed core work programme for each of the Committee's meetings. The components of the core work programme are illustrated below.

TEO ARAC Core Work Programme



In addition to its core work programme, the ARAC also scrutinises the Department's Annual Accounts, advising on the content of the Governance Statement. The Accounting Officer reports annually to the Committee on the operation of the Department's Raising Concerns arrangements.

In 2021-22, the ARAC considered and commented on individual issues of internal governance and their implications for wider governance arrangements. These included cost estimates for the Victims' Payments Scheme for Permanent Disablement; risk issues identified by the Head of the Civil Service; an update on Financial Transactions Capital (FTC) issues; the annual review of the effectiveness of TEO's Raising Concerns policy; a mid-term review of the budget position; and an update on the 2020-21 National Fraud Initiative (NFI) for Northern Ireland process.

The Chair of the Committee presented regular reports throughout the year to the Departmental Board on the ARAC's work and the main governance issues considered by it.

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The Chair also provides an annual report to the Board, based on the ARAC's annual work plan and performance.

In its annual report, the Committee recognised that, in addition to the ongoing impact of COVID-19, this year was a challenging one for TEO. The collapse of the Executive in the final few months of the reporting year, following the resignation of the First Minister in the latter part of the Assembly mandate, significantly impacted the completion of Executive business.

The inability of the Executive to finalise the 2022-23 Departmental Budgets has created a significant issue across NICS Departments and critical financial pressures continue to impact on TEO budgets and its cost management.

The impact of emerging issues arising as a consequence of the war in Ukraine, with the UK response to the housing of refugees, the economic pressures created by a significant increase in energy and fuel costs, the effect on transportation of goods and delivery of services throughout the UK and EU; is yet to be fully determined.

The UK's exit from the EU remains a significant challenge.

The development of TEO's Business Plan and the Board's continued focus on strategic management, critical resourcing pressures, streamlined reporting procedures and the implementation of a Working from Home policy as a consequence of COVID-19 restrictions; all contributed to a significant workload for the Department's senior management and staff.

Throughout this period of considerable organisational change and adjustment, the Committee acknowledged the rigor with which the Department approached financial management; supported and challenged its ALBs; and, investigated suspected fraud. It commended the quality of reporting on governance matters. These factors helped to inform the ARAC's opinion that:

- the departmental systems of internal control are satisfactory;
- the ARAC operated in accordance with DoF's Audit and Risk Assurance Committee Handbook (NI) guidance; and
- there are no major issues that the Committee considers should be brought to the attention of the Accounting Officer which have not been satisfactorily resolved.

The ARAC considers its own effectiveness annually, using guidelines issued by the National Audit Office. Findings of the self-assessment are presented to ARAC for action as appropriate. The overall assessment of the Committee members is that it operates in accordance with the good practice principles set out by the National Audit Office.

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Major Business Case Committee (MBCC)

The MBCC has the overall objective of improving financial governance and management within TEO through the challenge of significant expenditure proposals. Expenditure proposals are presented to a quorum of three Departmental Board members, to include the Accounting Officer and the Director of Finance and Corporate Services. The meetings are normally chaired by the Accounting Officer.

In addition to the members, attendance by governance and economist representatives brings a professional perspective to the scrutiny process. This provides an independent perspective as well as facilitating the sharing of knowledge, experiences and lessons gained from across the Department, which is of particular relevance in TEO, given its wide remit.

The MBCC Terms of Reference were reviewed in 2021-22 and updated to include an increased expenditure threshold for which MBCC review is required (following a risk-based review of Departmental expenditure delegations) and additional guidance on deputising and holding meetings by correspondence (where this has been approved in advance by the Accounting Officer).

In 2021-22, the Committee considered 17 expenditure proposals, including those for the Victims' Payments Scheme for Permanent Disablement; the Social Investment Fund (SIF); public information campaigns for COVID-19 awareness; the Urban Villages programme; development of the Ebrington site; and for staffing within the Department.

Internal Control and Risk Management

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all 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 and prioritise the risks to the achievement of departmental policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage those risks efficiently, effectively and economically.

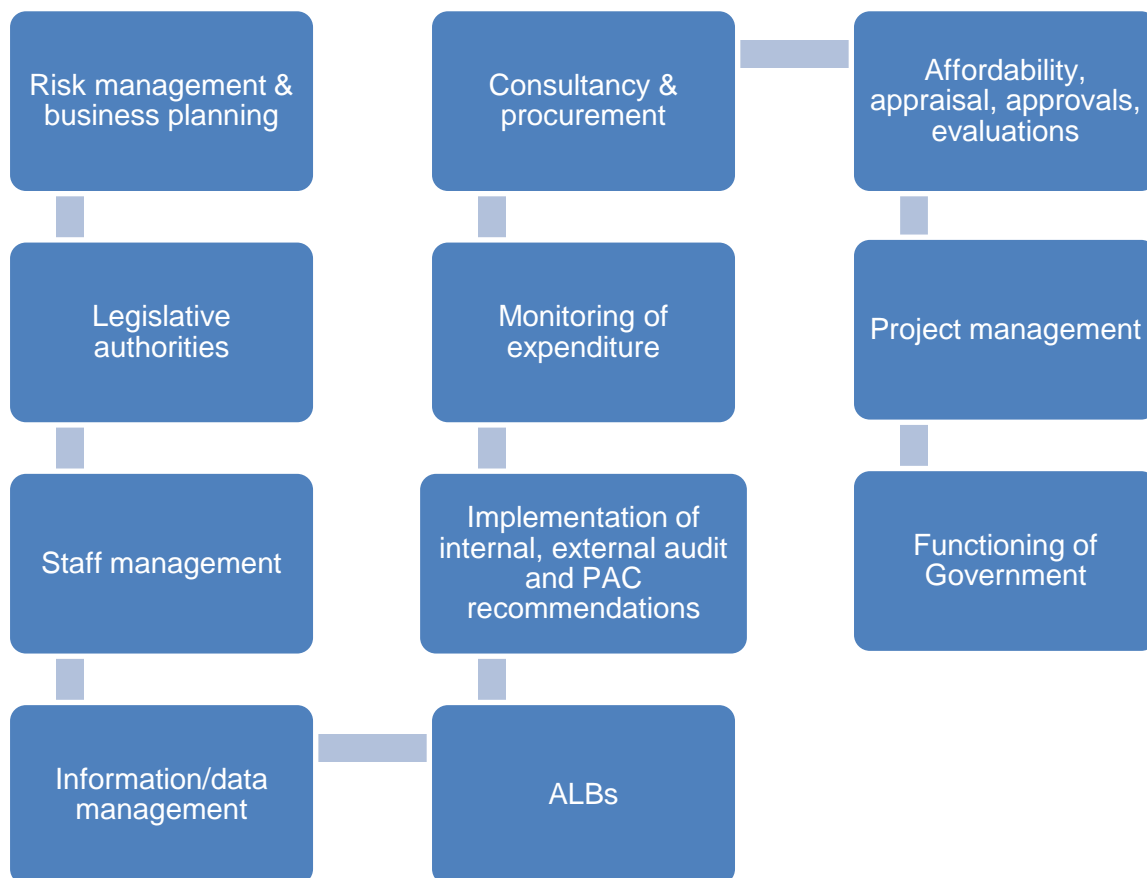
All relevant internal control considerations and risks are taken into account in the development of departmental policies, aims and objectives and, where necessary, are brought to the attention of the Ministers. The system of internal control has been in place in the Department for the year ended 31 March 2022 and up to the approval date of the Annual Report and Accounts and accords with DoF guidance.

A key element of the system of internal control is the Assurance Statement process. These statements provide assurance to the Accounting Officer that robust systems of internal control are in place and adhered to, for the period of the statement. By signing the assurance statement, officials are confirming their responsibility for maintaining a robust system of internal control whilst safeguarding public funds and assets under their control. They are also

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confirming that a thorough risk assessment has been completed against each of the risk factors set out in the Assurance Statement Checklist which is set out below.

TEO Assurance Statement – Key Internal Controls



Each Director and the Accounting Officer or Senior Accountable Officer in the Department's ALBs are required to provide a quarterly assurance statement. These statements are used as a basis for the authorisation of the annual Governance Statement by the Departmental Accounting Officer.

Other Governance Structures

There are a number of other policies and processes which also contribute to the Department's corporate governance:

- the development and monitoring of TEO's Business Plan, which identifies key departmental priorities and provides a basis for the allocation of resources;
- setting budgets and priorities and the in-year monitoring process;
- guidance on the policy and procedures for the approval of departmental expenditure and delegated limits is kept under review and disseminated throughout the Department;

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- Corporate Governance Branch continues to provide advice and support to officials across TEO;
- test drilling exercises undertaken by departmental economists, of around 10% of all business cases/post project evaluations, highlighting lessons to be learned and the embedding of good practice across this discipline. DoF also undertake periodic test drilling exercises;
- governance is reinforced through the ALB Partnership Forums, which share best practice and guidance across the Department and its ALBs;
- the Performance Management System;
- HR policies designed to ensure the Department complies with employment law and has the appropriate numbers of staff with suitable skills to meet its objectives;
- the Departmental Fraud Prevention Policy and Response Plan, which details responsibilities for the prevention of fraud and the procedures to be followed in the event of a fraud being detected or suspected. This document relates to fraud and loss both within the Department and its ALBs;
- the Fraud Investigation Oversight Group oversees the investigation of Raising Concerns allegations, allegations of financial irregularity, relevant PSNI action and options for action if funds have been obtained fraudulently;
- TEO did not find any cases of actual, suspected or attempted fraud in its most recent NFI investigations (2020-21 exercise) and takes positive assurance from this on the effectiveness of its internal control environment; and,
- the Departmental Raising Concerns policy and procedures for staff involved in managing Raising Concerns allegations.

Risk Management

Managing risk is particularly important in TEO, since the Department undertakes a wide range of services and activities either directly, or via its ALBs; many of which are within sensitive and challenging operational areas. This influences the mechanisms deployed to manage risk and the Department's risk appetite. A number of initiatives under the Together: Building a United Community strategy, Good Relations, Victims' Payments Scheme for Permanent Disablement, SIF and Urban Villages programmes have led to innovative methods of collaborative working, which accelerated project implementation. The Department's robust risk management structure provides the mechanism to manage the risks associated with such innovative projects and initiatives.

The risk appetite defines the level of exposure that the Department is willing to accept. If the risk appetite is low, the Board will not be prepared to accept risks which have been assessed as having a high or medium rating.

The Departmental Board has a low appetite for risks that are likely to:

- endanger or significantly impact upon the delivery of the Department's Programme for Government commitments or other strategic objectives; or
- create significant adverse publicity or reputational damage for Ministers or the Department; or
- result in an overspend or underspend of significant proportions.

The Board tolerates a degree of risk towards projects or initiatives:

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- that are innovative;
- that have the potential for significant additional benefit to the delivery of Programme for Government commitments;
- where the risks have been fully stated and accepted with an appropriate expenditure proposal agreed; and
- where the risks will be fully managed.

To assist in the Risk Management Process, the Department has developed a Corporate Risk Register (CRR). The CRR:

- identifies the high-level risks to the achievement of the Department's vision and overall aim; and
- analyses the risks related to the Departmental Business Plan.

The CRR is informed by an assessment of risk at each level of the Department, including at Corporate, Directorate, Divisional and Branch/Project levels. A risk owner is identified for each of these risks which reinforces the inextricable link between risk management and the business planning process. The Risk Owner decides whether a risk is sufficiently serious to be escalated to the CRR. Directors are required to review their Directorate Risk Register on a quarterly basis, report any amendments to the Departmental Board, and review and revise the Risk Register as necessary. All new business activities are assessed for key risks and controls to mitigate them are then put in place.

The CRR is endorsed by the Accounting Officer and Departmental Board and is subject to regular revision and the inclusion of lessons learned from the previous reporting year. Assurance on the mitigation of identified risks is provided to the Accounting Officer, through the quarterly assurance statement process. Scrutiny of the CRR forms part of the Board and ARAC core work programme. The CRR is updated and reviewed by the TEO Board and the ARAC on a quarterly basis.

The CRR is focused on fourteen key strategic and corporate risks including two added in 2021-22. They were: not engaging with the North South Ministerial Council (NSMC) may lead to political instability and opportunities missed in terms of North/South engagement; and, the failure to develop and deliver the Ending Violence Against Women and Girls Strategy effectively to address stakeholder needs.

TEO's fourteen key risks are:

- its co-ordination arrangements do not effectively provide the necessary information to the Executive to inform the management of the COVID-19 recovery;
- it is unable to lead the production of a PfG or support and monitor its delivery;
- it fails to operate within allocated budget: avoiding overspend and managing underspend within 1.5% target;
- it fails to have sufficient staff resource, managed and motivated appropriately and utilised effectively in the current working arrangements;
- it breaches its information governance and information technology obligations;
- its co-ordination arrangements fail to ensure that the NI position, in relation to EU Exit issues, is adequately reflected to the UK Government;

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- its leadership and coordination of the operational preparedness of the NI Departments for the end of the [EU Exit] transition period is incomplete and / or ineffective;
- its co-ordination arrangements fail to respond quickly and effectively to serious civil contingencies;
- its T:BUC strategy fails to have a positive impact on Good Relations;
- its Transformational Programmes fail to effectively tackle disadvantage and promote equality of opportunity;
- it fails to ensure that the needs of victims and survivors of the Conflict/Troubles are addressed;
- it fails to ensure the needs of HIA victims and survivors are addressed;
- not engaging with NSMC may lead to political instability and opportunities missed in terms of North/South engagement; and
- it fails to develop and deliver the Ending Violence Against Women and Girls Strategy effectively, to address stakeholder needs.

During 2021-22, business areas gave presentations to the Departmental Board on risk management within their Directorates to allow a deeper and more meaningful understanding and discussion of risks facing the Department.

Internal Audit formally reviewed the Department's Risk Management process in 2019-20 and provided a satisfactory audit opinion. Although no formal review has taken place since, Internal Audit has contributed to the review of the departmental risk register through attendance at Audit and Risk Assurance Committee meetings and is content that the satisfactory rating remains in force.

