

DEPARTMENT OF FINANCE AND PERSONNEL

PUBLIC INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2014

An account of the Public Income and Expenditure of Northern Ireland in the year ended 31 March 2014, together with the balance in the Consolidated Fund on 1 April 2013, the receipts and payments (not being public income and expenditure) in the year ended 31 March 2014, and the balance in the Consolidated Fund on that day.

Laid before the Northern Ireland Assembly by the Department of Finance and Personnel under Section 2(2) of the Exchequer and Financial Provisions Act (Northern Ireland) 1950, as amended by Article 3 of the Financial Provisions (Northern Ireland) Order 1998

29 September 2014

PUBLIC INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31 MARCH 2014

Foreword

1. This account is prepared under Section 2(1) of the Exchequer and Financial Provisions Act (Northern Ireland) 1950, as amended by Article 3 of the Financial Provisions (Northern Ireland) Order 1998.
2. The Northern Ireland Consolidated Fund (NICF) is primarily concerned with cash movements therefore these accounts are prepared on a receipts and payments rather than an accruals basis. This information is supplemented by the inclusion of a balance sheet.
3. Issues are made to finance Supply services, meet standing services directly charged by Statute and finance NICF borrowings, mainly from the National Loans Fund (NLF).
4. During 2013-2014 expenditure on Supply services amounted to £14,619m, transfers to district councils in respect of district rates amounted to £537m and interest payments from the NICF amounted to £79m. Expenditure was financed by regional and district rates of £1,138m, interest and other receipts £194m, and grant under the Northern Ireland Act of £13,783m.
5. The NICF makes advances for capital expenditure to district councils and other public bodies. Total amounts outstanding at 31 March are shown at Notes 10 and 11. Notes 2 and 3 provide an analysis of miscellaneous receipts into the Fund. Note 14 details the outstanding liabilities which may give rise to a charge on the Fund.
6. The NICF made advances from the Consolidated Fund in respect of Civil Contingencies during the year to NIAUR and DETI. Both NIAUR and DETI repaid the advances (£863k and £10.8m respectively) in full during the year.
7. The account is audited by the Comptroller and Auditor General for Northern Ireland and his certificate and report appears on pages 12 to 13.

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Statement of Responsibilities of the Department of Finance and Personnel and the Accounting Officer

Under Section 2(1) of the Exchequer and Financial Provisions Act (Northern Ireland) 1950 as amended by Article 3 of the Financial Provisions (Northern Ireland) Order 1998, the Department of Finance and Personnel is responsible for the preparation and transmission to the Comptroller and Auditor General, on or before the 30th June after the expiration of every financial year, of accounts showing, by reference to the actual receipt and issue of monies into and out of the account of the Exchequer at the Exchequer bank during that financial year:

- all public income and expenditure; and
- the balance to the credit of the Exchequer at the end of that financial year.

The relevant responsibilities of the Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in Managing Public Money Northern Ireland issued by the Department of Finance and Personnel.

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GOVERNANCE STATEMENT

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

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

This Governance Statement, which has been agreed by the Board, sets out how these responsibilities have been discharged during 2013-14.

Context

The context in which the Department's governance arrangements are required to operate is set out in the DFP Corporate Plan 2012-15 which contains the strategic priorities for DFP over the period. The DFP Business Plan 2013-14 sets out the Department's vision, objectives and targets and how the Department will work to deliver its Departmental level objectives. This plan has been published on the Department's internet site and can be downloaded at www.dfpni.gov.uk.

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

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

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

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

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Accounting Officer

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

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

Departmental Board

The Accounting Officer chairs the Board which in 2013-14 met on 11 occasions. In addition to the Permanent Secretary, the Board comprises the Departmental Solicitor, Directors and Chief Executives who head the Department's directorates and agency, including the Departmental Directors of Finance and Human Resources. The Board is further strengthened by the inclusion of two independent members who bring a wide range of skills, experience and external challenge to the work of the Department. Minutes of all Board meetings are published on the departmental website.

