Northern Ireland Assembly

Northern Ireland Assembly Annual Report and Accounts for the year ended 31 March 2016

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

1 July 2016

This publication is also available to download from our website at http://www.niassembly.gov.uk/

Any enquiries regarding this document/publication should be sent to us at:

Communications Office
Northern Ireland Assembly
Parliament Buildings
Ballymiscaw
Stormont
Belfast
BT4 3XX

Report and Accounts for the year ended 31 March 2016

The Northern Ireland Assembly Commission (the "Commission") presents its Annual Report and Accounts for the financial year ended 31 March 2016.

The Performance Report

Overview

Statutory basis for the Northern Ireland Assembly Commission

The Northern Ireland Assembly was established as a result of the Belfast Agreement on 10 April 1998. The electorate of Northern Ireland endorsed the Belfast Agreement in a referendum held on 22 May 1998, which paved the way for the subsequent legislation which gave effect to the Assembly, the Northern Ireland Act 1998.

The United Kingdom Parliament devolved powers of government to the Northern Ireland Assembly at midnight on 1 December 1999. The Assembly was then able to govern Northern Ireland in respect of transferred matters and also reserved matters with the Secretary of State's consent. Excepted matters remain the responsibility of the United Kingdom Parliament. After the devolution of policing and justice functions in 2010, the only excepted matters remaining are those matters of national importance, e.g. defence, taxation and foreign policy.

Under section 40 of the Northern Ireland Act 1998, the Assembly elects a Commission which has statutory responsibility for providing the Assembly with the property, staff and services to carry out its business. The Commission is chaired by the Presiding Officer (known under Standing Orders as the "Speaker") and has five other members who are tasked with representing the interest of the Assembly and its 108 elected Members of the Legislative Assembly (MLAs).

The Assembly Secretariat

The staff of the Assembly Secretariat (the "Secretariat") are employed by the Commission to provide the Assembly with the supporting services required for the Assembly's purposes.

Principal Activities

Unlike an Executive Department, the Commission does not develop Public Service Agreement targets. The service delivery aspect of the Assembly Secretariat's work and, hence, its principal activities, relate to the procedural support, resources and services that it provides to the legislature to enable it to function effectively. Consequently, the Commission's performance outputs are those that are developed internally to enable an assessment of performance against aims and objectives during the year.

Key Aims and Objectives

The Commission approved a Corporate Strategy for 2012-16 which clearly defines its Purpose, Vision and Values. An outline of the work of the Assembly Secretariat may be found within the Corporate Strategy. The Corporate Strategy is delivered through Directorate and business area plans. The corporate planning process has been in place since 2008-09 and has been reviewed on an annual basis. This informs the Directorate business plans which are reviewed annually to ensure the objectives and targets remain relevant and achievable.

Within the context of an extended Assembly mandate to March 2016 (extended from March 2015) and further budget constraints, a review of the corporate planning process was undertaken and a revised Corporate Strategy was approved by the Commission. This revised Strategy extended the duration of the earlier Strategy to March 2017 to provide space for an incoming Commission (following the Assembly election in May 2016) to establish its own strategic priorities for the next corporate planning period. It also amended some of the measures of success set out in the 2012-16 Strategy in light of the prevailing financial climate.

Through the revised Corporate Strategy, the Commission continues to guide and direct the strategic activities of the Secretariat. The Commission's Vision is:

> "*... to provide parliamentary services to the Assembly that are progressive, effective and efficient*".

The Strategic Goals established by the Commission drive the work of the Assembly Secretariat. During the period covered by this Report and Accounts these Goals were expressed as follows:-

1. *To provide effective and high quality support to the Assembly;*
2. *To enable and deliver change; and*
3. *To be a progressive and efficient organisation.*

The Commission retained three core values for the Secretariat, namely:

1 *Public service - which is demonstrated by:*
- *An attitude of service to the Assembly, its Members and visitors.*
- *Behaving with impartiality and integrity at all times.*
- *Being open and transparent.*

2 *Professionalism - which is demonstrated by:*
- *Commitment to excellence;*
- *Commitment to good governance;*
- *Appropriate confidentiality and discretion;*
- *Personal responsibility and accountability.*

3 *One Team - which is demonstrated by:*
- *Team Working;*
- *Respect for others;*
- *Working to the common purpose.*

These core values are fundamental to everything that the Secretariat undertakes.

The overall planning process establishes corporate objectives that are in keeping with the Vision and Goals expressed by the Commission. The Strategic Goals and associated Strategic Aims of the Corporate Strategy focus on the continuing delivery of a fully functioning legislature, supported by a Secretariat that seeks to influence, enable and deliver change in an efficient and effective manner within the context of wider public sector budgetary pressures and resource constraints.

Principal risks and uncertainties

Although now greatly reduced, the potential for political uncertainty or instability still affords the greatest risk to the Assembly. Whilst this might be classed as a principal risk, this is a risk that is wholly outside the control of the Commission. Hence, this intrinsically political risk is not captured in the normal risk management procedures adopted across the Secretariat. It is also recognised that the prevailing economic climate represents a risk to the levels of service delivered by the Secretariat. The Commission recognises the financial pressures that currently exist and are expected in future years. While the costs associated with MLAs are established by legislation and must be funded, the Commission welcomes the challenge of developing innovative methods of delivering its statutory functions in order to meet any reduced budget position.