The Senior Information Risk Owner continues to provide the overall lead in the important work of Information Risk Assurance, reviewing and developing TEO's information assurance and management policies and procedures. In addition, the Departmental Security Officer continues to review and report to the Departmental Board bi-annually on resilience, vulnerabilities and risks.

Along with other Northern Ireland Departments, the Department usually carries out a Security Health Check, in keeping with the principles outlined in the UK Government's Security Policy Framework. This Framework describes how organisations and third parties handling official information and other assets will apply protective security to ensure government can function effectively, efficiently and securely. The last check within the Department was performed during 2020-21.

Work continues with the Public Record Office of Northern Ireland (PRONI) to facilitate the timely disposal of official records or their transfer to PRONI for permanent preservation; and considerable progress was made during the year. In light of the progress, the agreed 2019 Action Plan is being reviewed with PRONI.

The TEO Information Asset Register (IAR) has been reviewed and updated providing a comprehensive overview of departmental information assets and meeting a legislative requirement within UK information law.

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All the actions mentioned above ensure the continuing protection, assurance, legitimate processing and secure disposal of official and sensitive corporate business and personal information within a secure environment.

Work continues to establish governance mechanisms to ensure that all processing activities conducted by TEO are appropriate and staff are aware of their obligations under UK Data Protection legislation. A suite of guidance has been developed by the Data Protection Officer and, following the Permanent Secretary's approval, TEO staff will soon be able to avail of training in data protection, through the NICS suite of learning and development programmes. This will embed good practice throughout the department.

There were no personal data breaches in the core Department in 2021-22.

During the year, five information breaches occurred in two of the Department's ALBs. None of the incidents met the threshold for reporting to the Information Commissioner's Office (ICO). Although, the outworking of a 2020 reportable data breach originating from the Interim Advocate's Office (an ALB – closed on 11 December 2020) continues.

The Information Commissioner's Audit Report (June 2021) on the Executive Office, concluded that she was reasonably assured that processes and procedures are in place for delivering Freedom of Information (FOI) compliance. Staff in IMCAB have undertaken formal training in both FOI and Data Protection thereby meeting one of the ICO recommendations. Work continues to embed departmental practices to improve upon response times for FOI requests [currently some way below the 90% response rate expected by ICO] and work to progress the remaining ICO recommendations continues in conjunction with the NICS Information Governance Board.

Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for reviewing the effectiveness of TEO's system of internal governance. I am advised by the Board and Audit Committee in this regard.

My review of the effectiveness of this system is informed by the work of the Internal Audit Service and the executive directors within the Department, who have responsibility for the development and maintenance of the internal control framework. I also consider the comments made by the NIAO in its Report to Those Charged with Governance and other reports. I have considered the implications of this review and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Sources of Independent Assurance

The Department relies on Independent Assurance from the following sources:

- Internal Audit Service (IAS); and
- the Northern Ireland Audit Office (NIAO).

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Internal Audit

The Internal Audit Service provides independent assurance by giving an independent opinion on the adequacy and effectiveness of the Department's system of internal control to the Accounting Officer and Audit and Risk Assurance Committee and was provided by DoF's Internal Audit Unit.

The Internal Audit work programme includes a periodic assessment of the completeness and effectiveness of TEO's corporate governance arrangements. This was reported as satisfactory in the most recent report of April 2020.

The Accounting Officer and the Board are independently advised by the Head of Internal Audit, who operates in accordance with Public Sector Internal Audit Standards (PSIAS). The primary role of Internal Audit is to provide the Accounting Officer and the Board with an independent and objective opinion on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the Department's agreed objectives.

IAS has played a crucial role in this review in TEO by:

- focusing audit activity on the key business risks;
- guiding managers and staff through improvements in internal controls;
- auditing the application of risk management and control as part of Internal Audit reviews of key systems and processes; and
- providing advice to management on internal governance implications of proposed and emerging changes.

The COVID-19 pandemic and resource issues have impacted progress against internal audit plans across the NICS. As a result of this, the Department agreed that IAS should continue to prioritise important advisory work, over some scheduled audits.

This re-prioritisation and the pandemic disruption delayed the completion of some audits. However, IAS has completed two audits with satisfactory audit opinions and issued two further draft reports. IAS also undertook a piece of consulting work/follow up to a previous audit in Racial Equality Unit (which withdrew a 2019 limited opinion and made some additional recommendations for improvements). One further audit is ongoing.

Recommendations within these reports are given due consideration with changes made to improve governance, as required.

IAS provided advice to the Department on a range of issues on both a formal and informal basis, some of which related to COVID-19 arrangements.

IAS conducts external quality assurance reviews of the internal audit service provision to TEO's ALBs, on a five-year recurring basis. Although no reviews were undertaken this year, IAS is not aware of any issues to change its opinion that such services operate within the provisions of the Public Sector Internal Audit Standards (PSIAS).

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On the basis of work undertaken in previous years and during 2021-22, the Head of Internal Audit provided a satisfactory opinion for 2021-22 to TEO.

Northern Ireland Audit Office (NIAO)

The Department is also subject to independent scrutiny from the NIAO. The NIAO is independent of Government and is tasked by the Assembly to hold the Northern Ireland Departments and their Agencies to account for their use of public money. As Head of the NIAO, the Comptroller and Auditor General works closely with the Assembly's Public Accounts Committee, which can require Accounting Officers and senior officials to account for their actions in relation to the stewardship of public funds.

Governance and Accountability of TEO's ALBs

The Department's ALBs are key to the delivery of its objectives and strong governance of them is critical to the Department.

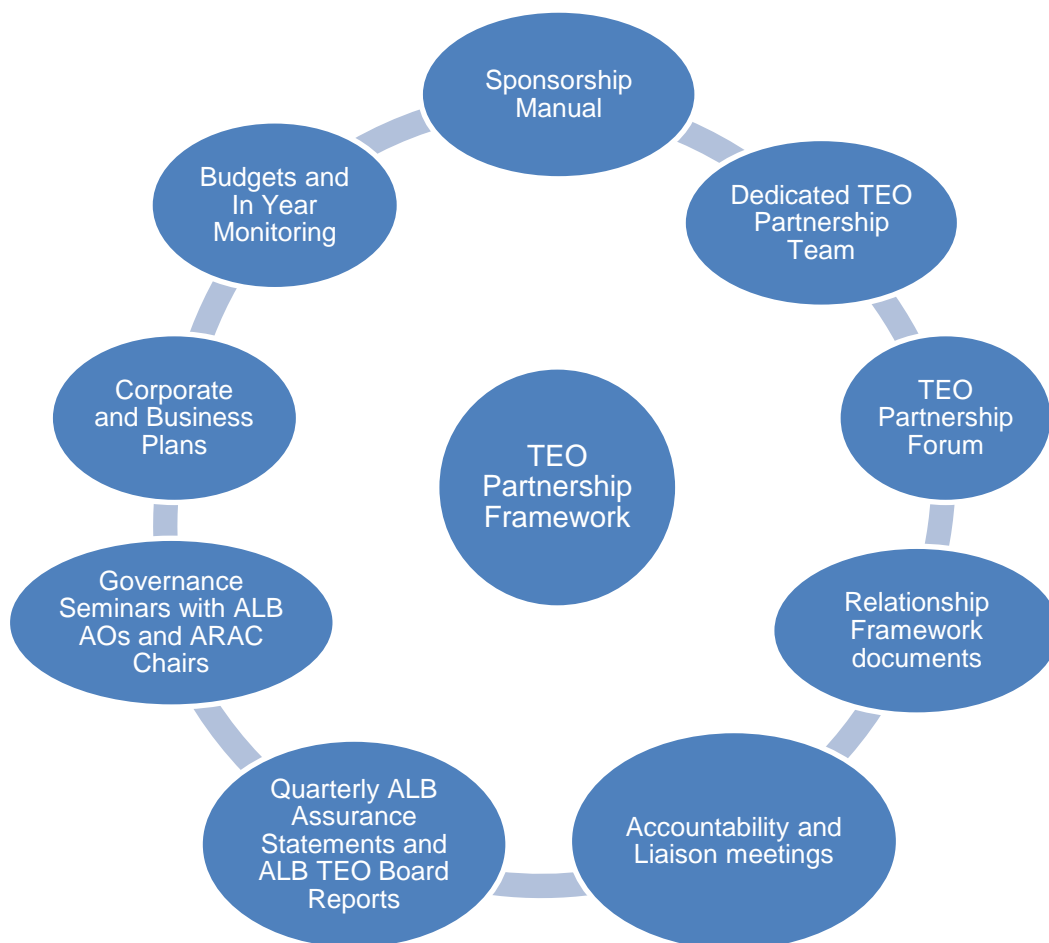
ALBs use their own governance structures developed in line with: Managing Public Money Northern Ireland; the requirements of the Department; and other relevant guidance. Each ALB which sits outside the Departmental Accounting Boundary publishes its own Governance Statement within its Annual Report and Accounts.

ALB Boards have corporate responsibility for ensuring that their organisation fulfils its statutory responsibilities and the aims and objectives set by the Department/Ministers, including promoting the efficient, economic and effective use of staff and other resources.

As Principal Accounting Officer, I have a duty to satisfy myself that all ALBs have adequate governance systems and procedures in place to promote the effective and efficient conduct of their business and to safeguard financial propriety and regularity.

In fulfilling the partnership and oversight role, a partnership framework is in place including key governance arrangements to provide effective partnership working with the Department's ALBs and to provide assurance to Ministers and the Accounting Officer.

TEO Partnership Framework



The relationship between the Department and each of its ALBs is set out in a Partnership Agreement, a Management Statement/Financial Memorandum, or a Memorandum of Understanding, and is managed through a nominated ALB partnership team within the Department. Specific risk-based delegated authority levels are in place for each ALB.

Departmental partnership teams are guided by TEO’s ALB Sponsorship Manual and DoF’s Code of Good Practice on Partnerships between Departments and Arm’s Length Bodies. The TEO ALB Sponsorship Manual has been developed to meet the responsibilities placed on the Department, under Managing Public Money NI, for the ALBs operating under its control.

The performance of ALBs is reviewed by the Departmental Board, on a quarterly basis, through the ALB Directors’ Assurance reports. These reports include financial performance; monitoring of business plan targets; key risks and achievements; and any action required by the Departmental Board. Using a risk-based approach, the Board considers annual business plans for the larger ALBs, in advance of their submission for Ministerial approval. Quarterly Assurance Statements from all ALBs are completed by the ALB Accounting Officers/ Senior Accountable Officers and reviewed by the partnership team and Corporate Governance Branch. Any significant issues are escalated through inclusion in the lead official’s Departmental Assurance Statement.

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Accountability and Liaison meetings are held on a quarterly basis (or more frequently if considered necessary) between the departmental lead official for the ALB and the ALB Accounting Officer/Senior Accountable Officer. The quarterly meetings are structured to cover all relevant governance issues affecting the organisation and provide an accountability mechanism to support this Governance Statement.

Two separate Governance seminars involving TEO ALB Accounting Officers and Chairs of their Audit and Risk Assurance Committees with their sponsors were held in 2021-22 that covered issues including partnership working; updates on finance, governance and fraud guidance; updates on the current departmental budgetary position and the implementation of Better Business Cases NI.

TEO Finance has continued to engage with ALB Finance teams on budgeting and accounting issues over the course of the year. Corporate Governance Branch has also provided advice and guidance in the period to ALBs on business cases, pay remits and the development of relationship framework documents.

TEO Finance continued to engage with ALB Finance teams on preparations and timetabling for the introduction of the Review of Financial Process (RoFP).

Collectively these actions provide the Department with the assurance that individual ALBs are effectively discharging their functions and that public money is being properly used to deliver the objectives and targets set, while ensuring compliance with the requirements for regularity, propriety and value for money.

Adherence to Procedures

Adherence to Appraisal Procedures

The conclusions drawn from the most recent test drill review, of the 2020-21 economic appraisals and post project evaluations sampled, are mainly positive. However, some areas have been identified where actions could be taken to align the economic appraisals and post project evaluations more closely to the relevant guidance.

Raising Concerns and Investigations

The Department's Fraud Investigation Oversight Group (FIOG) considers on a six-monthly basis the investigation of Raising Concerns allegations, as well as allegations of financial irregularity, relevant PSNI action and options for action if funds have been obtained fraudulently.

During 2021-22, FIOG had oversight of 18 investigations, two of which were reported in that year. The investigations related to a number of areas within TEO, its ALBs and funded third party organisations. Following investigation, five cases were closed during the year; 13 cases carried forward into the next financial year and none were referred to the PSNI. No funding associated with these cases has been written off in year.

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The Department managed 20 Raising Concerns cases in 2021-22, 14 of which were reported in the current financial year. Following investigation, 15 cases were closed during the year and five cases carried forward into 2022-23.

As a result of the Department's 2019 annual effectiveness review of its Raising Concerns arrangements, the guidance for staff and external stakeholders was enhanced to provide further clarity on the Raising Concerns process for the Department and its ALBs including the acknowledgment of concerns, the provision of feedback, and process maps. Additional guidance was also included on the links between the fraud response process and Raising Concerns arrangements.

The Department's 2021 review demonstrated that the arrangements appear to be working effectively. The existing policies were further developed to take account of new NIAO guidance providing revised process maps, and additional guidance on concerns that do not relate to TEO. Supplementary updates will be considered in line with recent revisions to the draft NICS guidance before seeking Departmental Board approval of the revised policy and re-issuing it to all staff.

Travel Agents Coronavirus Financial Assistance Scheme

The support provided to Travel Agents as part of the Travel Agents Coronavirus Financial Assistance Scheme relied on self-declarations as a means of applicants demonstrating that, as a result of the outbreak of COVID-19, they suffered financial hardship (as a travel agent); and, intended to keep operating as a travel agent (meeting the requirements of the Regulations).

The decision to rely on self-declarations was taken in the context of the exceptional circumstances brought about by the pandemic, the extreme urgency with which businesses required this financial support and the limited time available to deliver the scheme. Additionally, it is worth noting that the Executive Office has no statutory or policy responsibility for travel agents or the travel sector, other than the delivery of this one-off Scheme. Potential risks of fraud and error, in addition to insufficient assurance on value for money, were acknowledged at the time the Scheme was launched in 2020-21 and, as such, a Ministerial Direction was sought and issued. Further information on the Travel Agents Coronavirus Financial Assistance Scheme can be found on page 53-54.