During 2013-14 the Board held regular discussions on finance and HR issues, performance against business plan objectives, management of departmental risks and articles for the Staff Brief. In addition, the Board also considered and discussed papers in relation to, for example:

- Staff Satisfaction Survey;
- Customer Survey Report;
- Procurement;
- Spend Analysis & Impact on Collaborative Procurement;
- Review of Board Effectiveness;
- Departmental Charging Policy;
- Information Assurance;
- Legislative Programme;
- LPS rate collection;
- Public access to government services;
- Board Operating Framework;
- DFP Risk Appetite Statement;
- NICS People Strategy 2013-16;
- Sustainable Development Action Plan; *and*
- Non-Domestic Revaluation 2015.

It is envisaged that the Board will discuss similar issues covering the breadth of the Department's areas of responsibility during 2014-15.

The Board is fully committed to the highest standards of corporate governance and complies to the relevant extent with the best practice set out in "*Corporate*

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governance in central government departments: Code of good practice (NI) 2013" issued under DAO (DFP) 06/13 in April 2013.

Attendance of non-executive and executive members at Board meetings during 2013-14:

	Number of Meetings attended
Non-executive members	
Stephen Hodkinson	10 of 11
Dolores O'Reilly	9 of 11
Executive members	
Stephen Peover	11 of 11
Des Armstrong	11 of 11
Anne Breen	8 of 8
Michael Brennan	8 of 9
Norman Caven	9 of 11
Brendan Fitzpatrick	1 of 3
Colin Lewis	10 of 11
Bill Pauley	1 of 2
Oswyn Paulin	11 of 11
Colin Sullivan	5 of 5
Paul Wickens	10 of 11
John Wilkinson	10 of 11
Brigitte Worth	8 of 11

A formal review of the Board's effectiveness, including a review of the quality of data received, was conducted during 2013-14 by the Corporate Improvement Centre using the DFP Quality Programme. An Improvement Plan was drawn up and agreed by the Board and is currently being implemented.

Declarations of Interest

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

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

For 2013-14, the Accounting Officer has been provided with assurance that no Board members have declared any conflict of interest with the business of the Department.

Relationships with Agencies and Other Bodies

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

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During 2012-13, the Minister announced arrangements for LPS to cease to exist as an Executive Agency from 1 April 2013 and instead to deliver the same functions as a core directorate within the Department. This change in status has had no practical impact on the governance arrangements for either DFP or LPS.

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

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

The Chief Executive Officer is responsible for signing the SEUPB accounts and ensuring they are prepared in accordance with relevant guidance.

Departmental Audit and Risk Committee

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

The Committee met on 4 occasions during the course of 2013-14. The Corporate Risk Register was provided to all meetings and the Committee reviewed in detail departmental level risks in relation to:

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

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

- Procurement guidance in relation to Social Clauses in contracts; *and*
- Levels of assurance in relation to information risk within DFP.

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

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

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

The Chair of the DARC periodically provides a paper to Departmental Board, the latest in July 2013, outlining the work undertaken by the Committee and providing assurance on the systems of internal control in operation across DFP.

A review of DARC effectiveness was undertaken in February 2014, utilising a National Audit Office Audit Committee self-assessment checklist. An Improvement Plan was drawn up and agreed by the DARC and is currently being implemented.

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

Financial Management

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

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

Governance and Control Framework

The Department's Governance and Control Framework is the system by which the work of the Department is directed and controlled. This includes how the Department plans, sets and monitors achievement of its corporate objectives, how the risks to the achievement of those corporate objectives are identified and managed and what

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controls are in place to provide assurance that the Board is in control of the risks to achieving the stated objectives.

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

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

Departmental Performance

The DFP Operational Plan 2013-14 sets out the targets and objectives for the year against which performance is reported and monitored. Progress has been reported quarterly to the Board as part of the Corporate Performance Report using a RAG status assessment of each target and narrative on the actions taken to deliver the expected outcomes.

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

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

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

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

Level of Assurance

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

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the Head of Internal Audit on compliance with the controls and actions recommended in audit assignments which have been conducted.