Internally, the principal risks to the Commission and Secretariat are identified and managed through a risk management regime. The principal responsibility for the management of risk falls to the most senior leadership forum within the Secretariat (the Secretariat Management Group – SMG). Further details on the role and composition of SMG is provided in the Management Structures section within the Director's Report commencing at page 17. SMG is responsible for both the corporate planning process and the implementation of the Risk Management Policy. The on-going corporate planning process and the administration of the Risk Management Policy provide a strong emphasis on the identification and management of risks.

Further details on the Secretariat's capacity to handle risk, the risk and control framework within which the Assembly operates and a review of effectiveness of the system of internal control are provided in the Governance Statement on pages 23 to 31.

Chief Executive's Performance Overview

The performance of an organisation is judged not only against its corporate aims and business plan targets but also against the context in which it has to work. The Commission operates within a unique political environment. During 2015-16, the future of the Assembly was in significant doubt and the outworking of the Stormont House and Fresh Start Agreements had a significant impact. Maintaining the effective operation of a parliamentary institution in this context has been the major challenge for the year and one which has been met successfully. The political uncertainty also precipitated a period of exceptional workload in the legislative programme in the run up to dissolution in March 2016. Of the 67 Bills passed in the five years of the last mandate, 30 (45%) were processed in the last parliamentary session. A number of high profile and resource intensive Committee inquiries were also supported during the year.

The Commission was affected by budget cuts impacting on the wider public sector in 2015-16. A cut of 8% (£2.035m) was applied to the Commission's controllable expenditure in this financial year which necessitated a range of reductions in expenditure including the release of agency staff and participation in the public sector Voluntary Exit Scheme (VES). As a result, at 31 March 2016 there were 48 fewer Full Time Equivalent (FTE) posts within the workforce of 340 FTE (staff in post at that date) than the average staffing for 2014-15 (388 FTE). This equates to a reduction of 12% in the workforce. Cumulatively, the staffing complement of the Secretariat has fallen from 416 FTE in 2010-11 to 340 FTE at the end of the 2015-16 year – a reduction of 76 FTE (or 18%). The imperative of "doing more with less" has been realised with the active contribution of the staff involved.

The Commission's revised Corporate Strategy 2015-17 includes 10 measures of success of which 7 were achieved, two were partially achieved and one was not achieved. In addition, 255 out of 270 business plan targets (94.4%) were achieved during the year. A number of significant initiatives were also progressed which have enhanced the effectiveness of the organisation (e.g. the full implementation of the e-Committee system; progressing the Digital First Strategy; major organisational and staffing changes; completion of the Parliament Buildings roof refurbishment and repair project; delivery of the Politic Plus programme; enhancing sustainable development for which the Commission received four awards during the year).

When considered in the political and budgetary context outlined above, the overall performance for the year has been exceptional. The Commission and Secretariat staff are to be commended for achieving such a positive outcome in 2015-16.

Performance Summary

A small number of measures of success were assigned to each of the three Strategic Goals established by the Commission in the Corporate Strategy. Performance against each of these measures of success is shown in the Performance Analysis at page 6. The Chief Executive's Performance Overview sets out a summary of performance against the 10 measures of success.

The objectives and targets contained in Directorate and business area plans underpin the measures of success in the Corporate Strategy. The delivery of each Directorate plan is monitored and measured on a quarterly basis and is reported to SMG and the Commission. During the year, a total of 270 separate targets were set across the Secretariat. By 31 March 2016, 255 targets (94.4%) were met. An exception report showing the targets which were not fully achieved as at 31 March 2016 is provided at page 8 of the Performance Analysis.

The final resource outturn for the year was £44.535 million against a resource allocation of £48.055 million. The outturn for Net Resource Requirement was £43.063 million (against an allocation of £46.230 million) and the Capital outturn was £1.472 million (against an allocation of £1.825 million).

A more detailed analysis and explanation of performance can be found in the Performance Analysis section of the Performance Report on pages 6 to 16.

Performance Analysis

Performance Linkages to Corporate Planning

The corporate planning process links Strategic Goals with lower-level, Directorate and business area objectives and informs the risk management process. The Directorate and business area plans set out objectives and targets for how the Secretariat will work to achieve the Strategic Goals. These business planning objectives included measures of success and planned actions / initiatives. Responsibility for meeting each objective was allocated to a specific individual.

Key Performance Indicators – Strategic Goals and Measures of Success

A small number of measures of success were assigned to each of the three Strategic Goals established by the Commission in the Corporate Strategy. Performance against these measures of success is shown below.