Clawback arrangements were incorporated into the scheme, and one grant overpayment was identified. Taking into account that recovery of this amount (£1,132) would not represent value for money; could be considered unfair, as the applicant appeared to have acted in good faith; and with the applicant claiming financial hardship due to the COVID-19 pandemic, it was decided not to pursue its recovery. DoF approval to write off this overpayment was received.

Divergences - Prior Year

The ongoing impact of the COVID-19 pandemic and the ending of the 'grace period' for the UK exiting the EU required immediate expenditure by the Department during 2020-21. That meant in some cases retrospective approvals were required, although none from DoF.

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An urgent requirement for staff resources to meet both TEO and ALB priorities again meant some approvals were granted retrospectively.

TEO has taken steps to prevent a recurrence of these issues, including circulating reminders to staff and enhancing its expenditure approval guidance. As a result, the number of incidents requiring retrospective approval has reduced considerably in 2021-22 with only a small number of requests being made, none of which required DoF approval.

CRC - Since 2010-11, an ongoing issue in relation to pension allowances paid to the staff of CRC has resulted in irregular expenditure of approximately £273k, including £19k in 2021-22. The allowance being paid was to ensure that staff at CRC, on terms and conditions analogous to the NICS, were not disadvantaged by membership of the pension scheme to which they belonged. This allowance however has not been approved by TEO or DoF. Work is ongoing to address the issue.

NIJAC - In 2020-21, NIJAC paid £4,750 to seven of its permanent staff under its Special Bonus Policy for exceptional performance in that year. Individual bonuses ranged from £500 to £750. A further bonus of £750 paid to an agency staff member attracted VAT of £150. In March 2021, NIJAC ordered food and drink hampers for all staff and Commissioners, at a cost of £50 per person, totalling £1,050.

The audit of the NIJAC financial statements is nearing completion and the C&AG has indicated that these payments will be considered irregular.

Divergences – Current Year

In the first quarter of 2021-22, a significant risk around the adequacy of staff resources was highlighted in the assurance statement process. This diverged from the Departmental Board's stated low appetite for risks which could endanger or significantly impact upon the delivery of TEO's Programme for Government commitments or other strategic objectives. During 2021-22, pro-active steps have been taken in at a departmental level to address the resource pressures, including prioritisation of tasks, allocation of resources and recruitment practices. While steps taken to date are welcome, pressures on staff and resources will need ongoing care and attention. Emerging Executive priorities and the ongoing and evolving pandemic response have the potential to further impact work programmes, at very short notice. This could exacerbate the pressure on staff and further increase the level of risk associated with failing to meet PfG and other commitments.

Similarly, vacancies and recruitment issues relating to staff, Board members and Commissioners within ALBs have reduced their capacity to progress workstreams and fulfil their governance obligations. Sponsor branches continue to work with the ALBs to resolve these issues and mitigate the related risks.

With the exception of the issues identified above, no significant issues have arisen.

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Ministerial Directions

I can confirm that, as Accounting Officer, I am in compliance with the “Accounting Officer responsibilities” set out in MPMNI Chapter 3, by ensuring that, should the Minister decide to continue with a course of action which I have advised against, the Minister is requested to provide me with a formal Ministerial Direction to proceed with that course of action. Such a Direction is likely to mean that the associated expenditure is novel or contentious and therefore outside of the departmental delegated expenditure limits.

The Minister may decide, in these circumstances, that the issue should be discussed by the Executive. As Accounting Officer, I ensure that any Ministerial Directions are formally notified to DoF and to the Comptroller and Auditor General.

No Ministerial Directions were issued during 2021-22.

Conclusion

TEO has a rigorous system of accountability on which I rely, as Accounting Officer, to form an opinion on the probity and use of public funds, as detailed in Managing Public Money Northern Ireland.

Having considered the corporate governance framework within which the Department and its Arm’s Length Bodies operated and in conjunction with assurances given to me by the Audit and Risk Assurance Committee, I am content that the Department has operated a sound system of internal governance during the period 2021-22.

REMUNERATION AND STAFF REPORT

The remuneration and staff report sets out the Department's remuneration policy for Ministers and Senior Civil Servants, reports on how the policy has been implemented and sets out the amounts awarded to Ministers and Senior Civil Servants.

Departmental Remuneration Report

Remuneration Policy

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

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay awards for NICS staff, including SCS, for 2020-21 were paid in June and July 2021. The pay awards for 2021-22 were paid in September and October 2021.

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

Service Contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise. The Order exempts the appointment of special advisers from the principle of selection for appointment on merit on the basis of fair and open competition. Such appointments are made in accordance with the Code Governing the Appointment of Special Advisers.

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. £150,150 compensation was incurred for loss of office during 2021-22 (2020-21: £Nil)

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

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Remuneration (including salary) and pension entitlements

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

Remuneration and pension entitlements – Ministers (Audited)

There were six Ministers in place during 2021-22 and four during 2020-21.

Single total figure of remuneration								
Ministers	Salary (£)		Benefits in kind (to nearest £100)		Pension Benefits** (to nearest £1000)		Total (to nearest £1000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Mrs Arlene Foster (from 01/04/21 to 14/06/21)	14,800 (72,000 full year equivalent)	72,000 (72,000 full year equivalent)	-	-	5	23	20	95
Mr Paul Givan (from 17/06/21 to 03/02/22)	45,442 (72,000 full year equivalent)	-	-	-	14	-	59	-
Mrs Michelle O'Neill (from 01/04/21 to 14/06/21 and from 17/06/21 to 03/02/22)	60,243 (72,000 full year equivalent)	72,000 (72,000 full year equivalent)	-	-	16	23	76	95
Mr Gordon Lyons (from 01/04/21 to 14/06/21)	1,233 (6,000 full year equivalent)	5,389 (6,000 full year equivalent)	-	-	1	2	2	7
Mr Declan Kearney (from 01/04/21 to 31/03/21 and from 01/04/21 to 31/03/22)	6,000 (6,000 full year equivalent)	6,000 (6,000 full year equivalent)	-	-	2	2	8	8
Mr Gary Middleton (from 17/06/21 to 31/03/22)	4,733 (6,000 full year equivalent)	-	-	-	1	-	6	-

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

Remuneration and pension entitlements – Officials (Audited)

Officials	Salary		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1000)		Total (£'000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Dr Denis McMahon <i>Permanent Secretary</i> (from 26/07/21)	85-90 (130-135 Full year equivalent)	Nil	Nil	Nil	35,000	Nil	120-125	Nil
Dr Jayne Brady** <i>Head of the Civil Service</i> (from 01/09/21)	95-100 (165-170 Full year equivalent)	Nil	Nil	Nil	37,000	Nil	130-135 (200-205 Full year equivalent)	Nil
Mrs Jenny Pyper <i>Interim Head Of the Dept</i> (to 31/08/21)	95-100 (235-240 Full year equivalent)	75-80 (235-240 Full year equivalent)	N/A	N/A	N/A	N/A	95-100 (235-240 Full year equivalent)	75-80 (235-240 Full year equivalent)
Dr Andrew McCormick <i>Director General</i> (Retired 31/08/21)	50-55 (135-140 full year equivalent)	130-135 (140-145 full year equivalent)	Nil	Nil	Pension is a private scheme	Pension is a private scheme	50-55	130-135
Mr Chris Stewart <i>Director</i>	100-105	95-100	Nil	Nil	56,000	69,000	155-160	160-165
Ms Karen Pearson <i>Director</i>	95-100	90-95	Nil	Nil	53,000	47,000	145-150	135-140
Mr Alexander Gordon <i>Director</i>	150-155	105-110 (135-140 full year equivalent)	Nil	Nil	59,000	42,000	205-210	145-150
Mrs Neelia Lloyd <i>Director</i>	75-80	55-60 (75-80 full year equivalent)	Nil	Nil	36,000	21,000	110-115	75-80
Mr Thomas Reid <i>Director</i>	95-100	45-50 (90-95 full year equivalent)	Nil	Nil	75,000	50,000	170-175	95-100
Mr Gareth Johnston <i>Director</i> (from 09/09/21)	50-55 (95-100 full year equivalent)	Nil	Nil	Nil	59,000	Nil	105-110	

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Mrs Tara Kennedy <i>Director (from 01/12/21)</i>	20-25 (70-75 full year equivalent)	Nil	Nil	Nil	17,000	Nil	35-40	
Mrs Patricia Claire Archbold <i>Director (from 01/12/21)</i>	30-35 (100-105 full year equivalent)	Nil	Nil	Nil	13,000	Nil	40-45	
Mr Denis Power <i>Independent Non Executive Board Member</i>	5-10	5-10	Nil	Nil	Nil	Nil	5-10	5-10

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

**As per agreement with the chair, the Head of the Civil Service attends the board by exception. Neither Jenny Pyper nor Jayne Brady were required to attend during 2021-22.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by The Executive Office and thus recorded in these accounts.

The Executive Office was under the joint direction and control of the First Minister Paul Givan and the deputy First Minister, Michelle O'Neill. Their salaries and allowances were paid by the Northern Ireland Assembly and hard charged to the Executive Office from 2021-22. These amounts do not include costs relating to the Ministers' roles as MLAs which are disclosed in the appropriate legislature accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. None of the above received any benefits in kind.

Fair Pay Disclosures (Audited)

Pay Ratios

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

The banded remuneration of the highest-paid director in The Executive Office in the financial year 2021-22 was £165,000 - £170,000 (2020-21: £235,000 - £240,000). This was 4.41 times (2020-21: 6.21 times) the median remuneration of the workforce, which was £38,022 (2020-

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21: £38,218). This has decreased because the interim Head of the Civil Service (HOCS) was paid at a higher temporary contract rate than the new HOCS.

In 2021-22, one (2020-21; nil) employee received remuneration in excess of the highest paid director.

Remuneration ranged from £8,076 to £219,396 (2020-21: £5,362 to £240,000).

<u>2021-22</u>	25th percentile	Median	75th percentile
Total remuneration (£)	£28,706	£38,022	£52,026
Pay ratio	5.84	4.41	3.22

The above divergences from the median remuneration arise from the range of grades across the TEO pay structure.

<u>2020-21</u>	25th percentile	Median	75th percentile
Total remuneration* (£)	Not Required	£38,218	Not Required
Pay ratio	Not Required	6.21	Not Required

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

The 2021-22 financial year is the first year disclosures in respect of the 25th percentile pay ratio and 75th percentile pay ratio are required. The 2021-22 Financial Reporting Manual does not require comparative figures to be disclosed for 2020-21.

Percentage Change in Remuneration

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

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

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

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

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Percentage change for:	2021-22 v 2020-21	2020-21 v 2019-20
Average employee salary and allowances	3%	Not required
Highest paid director's salary and allowances	-29%	Not required

Pension Benefits

Pension Entitlements - Ministers (Audited)

There were six Ministers in place during 2021-22 and four in 2020-21.

	Accrued pension at pension age as at 31/03/22	Real increase in pension at pension age	CETV at 31/03/22	CETV at 31/03/21 *	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mrs Arlene Foster (from 01/04/21 to 14/06/21)	10 - 15	2.5 - 5.0	186	181	3
Mr Paul Givan (from 17/06/21 to 03/02/22)	0 - 5	5.0 - 7.5	36	26	5
Mrs Michelle O'Neill (from 01/04/21 to 14/06/21 and from 17/06/21 to 03/02/22)	15 - 20	5.0 - 7.5	203	186	7
Mr Gordon Lyons (from 01/04/21 to 14/06/21)	0 - 5	0 - 2.5	2	2	0
Mr Declan Kearney (from 01/04/21 to 31/03/21 and from 01/04/21 to 31/03/22)	0 - 5	0 - 2.5	4	2	1
Mr Gary Middleton (from 17/06/21 to 31/03/22)	0 - 5	0 - 2.5	1	0	0

**The calculation of the starting pension for the 2021-22 CETV was based on the pensionable salary used in the 2020-21 annual benefit statement and may therefore be greater or lower than the closing pension for the 31 March 2021 CETV*

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Ministerial pensions

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

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

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

As Ministers are Members of the Legislative Assembly they also accrue an MLA's pension under the AMPS (details of which are not included in this report). Pension benefits for Ministers under transitional protection arrangements are provided on a "contribution factor" basis which takes account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as a Member for each year of service as a Minister. Pension benefits as a Minister are based on the accrual rate (1/50th or 1/40th) multiplied by the cumulative contribution factors and the relevant final salary as a Member. Pension benefits for all other Ministers are provided on a career average (CARE) basis.

Benefits for Ministers are payable at the same time as MLAs' benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Up to the 6 May 2021 those Ministers under the transitional protection arrangements paid contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate. The contribution paid by Ministers in the CARE Scheme is 9% of the Ministerial salary. There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose representing the balance of cost. Following the publication of the triennial valuation of the AMPS by the Government Actuary's Department, this was increased from 14.4% to 17.1% of Ministerial salary, effective from 1 April 2021. The accrued pension quoted is the pension the Minister is entitled to receive when

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they reach normal pension age for their section of the Scheme. Ministers under transitional protection arrangements may retire at age 65. Ministers in the CARE scheme have a pension age aligned to their State Pension Age.

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total office holder service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

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

Pension Entitlements – Officials (Audited)

	Accrued pension at pension age as at 31/03/22 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/22	CETV at 31/03/21	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Dr Denis McMahon (Permanent Secretary from 26/07/21)	30 - 35	0 - 2.5	480	433	21	-
Dr Jayne Brady (Head of the Civil Service from 01/09/21)	0 - 5	0 - 2.5	26	0	18	-
Dr Andrew McCormick Director General (retired 31/08/21)	N/A	N/A	N/A	N/A	N/A	-
Mr Chris Stewart Director	45 - 50 plus a lump sum of 120-125	2.5 - 5 plus a lump sum of 0 - 2.5	1,035	933	42	-
Ms Karen Pearson Director	45 - 50 plus a lump sum of 105-110	2.5 - 5 plus a lump sum of 0 - 2.5	945	858	37	-

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Mr Alexander Gordon <i>Director</i>	5 - 10	2.5 - 5	121	74	34	-
Mr Thomas Reid <i>Director</i>	30 - 35 plus a lump sum of 55 - 60	2 - 5-5 plus a lump sum of 2.5-5	563	479	54	-
Mrs Neelia Lloyd <i>Director</i>	25 - 30	0-2.5	350	311	19	-
Mr Gareth Johnston <i>Director from 09/09/21</i>	35 - 40 plus a lump sum of 75 - 80	2.5-5 plus a lump sum of 2.5 - 5	663	608	43	-
Mrs Tara Kennedy <i>Director from 01/12/21</i>	10 - 15	0 - 2.5	189	175	12	-
Ms Patricia Claire Archbold <i>Director from 01/12/21</i>	40 - 45 plus a lump sum of 75 - 80	0 - 2.5 plus a lump sum of Nil	750	734	7	-

Northern Ireland Civil Service (NICS) Pension Schemes

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

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the classic, premium, classic plus and nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. At that time, members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha (full protection) and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

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

<https://www.finance-ni.gov.uk/publications/dof-resource-accounts>

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Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

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

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

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

Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index

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(CPI) figure for the preceding September. The CPI in September 2021 was 3.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2022.