The Department's internal audit function has conducted a programme of work during 2013-14 which has enabled the provision of assurances on the systems of internal control in operation across the Department. The reports by internal audit to senior managers provide an objective and independent assessment of the systems of internal control in operation across DFP together with prioritised recommendations to strengthen controls and implement further improvements.

An External Quality Assessment of the DFP Internal Audit Service and Corporate Governance arrangements was undertaken during 2012. The review confirmed that the Internal Audit Service is being provided in line with government standards. All recommendations have now been implemented and progress was reported regularly to DARC.

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

In 2012-13 Internal Audit carried out a review of Government Accounts Branch. The purpose of the review was to provide the Accounting Officer, via divisional management, with an opinion on the adequacy and effectiveness of the system of internal control, established by management, to facilitate the achievement of business objectives.

The scope of the audit encompassed a review of the following activities:

- Cash Supply;
- Investments;
- Paymaster General Account and NI Consolidated Fund;
- Government Lending System; and
- Review of Risk and Control Frameworks for all system areas.

The report was published in February 2014 and Government Accounts Branch were given a **satisfactory** assurance.

The DARC now receives a summary position of the Recommendations Register, which details all agreed Internal Audit Recommendations, at each meeting. Responsibility for maintenance of this register has now moved from Internal Audit to Business Planning and Corporate Governance Branch. The format of the reporting is still evolving but the process is supporting DARC in identifying those recommendations which are past due or which require further discussion at DARC level.

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

The Senior Information Risk Owner (SIRO) is a member of the Board and has regularly reported on information risk at departmental level. She has established an approach to information assurance risk management which includes the creation and maintenance of information risk registers by each Director and Agency Chief

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Executive within their respective business areas. The assessment of information risks has been conducted against the HMG Information Assurance Maturity Model and has been validated by Internal Audit.

The SIRO is supported by a governance structure which includes a dedicated Information Assurance Team, Internal Audit, IT Security Officer and Departmental Accreditor with responsibility for the IT security, audit and accreditation of all departmental IT systems and NICS-wide shared services in line with Cabinet Office guidelines.

No reportable data breaches were identified between 1 April 2013 and 31 March 2014. However, on 3 April 2014 one breach was reported to the Information Commissioner's Office (ICO). A review of the circumstances of this breach was undertaken and the ICO decided that no further action was required.

Fraud prevention and awareness

The DFP Fraud Working Group continued to meet and correspond during 2013-14 to consider issues in relation to fraud, raise awareness of anti-fraud measures and disseminate information pertinent to the prevention and detection of fraud. During 2013-14 business area fraud risk assessments were commissioned, development of a departmental Fraud Risk Register was commenced and revised procedures for the handling of suspected frauds in Account NI were prepared and circulated, with a view to streamlining and preventing duplication of reporting and investigation. A review of the DFP Anti Fraud Policy and Response Plan policy is currently being undertaken in conjunction with DHR. In addition, a paper on the development of the Department's strategic approach to the investigation of alleged fraud was presented at the February Departmental Board.

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

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

NIAO Value for Money Reports

The Northern Ireland Audit Office has completed one value for money study within DFP during 2013-14 namely, Account NI: Review of a Public Sector Financial Shared Service, and a Public Accounts Committee (PAC) evidence session was held on 22 January 2014. Two further value for money studies which impacted on DFP were completed during 2013-14 namely, Sickness Absence in the NI Public Sector (published 23 April 2013) and Future Impact of Borrowing and PFI Commitments (published 14 January 2014). A PAC evidence session on the Collaborative Procurement and Aggregated Demand report published in 2012-13 also took place on 5 June 2013. As with all previous value for money studies and PAC sessions relating to DFP the Department continues to address the risks to value for money and action the recommendations made.

Conclusion

Taking into account all of the arrangements set out in this Governance Statement, the Department has effective corporate governance structures in place and has satisfactory systems of internal control which have operated effectively during 2013-14.