STRATEGIC AIMS	TO ACHIEVE THIS AIM WE WILL:	**MEASURES OF SUCCESS**	OUTCOME
Strategic Goal 1 – Providing effective and high quality support to the Assembly.	1. Ensure the effectiveness of the Assembly in passing legislation and in holding the Executive to account. 2. Provide the Speaker, Committees, Members and office holders with the support, services and professional development needed to fulfil their roles. 3. Ensure the Assembly and its work is accessible to all and communicated widely.	**1. 100% of Plenary and Committee meetings facilitated.**	Achieved *(All Plenary and Committees meetings facilitated).*
		2. Member satisfaction rate above 80%.	Partially Achieved *(Satisfaction levels generally above 80% - 2014 Survey, however two specific areas fell below this target, which have now been addressed).*
		3. Engagement Strategy fully implemented on schedule	Achieved

STRATEGIC AIMS	TO ACHIEVE THIS AIM WE WILL:	**MEASURES OF SUCCESS**	OUTCOME
Strategic Goal 2 – Enabling and delivering change.	1. Manage change arising from the Commission's strategic planning programme "SP15+". 2. Plan for, and manage the implementation of, agreed institutional reforms. 3. Prepare for, and ensure smooth transition to, the 2016-21 mandate	**1. SP15+ Programme fully implemented by 31 March 2017.**	Achieved and ongoing (SP15+ Programme concluded at 31 March 2016 and was superceded by the Assembly 21 Programme).
		2. Institutional reforms implemented within agreed timescales.	Achieved *(Assembly provided support in progressing the Assembly and Executive Reform Act 2016 and developing the Standing Orders to implement the Fresh Start Agreement).*
		3. End of mandate and election plans developed and implemented by 30 June 2016	Achieved and ongoing. *(All work up to and including first meeting of the 2016 Assembly on 12 May 2016 achieved).*
Strategic Aim 3 – Being a progressive and efficient Commission	1. Ensure that the Commission has a dedicated, professional and motivated group of staff, who have clearly defined delegated responsibility. 2. Deliver service standards against a reducing budget whilst driving income generation through innovative	**1. Staff to undertake an average of 2.5 learning and development days per year.**	Partially achieved *(Average of 1.9 days training per employee for 2015-16. The exceptional workload created in the last year of the mandate impacted on staff availability for training. There is also evidence informal training is not being fully recorded).*
		2. Annual DEL Resource expenditure within 1.5% underspend on total budget.	Not achieved *(Annual DEL Resource underspend in 2015-16 was 2.27%).*

STRATEGIC AIMS	TO ACHIEVE THIS AIM WE WILL:	**MEASURES OF SUCCESS**	OUTCOME
	partnerships. 3. Have equality and corporate governance arrangements in place which command confidence and which facilitate compliance with statutory responsibilities.	**3. Revenue Generation Plan in place by 31 December 2015.**	Achieved *(Two year trial approved by Commission on 2 December 2015 with review after one year).*
		4. Annual level of overall audit assurance at least satisfactory"	Achieved *(Assurance level was "Satisfactory" for 2015-16).*

Directorate Business Plan Targets

In addition, annual Directorate and business area plans underpin the Corporate Strategy. The monitoring and measurement of performance is fundamental to the successful achievement of the Directorate business plans. The delivery of each Directorate plan is reviewed on a quarterly basis and is reported to SMG and the Commission. During the year, a total of 270 separate targets were set across the Secretariat. By 31 March 2016, 255 targets (94.4%) were met. The analysis below sets out those targets which were not fully achieved as at 31 March 2016.

Strategic Goal 1: Providing effective and high quality support to the Assembly

Measures of Success:

- 100% of Plenary and Committee meetings facilitated.
- Member satisfaction rate above 80%.
- Engagement Strategy fully implemented on schedule.

All of the targets in respect of Strategic Goal 1 were achieved with the following exceptions:

Directorate Activity	Specific Target	Reason for non-achievement
PSNI review of security at PB.	4 September 2015.	Review completed in December 2015. Further briefing to Commission early in new mandate.
Integrated Workplace Management System.	Development of revised business case and specification.	Lessons Learnt Report being finalised.

Directorate Activity	Specific Target	Reason for non-achievement
Improve the front of house Gift Shop / Café facilities.	Recommendations on how to improve facilities by 31 March 2016.	Recommendation included in DDA adjustments presented to Commission on 3 March 2016.
Maintain link with Institute of Professional Legal Studies and Graduate School of Professional Legal Education.	One annual visit.	Event cancelled by Institute due to low numbers.
Review Education Service structure and develop outreach plan 2015-16.	31 December 2015.	Lack of resources.
Implement production of Financial Scrutiny Plan in conjunction with RaISe.	31 March 2016.	End of mandate pressures.
Administrative support to Assembly Members.	Support arrangements to be put in place for auto-enrolment for Members' staff.	Late publication of IFRP 2016 Determination.
Application of IFRP Determination, Financial Support for Members Handbook and FAPP Scheme.	Advise Members on correct application of 2016 Determination, Handbook requirements and FAPP provisions by 30/01/2016.	Late publication of IFRP 2016 Determination.

Strategic Goal 2: Enabling and delivering change

Measures of Success:

- SP15+ Programme fully implemented by 31 March 2017
- Institutional reforms implemented within agreed timescales
- End of mandate and election plans developed and implemented by 30 June 2016

All of the targets in respect of Strategic Goal 2 were achieved.