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

Scheme Year 1 April 2022 to 31 March 2023

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	To	From 01 April 2022 to 31 March 2023
£0	£24,449.99	4.6%
£24,450.00	£56,399.99	5.45%
£56,400.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that

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it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

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Staff Report

Senior Civil Servants (Audited)

The number of Senior Civil Service staff (or equivalent) by salary band at 31 March is as follows:

	2021-22	2020-21
Salary Band	Number	Number
Pay Scale 4 £167,829-£192,057	1	1
Pay Scale 3 £124,282-£141,866	3	2
Pay Scale 2 £96,170-£107,566	6	4
Pay Scale 1 £74,912-£84,122	27	25
Special Advisor 1 £0- £54,999	0	0
Special Advisor 2 £55,000-£69,999	0	2
Special Advisor 3 £70,000-£85,000	0	4

The figures above exclude 2 senior civil servants currently on career breaks.

Staff numbers and related costs (Audited)

Staff costs comprise of:

				2021-22	2020-21
	Permanently employed staff*	Others	Ministers	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	16,062	1,843	156	18,061	17,160
Social security costs	1,751		20	1,771	1,786
Other pension costs	4,610		26	4,636	4,640
Sub Total	22,423	1,843	202	24,468	23,586
Less recoveries in respect of outward secondments	(128)			(128)	(83)
Total net costs**	22,295	1,843	202	24,340	23,503

Of which:	Charged to Administration £000	Charged to Programme £000	Total £000
Core department	12,254	12,086	24,340

* The 2021-22 figures include the cost of the Department's Special Advisers. There is one Special Advisor paid in pay band £0 - £54,999 (2020-21 none in the pay band £0 - £54,999), one Special Advisor paid in the pay band £55,000 - £69,999 (2020-21 two in the pay band

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£55,000 – £69,999) and four Special Advisors paid in the pay band £70,000 - £85,000 (2020-21 four in the pay band of £70,000-£85,000)

**Of the total, £0 has been charged to capital.

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

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

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

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. Following completion of the consultation process the 2016 Valuation has been completed and the final cost cap determined. Further information can be found on the Department of Finance website:

<http://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>

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

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For 2021-22, employers' contributions of £4,477,958 were payable to the NICS pension arrangements (2020-21: £4,049,023) at one of three rates in the range of 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £39,524 (2020-21: £65,092) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2020-21: 8% to 14.75%) of pensionable pay.

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

Employer contributions of £53, 0.5% (2020-21: £1,795, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the **partnership** pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

No-one retired early on ill-health grounds (2020-21 none), the total additional accrued pension liabilities in the year amounted to less than £2k (2020-21: less than £2k).

Average number of persons employed (Audited)

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the Department as well as other bodies included within the Departmental Annual Report and Accounts.

					2021-22	2020-21
	Permanently employed staff Number	Others Number	Ministers Number*	Special Advisers Number*	Total Number	Total Number
Core Departmental staff in post	291	36	4	5	336	305
North South Ministerial Council	9	-	-	-	9	10
Commissioner for Public Appointments for Northern Ireland	3	-	-	-	3	3
The Inquiry into Historical Institutional Abuse	11	0	-	-	11	18
Attorney General for Northern Ireland	15	-	-	-	15	12
Staff engaged on capital projects	-	-	-	-	-	-
Total for RfR A	329	36	4	5	374	352

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Staff Composition at 1 April 2022 and 1 April 2021 (Audited)

The number of persons of each gender who were directors, senior managers, and employees of TEO at 1 April 2022 and 1 April 2021 is as follows;

	2021-22		2020-21	
	Male	Female	Male	Female
Directors (Departmental Board)	5	4	3	3
Senior Managers (Grade 5 and above)	12	17	22	16
Employees (All other staff)	125	185	121	175
Total	142	206	146	194

Special Advisers are included in senior managers when employed, six were employed at 1 April 2021 and none at 1 April 2022.

Staff Turnover

The two definitions employed centrally are for 'Turnover' (staff leaving the Northern Ireland Civil Service as a whole) and 'Departmental Turnover' (staff leaving The Executive Office). For the period 1 April 2021 to 1 April 2022, the turnover figure is calculated as the number of leavers within that period divided by the average of staff in post over the period. The average staff in post can be calculated as the average of headcount at the start and end of the period.

TEO Staff Turnover Rates				
TEO Staff Turnover Rates	Departmental Turnover Rate		General Turnover Rate	
	TEO	0.113	11.3%	0.070

Note: that staff turnover data includes those who left the NICS while on a career break and includes permanent and temporary staff.

Absence management

TEO continued to place a high priority on absence management and had a wide variety of support mechanisms in place to help staff who were sick, including Occupational Health Service, Welfare Services and Inspire Workplace Services (formerly Care call) who provide independent counselling services. A Workplace Health and Fitness programme ran throughout the year, with 10 health and fitness activities and events, as well as a range of staff communications highlighting support and help available. As part of its commitment to improving the health and wellbeing of staff TEO continues to plan and promote events and work alongside the NICS Well programme.

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TEO and NICS Sick Absence Statistics

Sickness Absence

Data provided by Northern Ireland Statistics and Research Agency (NISRA). This information is collated from an annual NISRA report on NICS Sickness Absence.

	2021-22		2020-21		2019-20	
	TEO	NICS	TEO	NICS	TEO	NICS
Days Lost per Staff Year	10.9	12.2	7.7	9.8	9.3	12.9
% of Staff with no recorded absence	71	62.0	81.8	72.3	61.8	50.7
Long term absence						
% of staff with one or more long-term absence	12.4	12.7	6	11.4	8.9	14
% of working days lost due to long-term absence	84.4	80.5	86.1	83.9	72.2	77
Average duration (working days)	60.3	64.3	92.9	64	55	62.8

Staff Policies

Equality, Diversity and Inclusion

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

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

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

The NICS Diversity Action Plan sets out our priorities for action by diversity and inclusion theme, cross-cutting priorities, departmental priorities and includes supporting plans on communications and outreach.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. The NICS' commitment to equality of opportunity is outlined in its [Equality, Diversity and Inclusion Policy](#).

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

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

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

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

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the department's equality scheme is available at [The Executive Office](#).

Employee Consultation and Trade Union Relationships

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

Human Capital Management

(i) Career Development

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

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

There is a wide range of career development options available within the NICS and within the Career Development Policy that support various career development interventions including secondment and interchange opportunities, elective transfers, temporary promotion, job rotation, job shadowing, as well as mentoring.

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In line with the NICS People Strategy 2018-21 further development in the area is ongoing, including Talent Management Proposals to support a more corporate approach to talent management across the NICS.

There has been an embargo on outward secondments and extensions of existing secondments (of NICS staff to other organisations) in place since February 2020. This was deemed necessary by the NICS Board due to our extremely challenging resourcing position. NICS will not maintain the outward secondment embargo any longer than absolutely necessary, however the high level of vacancies that still exist and the pressure those vacancies create for existing staff and business areas must take priority.

(ii) Learning & Development

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

Development and delivery of generic staff training is centralised in NICS¹. During 2021/22 the focus for the NICS Learning and Development (L&D) team was the introduction and implementation of the NICS L&D plan which included NICS Board approval of the key functional skills areas including those identified by the RHI Inquiry and NIAO Capacity and Capability report. In addition a NICS Learning Needs Analysis which was designed to assess the current skills gaps in the key areas and identify and prioritise future development requirements is now nearing completion.

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

L&D continues to move to webinar delivery for training interventions which allows easier access to development opportunities for staff. Going forward this approach will continue, with a mix of virtual and face-to-face delivery options used to support learning when Covid guidance permits a return to classroom delivery.

The Hybrid Working bundle on the LInKS system provides access to training and information which will support staff and line managers adapt to hybrid working.

Talent management is a key theme of the NICS People Strategy and this year the focus continued on promoting the importance of improving the quality of the development conversation between managers and staff, with additional resources being added to the existing talent management toolkit.

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

¹ NICS¹ is the NICS' centralised human resources function. It falls under the responsibility of the Department of Finance

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Employment, training and advancement of disabled persons

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

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

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

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

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

Equal Opportunities

As an Equal Opportunity employer TEO is fully committed to the elimination of all forms of discrimination, harassment and victimisation. It has a statutory obligation under Section 75 and Schedule 9 of the Northern Ireland Act 1998 to ensure that it carries out its various functions having due regard to the need to promote equality of opportunity between nine social categories, including persons of different religious belief, political opinion, racial group, age, marital status, sexual orientation, gender, persons with/without a disability and persons with/without dependants. It is also required to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion, and racial group.

These statutory obligations are implemented through the Equality Scheme which shows how TEO proposes to fulfil these duties, by carrying out equality screening and, where necessary, equality impact assessments on policies. This is to ascertain whether the policy has any potential positive or negative implications for equality of opportunity on one or more of the nine listed categories. TEO's current equality scheme is approved by the Equality Commission. A new scheme has been prepared and will be subject to consideration and consultation later this year (2022).

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Employee Involvement

TEO, and its senior management team, places considerable importance on staff engagement and the inclusion of employees. The Department's Business Improvement Plan, produced by the Business Improvement and Staff Engagement Unit, was developed following widespread consultation and continues to evolve through engagement with staff, including the TEO Staff Engagement Forum. The Department also recognises the importance of highly effective communication and makes every effort to ensure that staff are kept informed through a series of articles issued on a daily basis through the Departmental intranet. This is supplemented by regular webinars, departmental updates, team meetings and the sharing of corporate information such as updates on corporate and business plans. Site visits and regular learning seminars are also made available to improve engagement and the sharing of corporate knowledge.

At an individual level, all staff also have access to the NICS Welfare Services, an Employee Assistance Programme (provided by Inspire) and trade union membership/support.

TEO currently holds an Investors in People Silver (IIP) level which is in place until May 2022.

The Department continues to use the agreed and established Whitley process for staff consultation with Trade Union Side. The Departmental Whitley Committee provides a forum for discussion on all issues affecting staff and meetings are held quarterly.

Staff Engagement

The 2021 NICS People Survey was conducted by NISRA across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey. As the 2020 survey related primarily to the impact of COVID-19 and did not include engagement themes, the latest year for which direct comparisons can be made is 2019.

For TEO there were 365 staff invited to complete the survey, of which 236 participated, a response rate of 65%. The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. TEO responses indicated an Employee Engagement Index of 64%, compared to the NICS average of 57%. The full survey can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>

Health and Safety

The Department is committed to applying all existing health and safety at work legislation and regulations to ensure that staff and visitors enjoy the benefits of a safe environment.

Expenditure on consultancy and temporary staff

Expenditure on consultancy and temporary staff is as follows:

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	2021-22 £000	2020-21 £000
Consultancy Costs	291	169
Agency staff	1,454	746
Seconded in staff	639	672
Total Temporary Staff	2,384	1,587

Temporary staff costs have increased in the year 2021-22 by £797k. This is mostly due to an increase in TEO agency staff across the department and includes an increase in agency costs of £103k for agency staff who were employed by the Northern Ireland Courts & Tribunal service and dealing with applications under the Historical Institutional Abuse Redress Board. Consultancy costs have increased by £122k during 21/22, partially relating to the TEO Population Polling Survey.

Off Payroll Engagements

The Department had no 'off-payroll' engagements in place during 2021-22 (2020-21: Nil).

There were no 'off-payroll' engagements by any of the 12 board members who served on the board at any time during 2021-22 and had significant financial responsibility (2020-21: Nil).

Civil Service and other compensation schemes – exit packages (Audited)

Comparative data shown (in brackets) for previous year.

Core Department			
Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000			
£10,000 - £25,000		5 (0)	5 (0)
£25,000 - £50,000		2 (0)	2 (0)
£50,000 - £100,000			
£100,000- £150,000			
£150,000- £200,000			
Total number of exit packages		7 (0)	7 (0)
Total resource cost /£000		£150 (£0)	£150 (£0)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland) (CSCS(NI)), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. The table above shows the total cost of exit packages agreed and accounted for in 2021-22 and 2020-21.

Exit costs of £150,150 were paid in 2021-22, the year of departure (2020-21: Nil).

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Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Disclosures of the maximum (highest), minimum (lowest) and median values of the payments would conflict with a legal obligation arising as a result of the Data Protection Act 1998.

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

The Assembly accountability and audit report brings together the key Assembly accountability documents within the annual report and accounts.

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

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

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

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

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

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

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

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

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

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

The Executive Office

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

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

DEL budgets are classified into resource and capital.

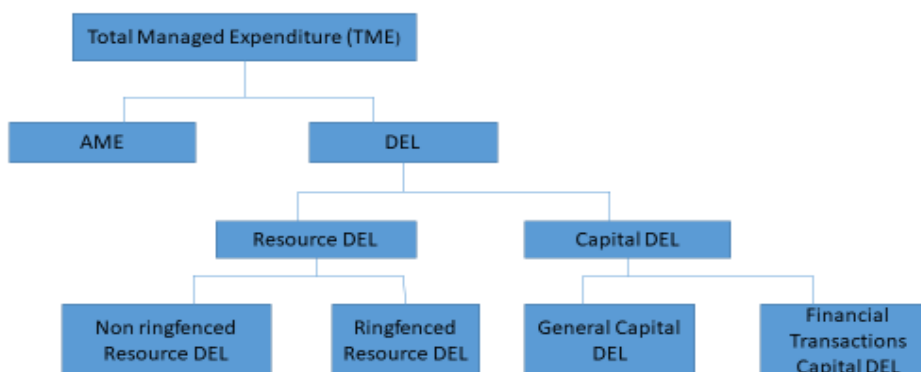
- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs, and separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets.
- Capital DEL is split into 'financial transactions' for loans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

The information contained within budgetary controls does not currently read directly to financial information presented in Financial Statements due to a number of misalignments. It is intended that the Executive's Review of Financial Process will help address these differences and improve transparency. A discussion of financial performance is on pages 41 to 46 of this report.