**PUBLIC INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDING 31 MARCH 2014**

APPROVED AND SIGNED



DAVID STERLING
Accounting Officer
Department of Finance and Personnel

23 September 2014

PUBLIC INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31 MARCH 2014

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

I certify that I have audited the financial statements of the Public Income and Expenditure account for the year ended 31 March 2014 under the Exchequer and Financial Provisions Act (Northern Ireland) 1950. These comprise the statements of Public Income and Expenditure, Capital Receipts and Issues, Balance Sheet and the related notes. These financial statements have been prepared on a cash basis.

Respective responsibilities of Accounting Officer and auditor

As explained more fully in the Statement of Responsibilities of the Department of Finance and Personnel and the Accounting Officer, they are responsible for the preparation of the financial statements and for being satisfied that they properly present the receipts and payments during the year. My responsibility is to examine, certify and report on the financial statements in accordance with the Exchequer and Financial Provisions Act (Northern Ireland) 1950. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Public Income and Expenditure's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Department of Finance and Personnel and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Foreword to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the receipts and payments reported in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the receipts and payments recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transaction conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

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- the financial statements properly presents the receipts and payments of the Public Income and Expenditure account for the year ended 31 March 2014 and the balances at that date: and
- the financial statements have been properly prepared in accordance with the Exchequer and Financial Provisions Act (Northern Ireland) 1950 as amended by Article 3 of the Financial Provisions (NI) Order 1998.

Opinion on other matters

In my opinion:

- the information given in the Foreword to the Accounts for the Financial year for which the financial statements are prepared is consistent with the financial statements.

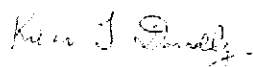
Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

Report

I have no observations to make of these financial statements.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Date 26 September 2014

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ENDING 31 MARCH 2014**

PUBLIC INCOME AND EXPENDITURE

	NOTE	2013-14 £000	2012-13 £000
<u>PUBLIC INCOME</u>			
Receipts from the United Kingdom Government		13,783,000	13,716,000
Regional and District Rates Received		1,138,097	1,105,115
Interest Received	1	68,823	75,401
Other Central Receipts	2	8,972	9,294
Other Departmental Receipts	3	116,699	81,132
TOTAL PUBLIC INCOME		15,115,591	14,986,942
<u>PUBLIC EXPENDITURE</u>			
Payment of Supply to Departments (a)		14,619,185	14,467,308
Transfer of District Rates to Local Councils		536,670	515,693
Interest Paid on Public Debt	4	79,306	84,334
Other Services	5	9,099	8,768
TOTAL PUBLIC EXPENDITURE		15,244,260	15,076,103
EXCESS OF PUBLIC INCOME OVER PUBLIC EXPENDITURE / (PUBLIC EXPENDITURE OVER PUBLIC INCOME)		(128,669)	(89,161)

(a) Of this £48.5m relates to prior year supply monies (31 March 2013: £36.7m). At 31 March 2014, the balance of grants for Supply services remaining unissued from the Consolidated Fund was £960m (31 March 2013: £1,029m).

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CAPITAL RECEIPTS AND ISSUES

	NOTE	2013-14 £000	2012-13 £000
<u>CAPITAL RECEIPTS</u>			
Public Debt - Sums Borrowed	6	222,475	176,966
Loan Repayments Received	7	89,148	92,707
Amounts Returned from Temporary Investment		2,349,000	1,618,000
Repayment of Advances from NI Consolidated Fund		11,683	369
Excess of Public Income over Public Expenditure		-	-
TOTAL CAPITAL RECEIPTS		2,672,306	1,888,042
<u>CAPITAL ISSUES</u>			
Public Debt – Sums Repaid	8	156,031	145,775
Issue of Government Loans	9	26,479	35,036
Amounts Placed on Temporary Investment		2,349,000	1,618,000
Issue of Advances from the NI Consolidated Fund		11,683	369
Excess of Public Expenditure over Public Income		128,669	89,161
TOTAL CAPITAL ISSUES		2,671,862	1,888,341
EXCESS OF CAPITAL RECEIPTS OVER CAPITAL ISSUES / (EXCESS OF CAPITAL ISSUES OVER CAPITAL RECEIPTS)		444	(299)