Strategic Goal 3: Being a progressive and efficient Commission

Measures of Success:

- Staff to undertake an average of 2.5 learning and development days per year
- Annual Resource expenditure within 1.5% underspend on total budget
- Revenue Generation Plan in place by 31 December 2015
- Annual level of overall audit assurance at least 'satisfactory'

All of the targets in respect of Strategic Goal 3 were achieved with the following exceptions:

Directorate Activity	Specific Target	Reason for non-achievement
Budget bid for 2016-17 approved.	1 April 2016	Budget not approved.
LSO Exchange proposal delivered.	31 March 2016.	Partially achieved. A DSO solicitor came to the Assembly but unable to arrange a return exchange due to significant end of mandate pressures.
Liaison with TUS	Review of Joint Agreement	Workload of HR Office and unavailability of TUS representative.
Directorate Financial Management	To operate within the approved budget including an underspend of 1.5% of the total budget.	Change of structures imported significant underspend.
Support the implementation of the Assembly Charity Policy	Ongoing	The Speaker did not wish to decide a charity theme for 2016-17 and thereby tie a new Speaker to that theme.
Develop and deliver training.	31 December 2016.	Lack of resources.
Commence new process for gifts and hospitality procedures	30 September 2015.	Delay in readiness of online system. Policy went live in Jan 2016

Review of Financial Performance

The Commission's budget for 2015-16 was established through the Budget 2015-16 process initiated by the then Minister for Finance and Personnel in late 2014 / early 2015. In January 2015, the Commission was advised that its budget for 2015-16 would be reduced by 5% from the total allocation that was provided in 2014-15. This cut was confirmed in the Main Estimates for the 2015-16 financial year. Through participation in the quarterly monitoring rounds and the internal management reporting cycle the Commission closely monitored its resource and cash requirements over the course of the year.

The resource outturn is shown in the table below:

	Outturn	**Budget**	**Under/(over)**	**Under/(Over)**
	£'000	**£'000**	**£'000**	**%**
Income	(107)	(121)	(14)	11.57%
Gross Resource Requirement	43,170	46,351	3,181	6.86%
Net Resource Requirement	43,063	46,230	3,167	6.85%
Capital	1,472	1,825	353	19.34%
Total	44,535	48,055	3,520	7.32%

The outturn on Net Resource Requirement was £43.063 million. The underspend of £3.167 million arose from three distinct sources. Firstly, significant progress was made to reduce salary costs as a result of the VES that was implemented by the Commission with effect from 1 December 2015. The savings that arose from the reduction in staffing was greater than anticipated when the funding for the VES initiative was established. In addition, the Commission was acutely aware of the likelihood of further reductions to budgets in 2016-17 and subsequent financial years and took further steps to limit discretionary administrative expenditure. These two measures reduced the overall level of expenditure by £0.508 million below the budget provision.

Secondly, the Commission undertakes a valuation of the Assembly Members' Pension Scheme carried out by the Government Actuary's Department (GAD). The Commission is required to provide for any excess of the scheme's liabilities over its assets on an annual basis. The nature of this valuation and its reliance on market values to calculate a discount rate as at 31 March for each financial year makes the movement in this provision particularly difficult to forecast with any degree of certainty. This aspect of Annually Managed Expenditure (AME) fluctuates dramatically each year. In the 2014-15 financial year it was the sole contributory to an excess Resource Requirement. In earlier years, it has led to significant underspends as the unpredictable nature of the movement on the provision leads to a conservative approach to budgeting for this item. That cautious approach was applied in this financial year. For this year, the movement on the provision amounted to £1.200 million but the allocation that was made for the movement on provisions was £3.200 million. Hence, an underspend of £2.000 million arose for this single item.

Lastly, expenditure on costs associated with MLAs was some £0.404 million less than anticipated. This was a surprising development given the year-on-year reductions that were applied to the range of expenses claimable by MLAs since 2012-13.

Capital expenditure was underspent by £0.353 million during the year. The underspend largely relates to prudent retention payments arising from the major capital investment to repair the roof fabric in Parliament Buildings.

In monetary terms, the most significant single item of expenditure related to Assembly Secretariat staffing costs. The outturn for 2015-16 for permanently employed staff was £16.808 million and, when the cost of Agency staff was included, the overall total for staffing costs was £17.161 million. This figure included £0.506 million in respect of VES costs leaving an underlying level of staff costs of £16.656 million. This contrasts with the figure of £17.430 million in 2014-15. During the year, the impact of the VES from December 2015 and the continued focus on centralised manpower planning meant that staffing costs were well within the budget allocation. MLAs' salaries (£7.755 million) were paid under the provisions of the Northern Ireland Assembly Members' Salaries, Allowances, Expenses and Pensions Determination March 2012 (as amended).

General administrative costs totalled £5.120 million for 2015-16. This level of expenditure was greatly reduced from the £6.185 million that was incurred in 2014-15. This significant cut in expenditure was a necessary consequence of the budget cut of £2.035 million that was subsumed by the Commission over the course of the 2015-16 year.

MLAs' Office Cost Expenditure (OCE) totalling £6.924 million was paid during 2015-16. OCE is available to meet the expenses incurred in respect of research, secretarial, clerical or administrative assistance and for the costs of any equipment, facilities, services or utilities associated these services which are required by the MLA to carry out his / her Assembly duties. This provision was made under the Northern Ireland Assembly Members' Salaries, Allowances, Expenses and Pensions Determination March 2012 (as amended). The Determination sets the maximum amount available to each MLA for each financial year. For 2015-16, the limit was £67,161 (2014-15; £69,238).