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

[Consolidated budgeting guidance 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2022-to-2023)

Budget Structure



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

Budgetary Performance

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

	Final Plan 2021-22 £'000	Provisional Outturn 2021-22 * £'000	Underspend / (Overspend) £'000
Resource DEL	138,323	128,530	9,793
<i>Non-ringfenced</i>	132,805	122,762	10,043
<i>Ringfenced D/I</i>	5,518	5,768	(250)
Capital DEL	35,907	35,020	887
<i>General Capital</i>	12,972	12,197	775
<i>FTC</i>	22,935	22,823	112
Total DEL	174,230	163,550	10,680
AME	416,806	103,460	313,346
<i>AME Resource</i>	416,806	103,460	313,346
<i>AME Capital</i>	0	0	0
Total Managed Expenditure	591,036	267,010	324,026

* Provisional Outturn submitted to DoF on 17 May 2022.

Explanation of Variances

The underspend in Resource DEL primarily relates to underspends in (i) Victims Payments ring fenced funding (£5.7million) due to a decrease in forecast determinations and admin costs, (ii) underspend in salaries as a direct result of vacancies not being filled as anticipated (£1.6million), (iii) an underspend in Covid-19 ring fenced funding due to lower than anticipated costs in Public Advertising, press conferences, photography and population polling (£0.7million), (iv) underspend in Communities in Transition expenditure due to costs coming in under budget (£0.7million), (v) underspend in HIA ring fenced funding primarily caused by the Public Information Campaign not progressing as planned (£0.7million) and (vi) underspends in NI Protocol (£0.2million) and EU Exit costs (£0.2million).

The underspend in Capital DEL relates to (i) an underspend in SIF as a result of the continued impact of Covid-19 along with (ii) a number of minor underspends across the Department's business areas.

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The underspend in AME relates primarily to the set-up of the Redress Payments provision, resulting from the outcomes of the Historical Institutional Abuse Inquiry, following a review of the future Compensation costs, carried out by Government Actuaries Department.

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

Summary of Resource Outturn 2021-22, all figures presented in £000

Type of spend	Note	Outturn			Estimate			Outturn vs Estimate, saving / (excess) Net Total	Prior Year Outturn Total, 2020-21
		Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total		
Request for Resources A	SOAS 1	275,358	(18,161)	257,197	579,415	(18,330)	561,085	(303,888)	222,975
Total Resources	SOAS 2	275,358	(18,161)	257,197	579,415	(18,330)	561,085	(303,888)	222,975
Non-operating Accruing Resources				(198)			(213)		

Net cash requirement 2021-22, all figures presented in £000

Item	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn Total, 2020-21
Net Cash requirement	SOAS 3	150,955	175,587	24,632	202,524

Summary of income payable to the Consolidated Fund

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

	Note	Forecast 2021-22		Outturn 2021-22	
		Income	Receipts	Income	Receipts
Total amount payable to the Consolidated Fund	SOAS 4	-	-	7	37

The notes on pages 130 to 154 form part of these accounts.

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

This note mirrors Part II of the Estimates (Revised) Subhead Detail and Resource to Cash Reconciliation.

SOAS note 1. Outturn detail, by Estimate Line

Type of spend	Resource outturn						Estimate			Outturn vs Estimate (inc virements) , saving/ (excess)	Prior Year Outturn Total, – 2020-21
	Admin	Other Current	Grants	Gross expenditure	Accruing Resources	Net Total	Net Total	Virements*	Net Total inc. virements		
Request for Resources A:											
<i>Departmental Expenditure in DEL</i>											
A1	13,101	57,183	5,118	75,402	(417)	74,985	84,324	-	84,324	9,339	58,343
A2	-	2,742	31,502	34,244	(17,744)	16,500	17,339	-	17,339	839	18,256
A3	51	821	240	1,112	-	1,112	1,376	-	1,376	264	1,257
A4	1,422	-	-	1,422	-	1,422	1,423	-	1,423	1	1,243
<i>Annually Managed Expenditure (AME)</i>											
A5	-	942	-	942	-	942	1,500	-	1,500	558	746
A6	-	101,660	-	101,660	-	101,660	414,481	-20,850	393,631	291,971	403
<i>Non-Budget</i>											
A7	-	-	5,877	5,877	-	5,877	5,854	23	5,877	-	5,391
A8	-	-	876	876	-	876	876	-	876	-	867
A9	-	-	1,458	1,458	-	1,458	1,458	-	1,458	-	1,304
A10	-	-	1,284	1,284	-	1,284	1,284	-	1,284	-	1,048
A11	-	-	15,822	15,822	-	15,822	15,822	-	15,822	-	13,076
A12	-	-	28,808	28,808	-	28,808	7,958	20,850	28,808	-	115,301
A13	-	-	3,225	3,225	-	3,225	3,390	-	3,390	165	2,904
A14	-	-	560	560	-	560	728	-23	705	145	-
A15	2,641	25	-	2,666	-	2,666	3,272	-	3,272	606	2,836
Resource Outturn	17,215	163,373	94,770	275,358	(18,161)	257,197	561,085	-	561,085	303,888	222,975

The notes on pages 130 to 154 form part of these accounts.

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

Explanations of the variances between Estimate and Outturn is provided in Note SOAS1 and in the Performance Report.

*Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the Assembly does not vote to that level of detail and delegates to DoF). Further information on virements is provided in the Supply Estimates in Northern Ireland Guidance Manual, available on the DoF website.

The Outturn vs Estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Assembly.

Key to Request for Resources and Functions

A1	Executive Support and Policy Development
A2	Good Relations
A3	North-South Ministerial Council
A4	Attorney General for Northern Ireland
A5	Strategic Sites
A6	Provisions
A7	Equality Commission for Northern Ireland
A8	Commission for Victims and Survivors for Northern Ireland
A9	Maze/Long Kesh Development Corporation
A10	Northern Ireland Judicial Appointments Commission
A11	Victims and Survivors Service Limited
A12	Strategic Investment Board Limited
A13	Northern Ireland Community Relations Council
A14	Commissioner for Survivors of Institutional Childhood Abuse
A15	Notional Charges

Request for Resources A

Driving investment and sustainable development, making people's lives better through support for equality, human rights and community relations; and the effective operation of the institutions of Government.

The Department had a total resource underspend of £303.888 million against Spring Supplementary Estimates.

The net cash requirement for 2021-22 was £150.955 million. This is £24.632 million lower than the estimated net cash requirement of £175.587 million.

Detailed explanations of the variances are given in the Financial Performance section (pages 42 to 47) of the Performance Analysis.

The notes on pages 130 to 154 form part of these accounts.

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

SOAS note 2. Reconciliation of outturn to net operating expenditure

Item	Note	Outturn	Supply Estimate	Outturn compared with Estimate	Prior Year Outturn Total, 2021-22
Net Resource Outturn	SOAS 1	257,197	561,085	303,888	222,975
Non-supply income (CFERs)	SOAS 4	(7)	-	7	(63)
Non-supply expenditure (unrealised foreign exchange gain)		12	-	(12)	252
Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure	SOCNE	257,202	561,085	303,883	223,164

As noted in the introduction to the SOAS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this note reconciles the resource outturn to net operating expenditure, linking the SOAS to the financial statements.

The notes on pages 130 to 154 form part of these accounts.

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

SOAS note 3. Reconciliation of net resource outturn to net cash requirement

Item	Note	Outturn total £000	Estimate £000	Outturn vs Estimate, Saving / (excess) £000
Resource outturn	SOAS 1	257,197	561,085	303,888
Capital				
Acquisition of property, plant and equipment	6,7	5,639	5,905	266
Non-operating Accruing Resources				
Net Book Value of asset disposals		(198)	(213)	(15)
Accruals to cash adjustments				
<i>Adjustments to remove non-cash items:</i>				
Depreciation, impairments and revaluations	3,4	(1,529)	(2,012)	(483)
New provisions and adjustments to previous provisions	14	(101,660)	(414,481)	(312,821)
Other non-cash items	3,4	(2,666)	(3,272)	(606)
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in receivables	12	8,433	1,108	(7,325)
(Increase)/decrease in payables due within in one year	13	(14,280)	6,467	20,747
Changes in payables falling due after more than one year	13	20	-	(20)
Use of provisions	14	9	-	(9)
FTC Payment		-	21,000	21,000
Supply Debtor received for previous year		(10)	-	10
Net cash requirement		150,955	175,587	24,632

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

The notes on pages 130 to 154 form part of these accounts.

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

SOAS note 4. Analysis of income payable to the Consolidated Fund

This note mirrors Part III of the Estimates: Extra Receipts Payable to the Consolidated Fund. In addition to income retained by the department, the following income is payable to the Consolidated Fund (cash receipts being shown in italics).

Item	Note	Forecast 2021-22		Outturn 2021-22	
		Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income and receipts – excess Accruing Resources		-	-	-	8
Other operating income and receipts not classified as Accruing Resources		-	-	7	29
Subtotal	SOAS5	-	-	7	37
Non-operating income and receipts – excess Accruing Resources	SOAS 6	-	-	-	-
Other non-operating income and receipts not classified as Accruing Resources		-	-	-	-
Amounts collectable on behalf of the Consolidated Fund		-	-	-	-
Excess cash surrenderable to the Consolidated Fund	SOAS 3	-	-	-	-
Total amount payable to the Consolidated Fund		-	-	7	37

The notes on pages 130 to 154 form part of these accounts.

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

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

Item	Note	2021-22 £000	2020-21 £000
Operating income	5	18,168	7,285
Gross income		18,168	7,285
Income authorised to be Accruing Resources	SOAS1	18,161	7,222
Operating income payable to the Consolidated Fund	SOAS4	7	63

SOAS note 6. Non-operating income – Excess Accruing Resources

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

The notes on pages 130 to 154 form part of these accounts.

Other Assembly Accountability Disclosures (Audited)

Entities outside the Accounting Boundary

The Department provides funding to a number of non-departmental public bodies and sponsored bodies which are outside the Departmental accounting boundary, as listed below. Each of these bodies produces its own published annual reports and accounts, and their financial performance is not consolidated into the Department's resource accounts.

- **Northern Ireland Community Relations Council**

The Community Relations Council (CRC) is a non-departmental public body of the Executive Office and a key partner in the delivery of good relations funding schemes under the wider T:BUC Strategy. CRC also facilitates wider stakeholder engagement on behalf of the Executive Office to influence the effective implementation of the strategy through delivery of the T:BUC Engagement Forum which is held three times per year. They deliver a programme of shared learning events for community and voluntary groups and organise the delivery of events for Good Relations Week which takes place annually in September. CRC has continued to operate during COVID-19, engaging with the groups it funds as well as encouraging and supporting them in developing new and innovative methods of delivery. The CRC also manages the North Belfast Strategic Good Relations Programme (NBSGRP) which seeks to improve relations between and within communities in North Belfast, and to contribute to the four key aims of the T:BUC strategy. Further information, including its Annual Report and Accounts, can be obtained at <https://www.community-relations.org.uk/>.

- **Commission for Victims and Survivors for Northern**

The Commission for Victims and Survivors for NI was established as an executive NDPB in June 2008. The principal aim of the Commission is to promote the interests of victims and survivors. Its duties include promoting an awareness of, and safeguarding matters relating to the interests of victims and survivors, and keeping under review the adequacy and effectiveness of law and practice and services provided for victims and survivors. Further information on the Commission's work can be obtained at www.cvsni.org.

- **Equality Commission for Northern Ireland**

The Equality Commission for NI is an executive NDPB established under the NI Act 1998 with statutory functions which include working towards eliminating unlawful discrimination and to promote equality of opportunity on the grounds of disability, sex, race and religious belief/political opinion. The Commission also has responsibilities under Section 75 of the NI Act 1998 in relation to the public sector equality duties. Further information, including its Corporate Plan and Annual Report and Accounts can be obtained at www.equalityni.org.

The Equality Commission in conjunction with the Northern Ireland Human Rights Commission agreed to act as a "Dedicated Mechanism" to ensure no diminution of rights, safeguards and equality of opportunity following the UK's withdrawal from the EU.

- **Maze/Long Kesh Development Corporation**

The Maze/Long Kesh Development Corporation was established as an executive NDPB body on 10 September 2012. The overall aim of the Corporation is to secure the regeneration of the Maze/Long Kesh site. The Corporation has its own Board and is funded by TEO. The Development Corporation has continued to function during COVID-19 restrictions with staff

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working remotely and the Board and Audit Committee meeting by teleconference. More information is available on <http://mazelongkesh.com/>.

- **Northern Ireland Judicial Appointments Commission**

The NI Judicial Appointments Commission (NIJAC) is a NDPB which was established on 15 June 2005 under the Justice (Northern Ireland) Act 2002 as amended by the Justice (Northern Ireland) Act 2004. It is currently responsible for selecting and appointing, or recommending for appointment, applicants in respect of all listed judicial offices up to and including High Court Judge. As COVID-19 restrictions continued, meetings, Appointment schemes (including interviews for judicial office), Board and Committee meetings were progressed satisfactorily via a combination of face to face meetings and video conferencing. NIJAC schemes delivered during the year included appointments to the inaugural Victims Payment Board. A networking event was hosted by NIJAC in Belfast in March 2022 with representatives of the Judicial Appointments Commission of England and Wales and the Judicial Appointments Board for Scotland in attendance. Further information can be obtained at www.nijac.gov.uk.