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BALANCE SHEET

	NOTE	2013-14 £000	2012-13 £000
ASSETS			
Outstanding Loans	10	902,578	965,248
Balance in the Consolidated Fund	12	465	21
TOTAL ASSETS		903,043	965,269
LIABILITIES			
Public Debt	13	1,778,952	1,712,509
TOTAL LIABILITIES		1,778,952	1,712,509
NET ASSETS/(LIABILITIES)		(875,909)	(747,240)
Net Liabilities at 1 April		(747,240)	(658,079)
Excess of Public Income over Public Expenditure / (Excess of Public Expenditure over Public Income)		(128,669)	(89,161)
NET LIABILITIES AT 31 MARCH		(875,909)	(747,240)



DAVID STERLING
Accounting Officer
Department of Finance and Personnel

September
23 ~~August~~ 2014

**PUBLIC INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDING 31 MARCH 2014**

NOTES TO THE ACCOUNT

1. ANALYSIS OF INTEREST RECEIVED

	2013-14 £000	2012-13 £000
Interest Received on Loans from the Consolidated Fund		
Northern Ireland Housing Executive	40,239	46,523
Former New Towns Commissions	1,177	1,206
Temporary Investments	28	18
	<u>41,444</u>	<u>47,747</u>
Interest Received on Government Loans		
Local Councils	23,465	23,566
Port & Harbour Authorities	83	82
Northern Ireland Housing Executive	3,502	3,675
Housing Associations	1	2
Schools	328	329
	<u>27,379</u>	<u>27,654</u>
Total Interest Received	<u>68,823</u>	<u>75,401</u>

2. ANALYSIS OF OTHER CENTRAL RECEIPTS

	2013-14 £000	2012-13 £000
OFCOM	7,174	7,541
Northern Ireland Housing Executive	85	80
Miscellaneous	4	39
Continental Shelf	1,709	1,634
Total Central Receipts	<u>8,972</u>	<u>9,294</u>

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NOTES TO THE ACCOUNT (CONTINUED)

3. ANALYSIS OF OTHER DEPARTMENTAL RECEIPTS

Department	Misc Non-EU	Excess Accruing Resources	Misc EU	Total 2013-14	Total 2012-13
	£000	£000	£000	£000	£000
Agriculture & Rural Development	635	-	225	860	-
Culture, Arts & Leisure	31	20	-	51	309
Education	3,812	867	1,880	6,559	8,878
Enterprise, Trade & Investment	456	-	683	1,139	3,219
Environment	133	390	-	523	830
Employment & Learning	3,745	-	1,677	5,422	3,933
Finance & Personnel	12,626	-	3,855	16,481	5,529
Health, Social Services & Public Safety	62,932	-	-	62,932	35,421
Regional Development	499	-	1,457	1,956	2,458
Social Development	12,146	-	11	12,157	9,222
Northern Ireland Assembly	-	50	-	50	-
Northern Ireland Audit Office	1	99	-	100	398
Northern Ireland Authority for Utility Regulation	271	-	-	271	1,300
Office of the First Minister & Deputy First Minister	409	-	-	409	227
Assembly Ombudsman & Commissioner for Complaints	1	-	-	1	1
Justice	6,609	1,179	-	7,788	9,407
Public Prosecution Service	-	-	-	-	-
Total Departmental Receipts	104,306	2,605	9,788	116,699	81,132

**PUBLIC INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDING 31 MARCH 2014**

NOTES TO THE ACCOUNT (CONTINUED)

4. ANALYSIS OF INTEREST PAID

	2013-14 £000	2012-13 £000
National Loans Fund		
Advances From National Loans Fund	31,976	38,801
Advances From National Loans Fund in respect of the Reinvestment and Reform Initiative (RRI)	47,246	45,440
	<u>79,222</u>	<u>84,241</u>
Other		
Ulster Savings Certificates	54	56
Internal Departmental Funds	30	37
	<u>84</u>	<u>93</u>
Total Interest Paid	<u>79,306</u>	<u>84,334</u>