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	2015-16 £'000	Amended 2014-15 £'000
Net Resource Outturn (Estimates)	**43,063**	**48,873**
Adjustments to remove:		
Provision voted for earlier years	-	-
Adjustments to additionally include:		
Non-voted expenditure in the SOCNE	-	-
Consolidated Fund Extra Receipts in the SOCNE	(10)	(65)
Other adjustments	-	-
IFRS adjustments	-	-
Adjustments to account for downward revaluation	-	-
Adjustment to account for change in treatment of non-exchange transactions (for which Outturn not restated)	-	-
Net Operating Cost (Accounts)	**43,053**	**48,808**
Adjustments to remove:		
Voted expenditure outside the budget	(37)	(36)
Adjustments to additionally include:	-	-
Other Consolidated Fund Extra Receipts	-	-
Resource Budget Outturn (Budget)	**43,016**	**48,772**
of which		
Departmental Expenditure Limits (DEL)	41,816	43,172
Annually Managed Expenditure (AME)	1,200	5,600

Policy on payment of suppliers

The Commission is committed to prompt payment of bills for goods and services. The current policy is to comply with the Confederation of British Industry's Prompt Payers' Code. Unless otherwise explicitly stated in a contract payment is due within 30 days after delivery of the invoice or the goods or services, whichever is latest.

During 2015-16 the Commission paid 97.6% of bills, without queries, within this standard (2014-15; 98.7%).

In addition to this the Commission has sought to comply with the initiative that was introduced in 2008-09 by the then Department of Finance and Personnel to pay all supplier invoices within a suggested target of 10 days. During 2015-16, 92.1% of invoices were paid within 10 days of being received (2014-15; 96.1%). This diminution in service is a natural by-product of the reduction in staffing across each business area in the Secretariat including the Finance Office.

The Commission made no payment of interest under the Late Payment of Commercial Debts (Interest) Act 1988 during the year ended 31 March 2016.

Sustainability Report

The Commission has a long-standing commitment to being an exemplar organisation in respect of Sustainable Development. A Sustainable Development Policy Statement was introduced in December 2009 which sets out the Commission's aspirations to operate in a sustainable manner. To support the Policy Statement, a Sustainable Development Strategy has also been developed which sets out how the aspirations detailed within the Policy will be achieved. In addition, a dedicated Sustainable Development Office (SDO) within the Secretariat seeks to embed responsible business practices throughout the Assembly.

The key responsibilities of the SDO include:

- Implementing the Commission's Sustainable Development Strategy and;

- Retaining accreditation to the International Standard for Environmental Management Systems (EMS), namely EN ISO 14001.

The EMS ensures compliance with all relevant environmental legislation and helps to identify and assess any environmental risks. All environmental aspects and impacts are regularly reviewed and controlled as part of the measures to achieve continuous improvement and environmental considerations are embedded across the organisation through environmental awareness training.

The Commission has procedures in place to improve the process for evaluating prospective suppliers' environmental practices within procurement competitions and to reduce the direct and indirect environmental impacts of the supply chain. At a practical level, the SDO has worked closely with other business areas to reduce the paper use within the Assembly and this has resulted in a significant reduction and cost saving. It is hoped that with the introduction of the electronic committee packs there will be increased savings each year.

An Energy Performance Rating has been calculated for Parliament Buildings by an independent government body. The energy rating is calculated by taking into account the energy performance of the building's fabric and its services (such as heating, cooling, hot water, ventilation and lighting). The rating is presented on a scale of A to G with A being the most efficient. The energy rating achieved by Parliament Buildings for 2015 was D which is very good for a building of its nature.

A major capital works project has been completed to repair and refurbish the roof of Parliament Buildings and the associated mechanical services. It is hoped that there will be a significant reduction in energy usage due to additional building energy monitoring controls.

Each year, the Commission participates in the Business in the Community-led (BiTC) Northern Ireland Environmental Benchmarking Survey. The Assembly received the Gold standard in 2015 and hope to maintain this standard or, if possible, attain the Platinum standard in 2016. The Assembly working in partnership with the Department of Finance has achieved Platinum standard in BiTC Business and Biodiversity Award for the Stormont estate.

The Commission continues to work closely with external bodies including the Energy Unit within the Department of Finance, the Support Services contractor, Soil Association, Love Food Hate Waste and local charities/groups to help ensure continuous improvement in all areas of sustainable development.

In recent years, the introduction of new waste recycling streams including lights, cooking oil, batteries and food waste has been very successful and helped to improve recycling efforts. Waste management practices have been significantly improved with the average amount of waste that is recycled continuing to increase each year. The SDO continues to work with the Commission's dedicated Education Officers on a scheme for school groups 'The Zero Waste Challenge' which asks all school groups to bring a lunch with entirely recyclable packaging. This has proved to be very successful with each school that meets the challenge being awarded a certificate.

During the year, the Commission maintained its membership of BiTC and has signed up to be a Silver Status Careers Member. This ensures that Secretariat staff will participate in 3 specific challenges through the year as well as general volunteering days such as Environment Day. BiTC is a leading authority on Corporate Social Responsibility (CSR) and Sustainable Development throughout the UK and Ireland. The Human Resources Office, Outreach Office and Facilities Directorate have worked closely with BiTC over the past year on an action plan with several positive steps being taken. A new action plan has been developed for the coming year. In addition, the SDO are working with Outreach to encourage staff to participate in volunteering for the Assembly's Charity of the Year.