- **Strategic Investment Board Limited**

The Strategic Investment Board Limited (SIB) is an executive NDPB and formed as a company limited by guarantee. SIB's vision is that Northern Ireland will build and sustain a public social and physical infrastructure fit for the needs of all its people. In pursuit of this, SIB's priorities are:

- To support the provision of physical and social infrastructure that makes Northern Ireland a great place to live, work and invest by delivering, to time and budget, the programmes and projects that it leads and supports;
- To maximize the money available for front line services by delivering cash savings through improving the efficient use of government assets;
- To improve the quality of public-sector decision-making through original research and the innovative analysis and exploitation of data, so that the best possible outcomes can be delivered with available resources; and
- To create opportunities for more people to have better jobs, including by improving the social return on public procurement by extending the use of 'Buy Social' models.

SIB has its own Board and is funded by TEO. SIB has continued to function during COVID-19 restrictions with staff working remotely and the Board and Audit Committee meeting by teleconference. It has responded flexibly to the demands of the COVID-19 response and to requests from the NICS and District Councils for specialist support.

Further details of the work of the Strategic Investment Board, the projects in which it is involved and other information can be obtained at www.sibni.org.

- **Victims and Survivors Service Limited**

The Victims and Survivors Service is an executive NDPB and formed as a company limited by guarantee. It was established by TEO's predecessor OFMDFM to administer funding and support to victims and survivors and opened in April 2012. The Service provides funding to both individual victims and survivors through the provision of goods, services and financial assistance, and Victims Groups. Further information on the Victims and Survivors Service can be obtained at www.victimsservice.org.

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- **Commissioner for Survivors of Institutional Childhood Abuse**

The newly established Commissioner for Survivors of Institutional Childhood Abuse (COSICA) was appointed from 14 December 2020. The overall aim of COSICA is to promote the interests of any person who suffered abuse while a child and while resident in an institution at some time between 1922 and 1995 (both inclusive). COSICA is funded by TEO. COSICA has continued to function during COVID-19 restrictions with staff working both remotely and from the office when required. More information is available at <http://www.cosica-ni.org>

Regularity of Expenditure (Audited)

i. Losses and special payments

Losses Statement

	2021-22	2021-22	2020-21	2020-21
	Number	£000	Number	£000
Total – Losses	16	25	12	1

There were no cases over £250,000 in 2021-22 (2020-21: no cases).

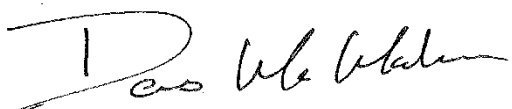
ii. Fees and Charges

There were no fees and charges.

iii. Remote Contingent Liabilities

There were no remote contingent liabilities.

Approved and signed



Dr Denis McMahon
Accounting Officer
18 August 2022

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

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

In my opinion the financial statements:

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

Emphasis of Matter

I draw attention to note 14 of the financial statements, which describes the material estimation uncertainties in the Redress provision. The Executive Office has included a provision of £102m for a Redress scheme to compensate survivors of Historic Institutional Abuse. During 2021-22 the Government Actuary's Department was commissioned by The Executive Office to review the model used to determine the potential cost of successful claims. As stated within the note the number of claims likely to be received in the future is uncertain based on the limited available data on the number of children that were resident in relevant institutions covered by the scheme and a number of other uncertainties that assumptions have been made for. The Government Actuary's Department, has highlighted that the total cost estimate is, in particular, highly sensitive to the claim rate and average claim size assumptions as these assumptions have been set with a high degree of judgment and the range between the reasonable low and high values is relatively wide. My opinion is not modified in respect of this matter.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2022 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

The Executive Office

Basis for opinions

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

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

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

Conclusions relating to going concern

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

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

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

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

Other Information

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

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

I have nothing to report in this regard.

The Executive Office

Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

The Executive Office

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to The Executive Office through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included governing legislation and any other relevant laws and regulations identified;
- making enquires of management and those charged with governance on The Executive Office's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of The Executive Office's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and the posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate. Testing of journal entries and reviewing internal audit reports;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;

The Executive Office

- testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

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

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

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Comptroller & Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

02 September 2022

THE FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

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

	Note	2021-22 Total £000	2020-21 Total £000
Operating income	5	(18,168)	(7,285)
Total Operating Income		<u>(18,168)</u>	<u>(7,285)</u>
Staff costs	3,4	24,437	23,586
Purchase of goods and services	3,4	52,974	33,668
Depreciation and impairment charges (includes revaluation and disposal)	3,4	1,529	1,657
Provision expense	3,4	101,660	402
Other operating expenditure	4	94,770	171,136
Total operating expenditure		<u>275,370</u>	<u>230,449</u>
Net Operating Expenditure	SOAS2	<u>257,202</u>	<u>223,164</u>
Finance Income		-	-
Finance Expense		-	-
Net expenditure for the year		<u>257,202</u>	<u>223,164</u>
Other comprehensive net expenditure			
Items that will not be reclassified to net operating expenditure:			
- Net (gain) on revaluation of Property, Plant and Equipment	6	(125)	(369)
- Net (gain) on revaluation of Intangible Assets	7	(14)	(12)
Comprehensive net expenditure for the year		<u>257,063</u>	<u>222,783</u>

The notes on pages 130 to 154 form part of these accounts.

**Statement of Financial Position
as at 31 March 2022**

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

	Note	2021-22 £000	£000	2020-21 £000
Non-current assets:				
Property, plant and equipment	6	16,469		12,228
Intangible assets	7	636		630
Total non-current assets			17,105	12,858
Current assets:				
Assets classified as held for sale	10	341		539
Trade and other receivables	12	34,626		26,203
Cash and cash equivalents	11	199		214
Total current assets			35,166	26,956
Total assets			52,271	39,814
Current liabilities				
Trade and other payables	13	(50,141)		(35,874)
Provisions	14	(28,813)		(459)
Total current liabilities			(78,954)	(36,333)
Total assets less current liabilities			(26,683)	3,481
Non-current liabilities				
Other payables	13	(12)		(32)
Provisions	14	(73,466)		(169)
Total non-current liabilities			(73,478)	(201)
Total assets less total liabilities			(100,161)	3,280
Taxpayers' equity and other reserves				
General fund			(100,689)	2,561
Revaluation reserve			528	719
Total equity			(100,161)	3,280



Dr Denis McMahon
Accounting Officer
18 August 2022

The notes on pages 130 to 154 form part of these accounts.

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Statement of Cash Flows

for the year ended 31 March 2022

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

	Note	2021-22	2020-21
		£000	£000
Cash flows from operating activities			
Net operating expenditure	SOAS2	(257,202)	(223,164)
Adjustments for non-cash transactions	3,4	105,856	4,896
Decrease in trade and other receivables	12	(8,423)	27,510
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure	12	21	(7,412)
(Decrease) in trade and other payables	13	14,249	(44,077)
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure	13	(2,019)	41,797
Use of provisions	14	(10)	(14)
Net cash outflow from operating activities		<u>(147,528)</u>	<u>(200,464)</u>
Cash flows from investing activities			
Purchase of non-financial assets	6 ,7, 13	(3,596)	(2,320)
Proceeds from disposal of non-financial assets		198	310
Net cash outflow from investing activities		<u>(3,398)</u>	<u>(2,010)</u>
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		150,722	202,312
From the Consolidated Fund (Supply) – prior year		220	7,622
Advances from the Contingencies Fund		-	-
Repayments to the Contingencies Fund		-	-
Net financing		<u>150,942</u>	<u>209,934</u>
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		<u>16</u>	<u>7,460</u>
Payments of amounts due to the Consolidated Fund		<u>-</u>	<u>(17)</u>
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		<u>16</u>	<u>7,443</u>
Cash and cash equivalents at the beginning of the period	11	<u>(177)</u>	<u>(7,620)</u>
Cash and cash equivalents at the end of the period	11	<u>(161)</u>	<u>(177)</u>

The notes on pages 130 to 154 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

This statement shows the movement in the year on the different reserves held by TEO, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2020		(14,037)	647	(13,390)
Net Assembly Funding		202,312	-	202,312
Supply receivable adjustment	12	210	-	210
Approved in respect of 16/17 Excess Vote		34,166	-	34,166
16/17 Excess Vote Adjustment		(9)	-	(9)
CFERs Payable to the Consolidate Fund		(63)	-	(63)
SIB FTC loan repayment received	9	6,525	-	6,525
SIB FTC loan repayment paid to the Consolidated Fund	9	(6,525)	-	(6,525)
Comprehensive Net Expenditure for the year		(223,164)	382	(222,782)
Auditors' remuneration	3	78	-	78
Non-cash charges – other notional costs	3	2,758	-	2,758
Transfer between reserves		310	(310)	-
Balance at 31 March 2021		2,561	719	3,280
Net Assembly Funding		150,722	-	150,722
Supply receivable Adjustment	12	241 ²	-	241
Approved in respect of 16/17 Excess Vote		-	-	-
16/17 Excess Vote Adjustment		-	-	-
CFERs payable to the Consolidated Fund		(7)	-	(7)
SIB FTC loan repayment received	9	1,275	-	1,275
SIB FTC loan repayment paid to the Consolidated Fund	9	(1,275)	-	(1,275)
Comprehensive Net Expenditure for the year		(257,202)	139	(257,063)
Auditors' remuneration	3	87	-	87
Non-cash charges – other notional costs	3	2,579	-	2,579
Transfer between reserves		330	(330)	-
Balance at 31 March 2022		(100,689)	528	(100,161)

The notes on pages 130 to 154 form part of these accounts.

² This figure includes £10k adjustment from 2020-21

Notes to the Departmental Resource Accounts

1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2021-22 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of TEO for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Department are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

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

1.1 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of investment property, property, plant and equipment, intangible assets, and certain financial assets and liabilities.

1.2 Property, Plant and Equipment and Intangible Assets

The minimum level for capitalisation of a tangible fixed asset is £1,000. Computer systems (bespoke software) which have been developed internally have been capitalised at the full cost incurred. Where material, assets have been pooled/grouped so as to reflect property, plant and equipment holdings more accurately.

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

All property, plant and equipment and intangible assets are carried at fair value. Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Standards prepared and published by the Royal Institution of Chartered Surveyors (RICS). Full professional valuations of land and buildings are undertaken at specific intervals, but at least every five years. Land and buildings are revalued annually, either by reassessment or using indices provided by Land and Property Services (LPS). All valuations are carried out by LPS, an external valuer, as defined in the Appraisal and Valuation Standards referred to above.

Notes to the Departmental Resource Accounts continued

Operational properties are valued on the basis of existing use value, unless they are specialised, in which case they are valued on a depreciated replacement cost basis. Properties surplus to requirements are valued on the basis of open market value less any material directly attributable selling costs. With the exception of the above and items under construction, fair value is estimated by restating the value annually by reference to indices compiled by the Office for National Statistics (ONS).

Surpluses and deficits arising on revaluation are taken to the revaluation reserve. Where appropriate, permanent reductions in the value of fixed assets are charged to the Statement of Comprehensive Net Expenditure. Revaluations below historic cost which are not temporary fluctuations in market value are treated as an impairment in accordance with IAS 36, Impairment of Assets, and charged in full to the Statement of Comprehensive Net Expenditure. Impairment reviews of property, plant and equipment are performed annually and additionally where there is an indication of an impairment as defined by IAS 36. The impairment of assets in note 8 relates to additions and the revaluation on transfer of assets under construction to land or buildings.

Revaluations below historic cost which are not temporary fluctuations in market value are treated as an impairment in accordance with IAS 36, Impairment of Assets, and charged in full to the Statement of Comprehensive Net Expenditure. Impairment reviews of property, plant and equipment are performed annually and additionally where there is an indication of an impairment as defined by IAS 36. The impairment of assets in note 6 relates to additions.

Assets paid for on behalf of TEO by other Northern Ireland Civil Service Departments have also been capitalised and depreciated in line with current policy, and have been credited to the general fund.

1.3 Depreciation and Amortisation

Property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight line basis over their estimated useful lives. Depreciation is charged in the month of acquisition. No depreciation is provided on freehold land since they have unlimited or very long estimated useful lives. Items under construction are not depreciated until they are commissioned.

Properties that are surplus to requirements and not in use are not depreciated. Capital expenditure on leasehold improvements is depreciated over the remaining term of the lease.

Asset lives are normally in the following ranges:

Computer Equipment	3-6 years
Computer Systems	6-10 years
Freehold Buildings	25 years

The Executive Office

Notes to the Departmental Resource Accounts continued

Furniture and Fittings	2-15 years
Motor Vehicles	4 years
Lease hold Buildings	length of lease
Office Equipment	3-11 years
Plant and Machinery	3-20 years
Telecoms Equipment	2-10 years

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

Intangible assets are depreciated at rates calculated to write them down to estimated residual value on a straight line basis over their estimated useful lives. Asset lives for all intangible assets is in the range of 1-10 years.

1.4 *Operating income including income receivable from the European Union*

Operating income is income which related directly to the operating activities of the Department. It principally comprises fees and charges for services provided on a full-cost basis to external customers, as well as public sector repayment work. It includes not only accruing resources of the Estimate but also income to the Consolidated Fund, authorised by the Department of Finance to be treated as operating income. Operating income is stated net of VAT.

All receipts from the EU are separately identified and shown as income in the notes to the Statement of Comprehensive Net Expenditure. EU income is received in arrears, expenditure having been initially funded by the Department.

1.5 *Administration and programme expenditure*

The Statement of Comprehensive Net Expenditure is analysed between operating income and expenditure. Expenditure is analysed between administration and programme expenditure in notes 3 and 4. Administration costs reflect the costs of running the Department. Programme costs reflect non-administration costs, including payments of grants and other disbursements by the department, as well as certain staff costs where they relate directly to service delivery. The classification of expenditure and income as administration or as programme follows the definition of administration costs set by the Department of Finance.

1.6 *Foreign exchange*

Transactions which are denominated in a foreign currency and which are covered by a related forward contract are translated into sterling at the exchange rate specified in the contract. Transactions which are not covered by a related forward contract are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not

Notes to the Departmental Resource Accounts continued

fluctuate significantly, in which case an average rate for the period is used. Monetary assets and liabilities denominated in foreign currency at the Statement of Financial Position date are translated at the rates ruling at that date. These translation differences are dealt with in the Statement of Comprehensive Net Expenditure.