5. ANALYSIS OF OTHER SERVICES

	2013-14 £000	2012-13 £000
Payment of Statutory Salaries	8,824	8,447
Pensions and Other Allowances	206	321
	<u>9,030</u>	<u>8,768</u>
Thiepval War Memorial Fund	69	-
	<u>69</u>	<u>-</u>
Total Other Services	<u>9,099</u>	<u>8,768</u>

6. ANALYSIS OF SUMS BORROWED IN THE YEAR

	2013-14 £000	2012-13 £000
National Loans Fund in respect of the Reinvestment and Reform Initiative (RRI) (a)	195,936	150,936
Internal Departmental Funds	26,539	26,030
Total Sums Borrowed	<u>222,475</u>	<u>176,966</u>

(a) At 31 March 2014, undrawn borrowings in respect of RRI amounted to £111.9m (31 March 2013: £107.8m)

**PUBLIC INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDING 31 MARCH 2014**

NOTES TO THE ACCOUNT (CONTINUED)

7. ANALYSIS OF LOAN REPAYMENTS RECEIVED

	2013-14 £000	2012-13 £000
Repayment of Consolidated Fund Loans		
Northern Ireland Housing Executive	62,792	68,312
Former New Towns Commissions	357	329
	<u>63,149</u>	<u>68,641</u>
Repayment of Government Loans		
Local Councils	22,637	20,869
Northern Ireland Housing Executive	2,815	2,693
Housing Associations	10	9
Schools	249	217
Port and Harbour Authorities	288	278
	<u>25,999</u>	<u>24,066</u>
Total Loan Repayments Received	<u>89,148</u>	<u>92,707</u>

8. ANALYSIS OF LOANS REPAID

	2013-14 £000	2012-13 £000
National Loans Fund		
National Loans Fund	69,593	77,410
National Loans Fund in respect of the Reinvestment and Reform Initiative (RRI)	57,615	46,119
	<u>127,208</u>	<u>123,529</u>
Other		
Ulster Savings Certificates	20	47
Internal Departmental Funds	28,803	22,199
	<u>28,823</u>	<u>22,246</u>
Total Loans Repaid	<u>156,031</u>	<u>145,775</u>

**PUBLIC INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDING 31 MARCH 2014**

NOTES TO THE ACCOUNT (CONTINUED)

9. ANALYSIS OF GOVERNMENT LOANS ISSUED IN THE YEAR

	2013-14 £000	2012-13 £000
Local Councils	24,017	34,450
Port and Harbour Authorities	1,700	-
Schools	762	586
Total Government Loans Issued	26,479	35,036

10. ANALYSIS OF LOANS OUTSTANDING

	2013-14 £000	2012-13 £000
Consolidated Fund Loans		
Northern Ireland Housing Executive	398,072	460,864
Former New Towns Commissions	13,415	13,773
Total Consolidated Fund Loans	411,487	474,637
Government Loans		
Local Councils	435,924	434,544
Northern Ireland Housing Executive	46,398	49,213
Port and Harbour Authorities	3,481	2,069
Housing Associations	18	28
Schools	5,270	4,757
Total Government Loans (Note 11)	491,091	490,611
Total Loans Outstanding	902,578	965,248

In addition to the assets listed above a loan from the Consolidated Fund to the Northern Ireland Housing Executive which is treated as public expenditure was outstanding. This amounted to £0.54m at 31 March 2014 (31 March 2013: £0.63m).

**PUBLIC INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDING 31 MARCH 2014**

NOTES TO THE ACCOUNT (CONTINUED)