The Commission has continued to promote sustainable travel initiatives aimed at encouraging staff to avail of more sustainable modes of transport to travel to and from work. These initiatives are Translink's TaxSmart Scheme (an employer salary sacrifice scheme where the Commission purchases travel passes for employees and the employees then repay the Assembly from their gross salary) and Translink's Annual Commuter Travel cards (an interest free loan made to employees to allow them to purchase travel cards where repayments are made out of net salary). Staff are also encouraged to consider car sharing by making them aware of the national scheme currently available and setting up a facility on AssISt (the Assembly's intranet) detailing opportunities to car share.

The Cycle to Work scheme has continued to grow with 18 people availing of the scheme this year including 5 MLAs. The scheme opens each year in February and March with staff being able to spend up to £1,000 on a bicycle and safety equipment. The scheme was re-launched in April 2016. This new scheme allows staff and MLAs to order their bikes and equipment online and will hopefully encourage more people to participate.

The Commission plans to continue to improve its environmental performance by:

- Increasing the quantity of recycling and improving waste management;
- Maintaining ISO14001 Accreditation and:
- Benchmarking against similar public and private organisations.

It is intended to continue to communicate the sustainability message internally and externally - all of our energy figures and costs are available online at the Northern Ireland Assembly website.

Social, Community and Human Rights Issues

As the Commission is not a Government Department and does not provide services to citizens, its *Social, Community and Human Rights* impacts have a more internal focus.

The Commission is pleased to report that its commitment to social responsibility includes a range of fair and equitable corporate reward and recognition policies. In particular, the Commission recognises the importance of sustainable wages for its entire staff. In this regard, all members of staff employed by the Commission are paid remuneration that exceeds the *living wage*[1] of £8.25 per hour.

The Commission initiates a wide range of activities to engage with the community. These include a popular and successful education programme and Assembly Community Connect – a specific initiative to engage with the Community and Voluntary Sector.

Trevor Reaney
Accounting Officer
Clerk / Chief Executive
Date: 23 June 2016

[1] As calculated by the Centre for Research in Social Policy (CRSP) – http://www.lboro.ac.uk/research/crsp/mis/thelivingwage/

The Accountability Report

Corporate Governance Report

Director's Report

The Assembly Commission and the Accounting Officer

The statutory basis for the Commission is provided in the Performance Report – Overview at page 1. The Commission was chaired by Mr Mitchell McLaughlin MLA for the entire reporting period. The work of the Commission is detailed in the Governance Statement on pages 23 to 31. The membership of the Commission for the 2015-16 year and the percentage attendance at meetings is given below:

Role	Name	Percentage of Meetings attended
Chairperson	Mr Mitchell McLaughlin MLA	100.0%
Member	Mrs Judith Cochrane MLA	84.6%
Member	Mr Sam Gardiner MBE MLA	92.3%
Member	Mr Pat Ramsey MLA (up to 31 Dec 2015)	80.0%
Member	Mrs Karen McKevitt MLA (from 18 Jan 2016)	100.0%
Member	Ms Caitríona Ruane MLA	100.0%
Member	Ms Paula Bradley MLA	100.0%
Member	Peter Weir (up to 15 May 2015)	(no meetings prior to 15 May 2015)

As Clerk to the Assembly, Mr Trevor Reaney is the principal adviser to the Assembly. As well as advising the Speaker on all procedural and organisational matters he also undertakes the role of Chief Executive of the Assembly Secretariat, and is the Accounting Officer for the Commission's expenditure.

The Management Structure

The Commission has a two-tier management arrangement. While the Commission has the legislative authority to provide the Assembly with the wide range of services needed by a modern legislature, the day to day delivery of those services is achieved through a formal delegation to the Clerk / Chief Executive. A copy of the letter of delegation is attached at Annex A at page 81.

The work of the Assembly Secretariat is organised and monitored by the Secretariat Management Group (SMG). SMG is chaired by the Clerk / Chief Executive and has responsibility for the delivery of the work of the Assembly Secretariat including responsibility for ensuring effective corporate governance of the Secretariat and ensuring the Secretariat is equipped to fulfil its role in supporting MLAs in carrying out their Assembly duties.

In addition to the Clerk / Chief Executive, the Group comprises the Director of Parliamentary Services, the Director of Corporate Services, the Director of Facilities and the Director of Legal and Governance Services. SMG meets monthly to consider progress on strategic and key management issues. During 2015-16, the post of Director of Information and Outreach was removed. The functions previously carried out within that Directorate were subsumed within the other Directorates across the Secretariat.

Membership of SMG:

Role	Name	Percentage of Meetings attended
Clerk / Chief Executive	Mr Trevor Reaney	91.7%
Director of Parliamentary Services	Dr Gareth McGrath	91.7%
Director of Information & Outreach	Mr John Stewart (up to 30 Nov 15)	87.5%
Director of Corporate Services	Mr Richard Stewart	91.7%
Director of Facilities	Mr Stephen Welch	66.7%
Director of Legal & Governance Services	Mr Hugh Widdis (up to 21 Oct 15)	100.0%
Director of Legal & Governance Services	Ms Tara Caul (from 22 Oct 15)**	100.0%

**Ms Tara Caul was temporary promoted to Director of Legal & Governance services on this date and was subsequently made permanent on 26 February 2016.

For the purposes of this Report, corporate governance arrangements have been applied to the management team charged with the delivery of the services on behalf of the Commission.