1.7 Employee Benefits including Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme Northern Ireland (PCSPS (NI)) which are described in the Staff Report. The defined benefit schemes are unfunded. The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). In respect of the defined contribution schemes, the Department recognises the contributions payable for the year. A separate scheme statement is prepared for PCSPS (NI) as a whole.

1.8 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the department, the asset is recorded as a tangible fixed asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the Statement of Comprehensive Net Expenditure over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

1.9 Grants payable

The Department is responsible for the payment of a number of Government Grants, both discretionary and mandatory. These grants are recorded in the period in which the recipient carries out the activity which created the entitlement. The recognition of entitlement will vary according to the details of the individual scheme. Unpaid and unclaimed grants may represent obligations to be recognised as liabilities. Where the amount of the claim is not known at the Statement of Financial Position date, an estimate will be made. Overpayments of grants are shown as receivables at the Statement of Financial Position date.

1.10 Provisions

The Department provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the time value of money is material, nominal rates issued by HM Treasury will be used to discount future cash flows related to provisions recognised in accordance with IAS 37 Provisions, contingent liabilities and contingent assets. There are time frames against which nominal rates will apply. The nominal rates are currently between (0.02%) and 1.99%.

Notes to the Departmental Resource Accounts continued

1.11 *Contingent liabilities*

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

- items over £250,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to the Assembly by Departmental Minute prior to the Department entering into the arrangement; and
- all items (whether or not they arise in the normal course of business) over £250,000 (or lower, where required by specific statute or where material in the context of resource accounts) which are required by the FReM to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

1.12 *Value Added Tax*

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

1.13 *Disclosure of Figures*

The Executive Office have no other entities within the accounting boundary which require consolidation. The accounts have been presented as a single entity.

1.14 *Financial Instruments*

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

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

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

Notes to the Departmental Resource Accounts continued

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

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

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

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making the collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics. Impairment losses are recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

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

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

1.15 Comparatives

Comparative figures for the 2020-21 year are shown for those items listed in the primary schedules and associated notes, in compliance with the disclosure requirements of FReM unless otherwise stated.

1.16 IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

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

The Executive Office

Notes to the Departmental Resource Accounts continued

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2025.

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

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

Implementation of Review of Financial Process (RoFP)

TEO is implementing Review of Financial Process in 2022-23. The aim of RoFP is to align the boundaries of budgets, estimates and accounts as far as it is practicable, including consolidation of NDPBs and other central government bodies in Estimates and accounts. The bodies intended for inclusion within the 2022-23 departmental boundary are detailed in the Directors Report. The list of bodies is subject to change and the final list of bodies to be included within the departmental boundary will be designated each year in an Estimates and Accounts (Designation of Bodies) Order for consolidation into TEO's annual Estimates and Accounts.

No new accounting policies were adopted by The Executive Office during 2021-22.

2 Statement of Operating Expenditure by Operating Segment

The principal activities of the Department comprise: Support for the Executive and Human rights, equality and community relations. This is reflected in the high-level structure under which the Department reports performance to the DoF and HM Treasury.

"Executive Support and Programme for Government" ("Executive Support") embraces provision of advice and guidance to Ministers, managing the Programme for Government, maintaining a presence in Brussels, China and Washington and delivering an integrated investment strategy. The "Good Relations and Inclusion Directorate" ("GRID"), was formerly known as: "Strategic Policy, Equality and Good Relations" ("Strategic Policy") and still comprises the development and implementation of a cross-departmental strategy to tackle poverty and social exclusion, promote equality and improve people's lives. It also includes the regeneration of former military and security sites and the Historical Institutional Abuse Inquiry.

The Executive Office

Notes to the Departmental Resource Accounts continued

The Accounting Officer receives detailed monthly reports for each business area in the Department which are aggregated to show performance over principal activities.

There are no transactions between reportable segments and there is no reliance on major customers.

	Note	Executive Support	GRID	2021-22 Total	Executive Support	GRID	2020-21 Total
		£000	£000	£000	£000	£000	£000
Gross Expenditure	3,4	21,393	253,977	275,370	24,197	206,253	230,450
Income	5	(115)	(18,053)	(18,168)	(79)	(7,207)	(7,286)
Net Expenditure		21,278	235,924	257,202	24,118	199,046	223,164
Total assets	6,7, 10,11, 12	1,029	51,244	52,273	1,182	38,631	39,813

2.1 Reconciliation between Operating Segments and SoCNE

	Note	Executive Support	GRID	2021-22 Total	Executive Support	GRID	2020-21 Total
		£000	£000	£000	£000	£000	£000
Total net expenditure reported for operating segments		21,278	235,924	257,202	24,118	199,046	223,164
Reconciling items:							
Income		-	-	-	-	-	-
Expenditure		-	-	-	-	-	-
Total net expenditure per Statement of Comprehensive Net Expenditure		21,278	235,924	257,202	24,118	199,046	223,164

2.2 Reconciliation between Operating Segments and SoFP

	Note	Executive Support	GRID	2021-22 Total	Executive Support	GRID	2020-21 Total
		£000	£000	£000	£000	£000	£000
Total assets reported for operating segments		1,029	51,244	52,273	1,182	38,631	39,813
Reconciling items:							
Income		-	-	-	-	-	-
Expenditure		-	-	-	-	-	-
Total assets per Statement of Financial Position		1,029	51,244	52,273	1,182	38,631	39,813

The Executive Office

Notes to the Departmental Resource Accounts continued

3 Other Administration Expenditure

	Note	2021-22 £000	2020-21 £000
Staff Costs ¹ :			
Wages and salaries		8,999	8,821
Social security costs		942	967
Other pension costs		2,410	2,479
Contracted Out Services		393	389
Office Services (including advertising, communications and stationery)		347	311
Staff related costs (including travel and subsistence and training)		147	22
Professional Costs		183	137
Accommodation costs		160	88
Other		663	620
Rentals under operating leases		130	130
Managed Services		29	28
Consultancy		61	19
Non Capital purchases		36	18
Non-cash items:			
Other notional charges		1,446	1,481
Office accommodation		1,109	1,079
(Decrease)/Increase in provision		(323)	405
Depreciation		84	91
Auditors' remuneration ² and expenses		87	78
Loss on disposal of property plant and equipment		28	-
Amortisation		16	1
Total		16,947	17,164

¹Further analysis of staff costs is located in the Staff Report on page 97.

²Auditors' remuneration relates fully to audit work.

Notes to the Departmental Resource Accounts continued

4 Programme Expenditure

	2021-22 £000	2020-21 £000
Staff Costs ¹ :		
Wages and salaries	9,038	8,339
Social security costs	826	818
Other pension costs	2,223	2,162
Grants	77,026	164,190
EU Programme Spend	17,744	6,946
Office Services	2,448	3,870
Professional Costs	5,791	10,287
Other ²	37,426	12,514
Rentals under operating leases	708	741
Pension Suspense	-	-
Contracted Out Services	620	591
Accommodation Costs	553	624
Staff related costs	397	491
Managed Services	152	83
Consultancy Costs	49	38
Non Capital Purchases	12	26
Non-cash items:		
Other notional charges	25	-
Diminution in value of property, plant and equipment	945	745
Depreciation	372	411
Increase in Provision	101,983	(2)
Amortisation	47	1
Bad debt written off	-	1
Loss on disposal of property, plant and equipment	38	407
Total	258,423	213,283

¹Further analysis of staff costs is located in the Staff Report on page 97.

²Other includes an exchange loss of £509k (2020-21: exchange loss of £139k) and HIA redress payments of £27,818k (2020-21: £10,467k), as well as non-staff pension costs of £354k (2020-21: £141k) and other miscellaneous programme costs.

5 Income

	2021-22 £000	2020-21 £000
EU Income	17,744	6,946
Recovery of Seconded Costs	136	83
Rental Income	209	174
Miscellaneous Other Operating Income	79	83
Operating Income	18,168	7,286

Notes to the Departmental Resource Accounts continued

6 Property, plant and equipment

	Land	Buildings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Payments on Accounts & Total Assets under Constructio n	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2021	5,944	3,050	89	863	365	600	2,898	13,809
Additions	-	55	101	5	3	28	5,385	5,577
Disposals	-	(1)	-	(109)	(114)	-	-	(224)
Impairments (a)	30	(578)	-	-	-	-	-	(548)
Reclassifications	-	507	-	-	-	-	(507)	-
Revaluation charged to SoCNE (a)	(306)	(216)	-	-	-	-	-	(522)
Revaluation (a)	(1)	15	3	34	7	32	-	90
At 31 March 2022	5,667	2,832	193	793	261	660	7,776	18,182
Depreciation								
At 1 April 2021	(1)	391	63	566	223	336	3	1,581
Charged in year	-	229	33	76	58	58	-	454
Disposals	-	(1)	-	(76)	(81)	-	-	(158)
Impairments (a)	-	18	-	-	-	-	-	18
Reclassifications	-	-	-	-	-	-	-	-
Revaluation charged to SoCNE (a)	-	(147)	-	-	-	-	-	(147)
Revaluation (a)	-	(43)	(27)	20	3	12	-	(35)
At 31 March 2022	(1)	447	69	586	203	406	3	1,713
Carrying amount								
At 31 March 2021	5,945	2,659	26	297	142	264	2,895	12,228
At 31 March 2022	5,668	2,385	124	207	58	254	7,773	16,469
Asset financing:								
Owned	5,668	2,385	124	207	58	254	7,773	16,469
Carrying amount at 31 March 2022	5,668	2,385	124	207	58	254	7,773	16,469

(a) Revaluations were undertaken in respect of Ebrington Barracks and the Crisis Management Centre as at 31 March 2022 by Land & Property Services. Valuations reflect the current situation in the property market in Northern Ireland. Previous year valuations are shown in brackets. Ebrington was valued at £5,540,000 (£5,560,000) for land and £2,195,000 (£2,483,000) for buildings. The Crisis Management Centre was valued at £125,000 (£125,000) for land and £125,000 (£125,000) for buildings.

Notes to the Departmental Resource Accounts continued

6 Property, plant and equipment continued

	Land	Buildings	Transport Equipment	Plant & Machinery	Information Technology	Furniture & Fittings	Payments on Accounts & Assets under Constructio n	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2020	5,938	3,394	89	889	417	587	2,612	13,927
Additions	(30)	570	-	11	(46)	26	1,172	1,704
Disposals	(20)	(562)	-	(50)	(7)	(25)	-	(664)
Impairments (b)	(785)	(481)	-	-	-	-	-	(1,266)
Reclassifications	(1)	318	-	-	-	-	(797)	(480)
Revaluation charged to SoCNE (b)	845	(363)	-	-	-	-	(89)	393
Revaluation (b)	(3)	174	0	13	1	12	-	196
At 31 March 2021	5,944	3,050	89	863	365	600	2,898	13,809
Depreciation								
At 1 April 2020	(1)	371	68	536	243	319	6	1,542
Charged in year	-	239	29	78	59	52	-	457
Disposals	-	(21)	-	(49)	(7)	(20)	-	(97)
Impairments (b)	-	8	-	-	-	-	-	8
Reclassifications	-	-	-	-	-	-	-	-
Revaluation charged to SoCNE (b)	(1)	(154)	-	-	-	-	-	(155)
Revaluation (b)	1	(52)	(34)	1	(72)	(15)	(3)	(173)
At 31 March 2021	(1)	391	63	566	223	336	3	1,581
Carrying amount								
At 31 March 2020	5,939	3,023	21	353	175	268	2,606	12,385
At 31 March 2021	5,945	2,659	26	297	142	264	2,895	12,228
Asset financing:								
Owned	5,944	2,660	26	297	142	264	2,895	12,228
Carrying amount at 31 March 2021	5,945	2,659	26	297	142	264	2,895	12,228

(b) Revaluations were undertaken in respect of Ebrington Barracks and the Crisis Management Centre as at 31 March 2021 by Land & Property Services. Valuations reflect the current situation in the property market in Northern Ireland. Previous year valuations are shown in brackets. Ebrington was valued at £5,560,000 (£5,580,000) for land and £2,483,000 (£2,657,500) for buildings. The Crisis Management Centre was valued at £125,000 (£125,000) for land and £125,000 (£125,000) for buildings.

Notes to the Departmental Resource Accounts continued

7 Intangible Assets

	Software Licenses £000	Developed Software £000	Web Sites £000	Total £000
Cost or valuation				
At 1 April 2021	9	675	5	689
Additions	-	66	(3)	63
Disposals	-	-	-	-
Revaluations charged to SoCNE	-	(7)	-	(7)
Revaluations	-	21	-	21
At 31 March 2022	9	755	2	766
Amortisation				
At 1 April 2021	8	49	2	59
Charged in year	1	63	-	64
Disposals	-	-	-	-
Revaluations charged to SoCNE	-	7	-	7
Revaluations	-	-	-	-
At 31 March 2022	9	119	2	130
Carrying amount at 31 March 2021	1	626	3	630
Carrying amount at 31 March 2022	-	636	-	636
Asset Financing				
Owned	-	636	-	636
Finance Leased	-	-	-	-
Contracts	-	-	-	-
Carrying amount at 31 March 2022	-	636	-	636

Notes to the Departmental Resource Accounts continued

7 Intangible Assets continued

	Software Licenses £000	Developed Software £000	Web Sites £000	Total £000
Cost or valuation				
At 1 April 2020	9	316	2	327
Additions	-	347	2	349
Disposals	-	-	-	-
Revaluations charged to SoCNE	-	-	-	-
Revaluations	-	12	-	12
At 31 March 2021	9	675	5	689
Amortisation				
At 1 April 2020	8	2	2	12
Charged in year	2	45	-	47
Disposals	-	-	-	-
Revaluations charged to SoCNE	-	-	-	-
Revaluations	(2)	2	-	-
At 31 March 2021	8	49	2	59
Carrying amount at 31 March 2020	1	314	-	315
Carrying amount at 31 March 2021	1	626	3	630
Asset Financing				
Owned	1	626	3	630
Finance Leased	-	-	-	-
Contracts	-	-	-	-
Carrying amount at 31 March 2021	1	626	3	630

Notes to the Departmental Resource Accounts continued

8 Impairments

	2021-22 £000	2020-21 £000
Amounts charged to the Statement of Comprehensive Net Expenditure	567	1,274

Impairments include the works carried out on LPS valued land and buildings.

9 Financial Instruments

As the cash requirements of the Department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore exposed to little credit, liquidity or market risk.