11. ANALYSIS OF GOVERNMENT LOANS OUTSTANDING

	2013-14 £000	2012-13 £000
Local Councils		
Antrim Borough Council	13,671	14,248
Ards Borough Council	5,053	5,523
Armagh District Council	26,074	27,664
Ballymena Borough Council	24,592	25,459
Ballymoney Borough Council	10,486	9,981
Banbridge District Council	19,714	20,641
Belfast City Council	23,937	24,688
Carrickfergus Borough Council	21,674	21,187
Castlereagh Borough Council	18,293	18,473
Coleraine Borough Council	18,493	20,080
Cookstown District Council	1,295	1,374
Craigavon Borough Council	1,345	1,407
Derry City Council	31,538	25,810
Down District Council	30,370	27,216
Dungannon District Council	4,450	4,873
Fermanagh District Council	2,619	2,975
Larne Borough Council	19,286	17,582
Limavady District Council	13,155	12,282
Lisburn City Council	17,997	18,997
Magherafelt District Council	-	-
Moyle District Council	8,786	8,324
Newry and Mourne District Council	21,747	20,145
Newtownabbey District Council	41,807	44,629
North Down Borough Council	47,664	49,430
Omagh District Council	8,758	9,356
Strabane District Council	3,120	2,200
Total Local Councils	435,924	434,544
Northern Ireland Housing Executive	46,398	49,213
Port and Harbour Authorities		
Warrenpoint Harbour Authority	594	690
Londonderry Port and Harbour Authority	2,887	1,379
Total Port and Harbour Authorities	3,481	2,069
Housing Associations	18	28
Schools	5,270	4,757
TOTAL GOVERNMENT LOANS OUTSTANDING	491,091	490,611

**PUBLIC INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDING 31 MARCH 2014**

NOTES TO THE ACCOUNT (CONTINUED)

**12. RECONCILIATION OF CASH HELD IN THE CONSOLIDATED FUND BANK
ACCOUNT**

	2013-14 £000	2012-13 £000
Balance in the Consolidated Fund at 1 April	21	320
Excess of Capital Receipts over Capital Issues / (Excess of Capital Issues over Capital Receipts)	444	(299)
Balance in the Consolidated Fund at 31 March	465	21

13. ANALYSIS OF PUBLIC DEBT

	2013-14 £000	2012-13 £000
National Loans Fund		
National Loans Fund	372,475	442,069
National Loans Fund in respect of the Reinvestment and Reform Initiative (RRI)	1,392,482	1,254,161
	1,764,957	1,696,230
Other		
Ulster Savings Certificates (a)	1,682	1,702
Ulster Development Bonds	12	12
Internal Departmental Funds(b)	12,301	14,565
	13,995	16,279
Total Public Debt	1,778,952	1,712,509

(a) An additional £3.5m (31 March 2013: £3.5m) of public debt, relating to interest on Ulster Savings Certificates, is liable to be paid as and when certificate holders redeem their savings.

(b) An additional £0.09m of public debt, relating to interest on Internal Departmental Funds, is liable to be paid as and when landowners reclaim their ground rent payments.

**PUBLIC INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDING 31 MARCH 2014**

NOTES TO THE ACCOUNT (CONTINUED)

**14. STATEMENT OF CONTINGENT LIABILITIES OF THE NORTHERN IRELAND
CONSOLIDATED FUND**

This statement summarises actual and contingent liabilities of the Northern Ireland Consolidated Fund reported by the Northern Ireland Departments, excluding:-

- (a) cases involving £250,000 or less
- (b) cases arising in the normal course of Departments' business

Statute	Nature of Liability	Amount Outstanding at 31.3.14	Amount Outstanding at 31.3.13
		£m	£m
Statutory Liabilities Charged Directly on the NI Consolidated Fund			
Local Government LC (NI) Order 1972	Disputed recovery action on overpayment of resource element of General Grant in Financial year 1997/98	-	0.7
Non-Statutory Liabilities Charged to Votes			
As part of the arrangements for the transfer of training centres to Further Education Colleges, the Department of Employment and Learning agreed that, for staff transferred who become redundant in the future, it would fund any difference between their redundancy payment and that which they would have received had they remained in the Northern Ireland Civil Service.		Unquantifiable	Unquantifiable
Department of Culture, Arts and Leisure Contingent Liability relating to potential legal action and winding-up costs of Northern Ireland Events Company.		0.2	0.3
Department of Culture, Arts and Leisure Contingent Liability relating to Northern Ireland Events Company Limited		Unquantifiable	Unquantifiable
Department of Culture, Arts and Leisure Contingent Liability relating to the curtailment of certain fishing rights and in relation to potential EU infraction procedures.		-	Unquantifiable