The Remuneration and Staff Report within this Annual Report and Accounts contains information about the salary and pension entitlements of the Commission and SMG. Claims for reimbursement of expenses are published quarterly on the Assembly website which can be accessed using the following link: http://www.niassembly.gov.uk/ABOUT-THE-ASSEMBLY/Corporate-Information/Secretariat/Principal-Officers-and-Officials/Directors-Expenses/.

The appointments of directors to SMG are held on a continuing basis.

Register of interests

The Assembly's corporate body is the Assembly Commission. Commission Members are elected by the Assembly from its membership. The Assembly's Standing Order 69 (1) requires that a Register of Members' interests be established, published and made available for public inspection. Following the election of a new Assembly on 5 May 2011, a Register of Members' Interests for the fourth mandate was established. This Register is continuously updated. The latest version of the Register can be viewed at: http://www.niassembly.gov.uk/your-mlas/register-of-interests/

Further improvements to the governance arrangements for SMG mean that a register of interests was proposed for this Group. This was formally adopted by the Group at its meeting of 15 April 2016.

Pensions liabilities

Note 1.14 to the Accounts and the Remuneration and Staff Report on pages 32 to 45 provide details of the pensions liabilities of the Commission.

Auditors

The Commission's financial statements are audited by the Comptroller and Auditor General, whose certificate and report appears at page 54 of the Accounts. The notional cost of the work performed by the Northern Ireland Audit Office for 2015-16 was £36,750 (2014-15; £35,000) and related solely to audit services. The Northern Ireland Assembly Commission participates in the bi-annual National Fraud Initiative. The Comptroller and Auditor General also has statutory powers to undertake the bi-annual data matching exercises for the National Fraud Initiative. The cost of this work performed by Northern Ireland Audit Office for 2015-16 was £Nil (2014-15; £2,464).

Disclosure to Auditors

So far as the Accounting Officer is aware, there is no relevant audit information of which the Commission's auditors are unaware and he has taken all reasonable steps to make himself aware of any relevant audit information and to establish that the Commission's auditors are aware of that information. The Accounting Officer confirms that the Annual Report and Accounts as a whole is fair, balanced and understandable and that the Accounting Officer takes personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

Personal Data Related Incidents

There were no personal data related incidents during the year that were formally reported to the Information Commissioner's Office.

Consultation with employees

The Commission and senior management make every effort to ensure that all staff are kept informed of the organisation's plans and developments. The main channels of communication continue to include formal industrial relations processes (through the work of the Employee Relations Group and the Employee Relations Board), the intranet, office circulars, email and regular team briefings. Overall responsibility for internal communications rests with the Human Resources Office, within the Corporate Services Directorate.

The Internal Communications Group provides advice and guidance on internal communications within the Secretariat. This Group seeks to ensure that internal communications are appropriate and consistent. During the reporting period this Group continued to meet regularly, reporting to SMG and advising on the communication of a wide number of issues including the results of a Staff Survey.

Staff are also kept informed of all developments in relation to strategic and corporate issues. This is achieved via prompt access to Minutes of SMG meetings which are published on AssISt. During the reporting period the Clerk / Chief Executive continued to hold staff briefing sessions, which provided a forum for all staff to ask questions on a range of issues, including staffing matters, budget constraints and political developments. The speaking notes for these sessions are published on AssISt.

Charitable donations

The Commission has not made any charitable donations in the year.

Complaints

The Commission welcomes feedback from the public and uses it to help improve the services that it provides. The Commission does not provide statutory services to the public so the nature of its complaints handling differs from other entities within the public sector. However, the Commission has developed a Complaints Procedure to cover complaints from members of the public relating to the delivery of services in Parliament Buildings and / or perceived failures in complying with the Commission's Equality Scheme. The Complaints Procedure does not cover complaints from members of staff relating to their employment or from contractors providing services to the Commission – separate procedures are available in both cases. Full details of the Commission's Complaints Procedure can be found at http://www.niassembly.gov.uk/ABOUT-THE-ASSEMBLY/Corporate-Information/Policies/Northern-Ireland-Assembly-Complaints-Procedure-Policy-Statement/.

In keeping with the Complaints Procedure, a complainant can contact the Commission through an online form or in person by telephone. The receipt of a complaint will be acknowledged, an investigation into the circumstances surrounding the complaint will be undertaken and the results of that investigation including any remedial actions that are required will be communicated to the complainant. This process will normally be completed within 20 days of the receipt of the complaint.

A central complaints register is held by the Commission and appropriate details relating to the detail of each complaint are held on this register. During 2015-16, the Commission received no complaints.

During the year, the Commission received briefings from the recently appointed Northern Ireland Public Services Ombudsman. From 1 April 2016, the activities of the Commission fall within the remit of the newly created Ombudsman's Office. This legislative development has initiated a review of the Commission’s existing Complaints Procedure in close liaison with the Office of the Ombudsman. It is intended that this review will provide further assurance to the Commission of the efficacy and effectiveness of its complaint handling processes and procedures.

Events after the Reporting Period

There are no events after the reporting period that require disclosure.

Statement of Accounting Officer's Responsibilities

Under the Government Resource and Accounts Act (NI) 2001, the Department of Finance (formerly the Department of Finance and Personnel) has directed the Northern Ireland Assembly Commission 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 Assembly Commission 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 Northern Ireland Assembly Commission and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Department of Finance, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

- make judgements and estimates on a reasonable basis;

- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and

- prepare the accounts on a going concern basis.