In exception to the above, the Department has previously made grant in aid payments to the Strategic Investment Board Limited (SIB) to enable them to provide loans under the Financial Transactions Funding (FTC) Scheme. A £20.85 million payment was made this financial year (2020-21: £110m). The contractual loan agreement is between the entity in receipt of the loan and SIB who have accounted for this transaction in their FReM accounts. Therefore as the Department is not exposed to any risk, this transaction is only shown as a grant in aid payment in the SoCNE.

£1,275k repayment of FTC was received in 2021-22 (2020-21: £6,525k).

10 Assets Held for Sale

	2021-22 £000	2020-21 £000
At 1 April	539	228
Transfer in from non current assets	-	-
Transfer out to non current assets	-	-
Transfer of carrying value	-	461
Disposal of carrying value	(198)	(150)
At 31 March	<u>341</u>	<u>539</u>

During 2021-22 the following Ebrington buildings met the conditions for assets held for sale: Building 11 and Building 30 were disposed of during the year. Building 10, 10a and 102 are all held for sale.

The Executive Office

Notes to the Departmental Resource Accounts continued

11 Cash and Cash Equivalents

	2021-22 £000	2020-21 £000
Balance at 1 April	(177)	(7,620)
Net change in cash and cash equivalent balances	16	7,443
Balance at 31 March	(161)	(177)
The following balances at 31 March were held at:		
Commercial banks and cash in hand	(161)	(177)
Balance at 31 March	(161)	(177)
The balance comprises		
Cash	199	214
Overdraft	(360)	(391)
	(161)	(177)

The bank balance at 31 March 2022 is not physically overdrawn, it is the reconciled balance which is overdrawn. £411k of the overdrawn balance (2020-21: £423k) relates to payments issued from the bank account at the end of March which cleared post year end.

12 Trade receivables, financial and other assets

	2021-22 £000	2020-21 £000
Amounts falling due within one year:		
Trade receivables	107	89
Deposits and Advances	8,222	5,253
Other Receivables	24	183
Prepayments	66	89
Accrued Income	16,708	8,654
Amounts due from the Consolidated Fund in respect of supply	231	210
Amounts due from EU	8,787	11,175
VAT	323	387
	34,468	26,040
Amounts falling due after one year:		
Deposits and advances	12	12
Other receivables	146	151
Total	34,626	26,203

Notes to the Departmental Resource Accounts continued

Trade receivables and other current assets contains £6k (2020-21: £37k) which will be surrendered to the Consolidated Fund when received.

13 Trade payables and other liabilities

	2021-22 £000	2020-21 £000
Amounts falling due within one year:		
Bank overdraft	360	391
Trade payables	916	339
Other payables	61	62
Accruals	45,864	34,194
Non current asset accruals	2,851	808
Deferred income	12	10
Amounts due to EU	-	-
Amounts repayable to the NI Contingencies Fund	-	-
Amounts issued from the Consolidated Fund for supply but not spent at year end	-	-
Consolidated fund extra receipts due to be paid to the Consolidated Fund		
Received	71	33
Receivable	6	37
	50,141	35,874
Amounts falling due after one year:		
Other payables, accruals and deferred income	12	32
Total	50,153	35,906

14 Provisions for liabilities and charges

2021-22	Equal Pay	Injury Award	Redress	Other Provisions	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2021	10	168	-	450	628
Provided in the year	-	6	102,000	(346)	101,660
Provisions not required written back	-	(9)	-	-	(9)
Provisions utilised in the year	-	-	-	-	-
Balance at 31 March 2022	10	165	102,000	104	102,279

The Executive Office

Not later than one year	-	9	28,700	104	28,813
Later than one year and not later than five years	10	39	73,300	-	73,349
Later than five years	-	117	-	-	117
Balance at 31 March 2022	10	165	102,000	104	102,279

2020-21	Equal Pay	Injury Award	Redress	Other Provisions	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2020	10	167	-	63	240
Provided in the year	-	11	-	391	402
Provisions not required written back	-	-	-	-	-
Provisions utilised in the year	-	(10)	-	(4)	(14)
Balance at 31 March 2021	10	168	-	450	628
Analysis of expected timing of discounted flows					
Not later than one year	-	9	-	450	459
Later than one year and not later than five years	10	38	-	-	48
Later than five years	-	121	-	-	121
Balance at 31 March 2021	10	168	-	450	628

14.1 Equal Pay

This provision represents the Department's share of the settlement pay made to staff at AA, AO, EO11 and analogous grades in the NICS as the result of an agreement with NIPSA in respect of Equal Pay.

The bulk of staff has now agreed to the settlement and the associated taxation obligations to HMRC were discharged. The provision for equal pay at 31 March 2022 represents the expected future equal pay costs for TEO as advised by DoF.

Notes to the Departmental Resource Accounts continued

14.2 Injury Award

The provision represents the future costs of monthly payments in settlement of an injury claim by a former employee. Payments are expected to continue for the lifetime of the claimant, increasing in line with the Consumer Prices Index.

The amount of the provision is calculated using the current monthly payment and actuarial tables which show average life expectancy.

Future costs have been discounted at the -1.30% per annum discount rate applicable to post-employment benefits according to HM Treasury guidance.

14.3 HIA Redress Scheme

A provision for the cost of the potential future redress (compensation) payments, arising from the outcomes of the Historical Institutional Abuse Inquiry, has been included for £102 million (GAD estimate £139 million reduced by £37 million paid out from start of scheme to 31 Mar 2022). The Redress Scheme is administered through the HIA Redress Board (HIARB) which is responsible for receiving and processing applications for compensation from those who experienced abuse as children in residential institutions in Northern Ireland between 1922 and 1995.

A review of the TEO model used to determine the potential cost of successful claims to the HIARB was carried out in 2021-22 by the Government Actuary's Department (GAD) with a final report provided in April 2022. GAD updated the modelling approach and the assumptions used, using the experience of the scheme to date, experience of other schemes, National Statistics on looked-after children, and their best experience with modelling mortality and survival rates.

The number of claims likely to be received in the future is uncertain based on the limited available data on the number of children that were resident in relevant institutions covered by the scheme and a number of other uncertainties that assumptions have been made for.

The main assumptions used in the model to estimate the cost of compensation (Redress) payments on successful claims include:

- Number of children that were resident in relevant institutions covered by the scheme
 - *No data around number of children in care in NI or England before 1950. GAD have recommended to assume the number of children in care in NI from 1922-1950 was at the 1950 level*
- Life expectancy of the children that were resident in relevant institutions covered by the scheme

Notes to the Departmental Resource Accounts continued

- *Mortality data for NI pre 1980 is scarce, GAD used data for Scotland due to both countries being part of UK and populations assumed to experience similar rates of mortality*
- Number of surviving spouses, partners or children of a resident who has died who would be eligible to make a claim
 - *Data on deaths and marital status specific to NI is scarce, GAD have used data for England and Wales as a suitable comparable*
- Number of children residing in more than one institution
 - *GAD used data on applications from 3 April 2020 - 2 March 2022 to determine the average number of institutions that applicants were resident in*
- Claim rate
 - *GAD used data on applications from 3 April 2020 to 2 March 2022 to determine the claim rate to date and used this to estimate the claim rate over the remaining years of the scheme*
- Level of payment award
 - *Average payment award is based on live data from the scheme to date on the actual number of applications and payments made during 2020-21 and 2021-22.*
- Rejected applications
 - *No adjustment has been made for level of rejected applications – applicants have the right to appeal however cannot submit a further application down the line. If an applicant withdraws an application before panel consideration, they do have the option to resubmit with further information at a later stage. GAD recommend that due to the planned launch of the publicity campaign to promote the HIA Redress Scheme along with the outcome from the Apology, the Memorial and the taking forward of recommendations from the Truth Recovery Design Panel report on Mother and Baby Institutions, Magdalene Laundries and Workhouses, applications could rise and offset any reductions associated with rejections. Therefore, until further evidence emerges no adjustment has been made to the value of the provision.*

The assumptions used and estimates provided by GAD represent a reasonable best estimate of claim numbers and costs of compensation payments by the Redress Scheme. The modelling assumptions will be kept under review as more claims and data become available and TEO will continue to leverage the experience of other similar redress schemes where possible.

Sensitivity of results to assumptions

The total cost estimate of the HIA Redress scheme provided by GAD is highly sensitive to the claim rate and the average claim size assumptions.

This is because these assumptions have been set with a high degree of judgment and the range between the reasonable low and high values is relatively wide.

The table below shows the impact of changing each assumption individually on the total cost estimate based on what GAD believe to be reasonable low and high values based on available data. The figures in italics are the differences to the best estimate of £139 million;

Notes to the Departmental Resource Accounts continued

Assumption	Low	High
GAD best estimate of redress claims	£139m	
Number of children in a relevant institution	£111m -£28m	£166m £28m
Number of children who survived to the opening of the scheme	£127m -£12m	£150m £12m
Claim rates	£97m -£42m	£181m £42m
Average claim size	£110m -£28m	£250m £111m

14.4 Other Provisions

This provision represents:

- (i) The average cost informed by the Departmental Solicitors Office estimate of potential compensation, medical and legal costs for an ongoing inquest.
- (ii) The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The Supreme Court hearing was scheduled for June 2021 but this has subsequently been adjourned and re-listed for December 2022. The 2021-22 Holiday Pay provision has been estimated by NICS HR and covers the period from November 1998 to 31 March 2020. There are still some very significant elements of uncertainty around this estimate for a number of reasons:
 - (a) The appeal to the Supreme Court (as detailed above);
 - (b) Lack of accessible data for years previous to 2011;
 - (c) Ongoing negotiations with Trade Unions; and
 - (d) Obtaining relevant approvals.

Notes to the Departmental Resource Accounts continued

15 Contingent liabilities

The Department has entered into the following contingent liabilities.

15.1 *Statutory Guarantees*

The Department has entered into a guarantee agreement with the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) in respect of CRC.

The Department has guaranteed any and all obligations in respect of pension liabilities, if CRC ceases to exist, or are otherwise unable to discharge their liabilities under the Local Government Pension Scheme Regulations (Northern Ireland) 2002.

15.2 *Withdrawal from the EU*

Please refer to the Accountability Report under section 'Other Assembly Accountability Disclosures' section which discusses any potential contingent liabilities which may arise under the withdrawal from the EU.

15.3 *COVID-19*

Please refer to the Accountability Report under section 'Other Assembly Accountability Disclosures' section which discusses any potential contingent liabilities which may arise under the disruption caused by COVID-19.

15.4 *Contingent Liabilities Relating to the Victims' Payments Scheme for Permanent Disablement, the Truth Recovery Programme and the Historical Institutional Abuse Inquiry*

Other contingent liabilities disclosed under IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) relate to:

i) Victims' Payments Scheme

Potential estimated future payments range from £601m - £1.2bn over the lifetime of the Scheme, with a central estimate of £848m. This is only for payments to victims and does not include administration costs. Presently there is uncertainty over the number and quantum of claims that may be received.

ii) Truth Recovery Programme

On 15 November 2021, the deputy First Minister made a statement to the Assembly that committed to implementing the recommendations of the Truth Recovery Design Panel's Report in full. These include recommendations for making payments for redress, reparation and compensation. These actions will require legislation in the new mandate. A TEO team has begun preparatory work on the project. This work substantially relates to the

Notes to the Departmental Resource Accounts continued

development of a redress scheme and establishing a full public inquiry. The cost of the project cannot be measured reliably at this early stage of the Programme.

iii) The Historical Institutional Abuse Inquiry (HIAI)

A provision for future probable costs of HIA Redress Scheme payments has been posted in 21-22 for £102m. However, there continues to be uncertainty over the scale and value of other costs payable by the scheme such as applicants' legal costs, applicants' expenses, obtaining medical/other expert reports as insufficient data is available to reliably estimate these costs.

15.5 Other Miscellaneous Potential Liabilities

The Department has not entered into any quantifiable guarantees, indemnities or provided letters of comfort.

16 Commitments under Leases

16.1 Finance leases

The Department has no finance lease commitments.

16.2 Operating leases

£838k (2020-21: £871k) was included as an expense on operating leases in the Statement of Comprehensive Net Expenditure. Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	2021-22	2020-21
	£000	£000
Obligations under operating leases for the following periods comprise:		
Buildings:		
Not later than one year	873	836
Later than one year and not later than five years	2,911	1,840
Later than five years	1,334	292
	5,118	2,968
Other :		
Not later than one year	8	8
Later than one year and not later than five years	1	3
Later than five years	-	-
	9	11

Notes to the Departmental Resource Accounts continued

17 Capital and other commitments

17.1 Capital Commitments

	2021-22 £000	2020-21 £000
Contracted capital commitments at 31 March not otherwise included in these financial statements		
Property, plant and equipment	1,069	4,634
Total	1,069	4,634

17.2 Other financial commitments

The Department has entered into the following non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements), relating to grant payments and amounts committed in relation to contracted services.

The payments to which the Department (and its agencies where appropriate) are committed to are as follows:

	2021-22 £000	2020-21 £000
Not later than one year	84	54
Later than one year and not later than five years	-	-
Later than five years	-	-
	84	54

18 Related-party transactions

The Executive Office is the sponsor of its non-departmental public bodies and companies limited by guarantee, as referred to in the Annual Report. These bodies are regarded as related parties with which the Department has had a number of material transactions during the year.

In addition, the Department has had a number of material transactions with other government departments and other central government bodies.

No ministers, board members or other related parties have undertaken any material transactions with the Department during the year.

The Executive Office

Notes to the Departmental Resource Accounts continued

19 Third-party assets

The Department has no third-party assets.

20 Entities within the departmental boundary

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

- Supply financed agencies None
- Other entities North/South Ministerial Council
(www.northsouthministerialcouncil.org)
Office of the Commissioner for Public Appointments
for Northern Ireland
(www.publicappointmentsni.org)
Office of the Attorney General for Northern Ireland
(www.attorneygeneralni.gov.uk)
Historical Institutional Abuse Redress Board
(www.hiaredressni.uk)
Victims' Payments Board
(www.victimspaymentsboard.org.uk)

21 Events after the Reporting Period

There have been no significant events since the Balance Sheet date that would affect these accounts.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 2 September 2022.