The Department of Finance has appointed the Clerk to the Assembly, Mr Trevor Reaney, as Accounting Officer of the Northern Ireland Assembly Commission.

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

Governance Statement

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of corporate governance that supports the achievement of the policies, aims and objectives of the Commission, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money Northern Ireland*.

Governance Framework

Corporate governance is the way in which an organisation is directed, controlled and led. The underpinning framework consists not only of the formal systems and processes, but also of organisational culture and values. It defines relationships, distributes responsibility, determines the rules and procedures by which objectives are set, monitored and achieved and ensures accountability is clearly defined.

In September 2005, the then Department of Finance and Personnel (DFP) issued H.M. Treasury's publication "*Corporate Governance in Central Government Departments: Code of Good Practice*". H.M. Treasury issued a revised code for central Government Departments in July 2011. A revised Code and guidance which applies to Departments within the Northern Ireland Executive was issued by DFP in April 2013. The Commission is not a Government Department so not all of the provisions in the Code and guidance are appropriate or relevant.

The Commission has a two-tier management arrangement. While the Commission has the statutory authority to provide the Assembly with the wide range of services needed by a modern legislature, the day-to-day delivery of those services is achieved through delegation to me in my role as Clerk / Chief Executive. I have responsibility to ensure arrangements for delegation to the Secretariat Management Group (SMG) are robust and promote good management, supported by staff with an appropriate balance of skills and experience to ensure service delivery is achieved. These delegations offer clarification on the roles and responsibilities of the Commission, the Accounting Officer and Directors.

While the details of the structure and statutory authority of the Commission are provided, for the purposes of this statement, the corporate governance arrangements, including the requirement to review effectiveness, has been applied to the senior management team charged with the delivery of services on behalf of the Commission.

The Corporate Governance Role of the Commission

The Commission meets monthly while the Assembly is in session. I attend the meetings with senior officials, along with the Non-Executive Chairperson of the Secretariat Audit and Risk Committee (SARC). The Chairperson of SARC also has an annual meeting with the Speaker and a private meeting with the Commission in the absence of officials.

It is the Assembly, through the annual Budget Act, that appropriates funds directly from the Consolidated Fund to the Commission (in the same way it does for Northern Ireland Departments).

While under Standing Order 69 (1) there is a requirement that a Register of Members' Interests is established and published for public inspection, this does not deal specifically with conflicts of interest. Therefore, this is a standing agenda item at each Commission meeting.

The Corporate Governance Role of the Secretariat Management Group (SMG)

The SMG is the top-level leadership and management team within the Assembly Secretariat. SMG supports me in my role as Accounting Officer to discharge the obligations set out in Managing Public Money Northern Ireland. This includes advice and support on the strategic direction and overall management of the Assembly Secretariat.

As the Clerk / Chief Executive I chair the monthly SMG meetings and am supported by the four other Directors. Details of the Directors and the attendance at each meeting is given in the Directors Report at page 18.

SMG advises the Commission on major proposals and decisions in relation to policy, expenditure, asset management and staffing. SMG reviews progress against the Aims and objectives established in the Corporate Strategy and reviews progress on key operational issues. It also ensures that the appropriate management systems are in place and are operating effectively to ensure compliance with statutory and regulatory duties, including promoting best practice in corporate policies to ensure effective governance across the whole organisation, while taking account of risks and performance.

The members of SMG are full-time employees of the Commission. The Commission has reserved the right to appoint Directors (including Non-Executive Directors). The Commission considered the appointment of Non-Executive Directors when SMG was formed in 2008; however, it was not deemed appropriate.

Conflicts of interests are addressed as a standing agenda item at each SMG meeting and as such are included in the recorded account of each meeting.

Administrative support for SMG is provided by the Secretariat. Formal processes exist for providing information to SMG and the Commission, to ensure it is provided in a timely manner, to an agreed standard and in a concise format. In preparing papers for SMG it is necessary to demonstrate that a number of key areas have been considered, including legal, staffing, financial and equality implications of the material recommendations being presented. Papers are also required to clearly set out the context of the matter being discussed and include comprehensive and relevant evidence to inform the decision making process. Director approval of papers prior to submission adds a further level of scrutiny as to the relevance and quality of information being provided.

SMG undertakes an annual self-assessment of its effectiveness. The last assessment was carried out by SMG in July 2015. SMG continues to address any issues arising through the governance arrangements and business planning processes.

Principal risks and uncertainties

The Commission's principal risks are set out in the Performance Report at page 3.

The Secretariat Audit and Risk Committee

The Secretariat Audit and Risk Committee (SARC) operates in accordance with H.M. Treasury's Audit Committee Handbook. It considers all matters of governance, audit and internal control in place for the Commission. It advises on whether the necessary assurances required for signing the Governance Statement have been received. SARC considers the adequacy of the governance framework and internal control system, the assessment and management of risk, the work plan of the Internal Audit team and the results of its work, the planned activity of the Northern Ireland Audit Office and the results of its work and monitors the overall adequacy of management responses to any audit issues raised.

SARC meets on a quarterly basis to monitor progress on all of these matters. Other meetings take place as required to review Interim and Annual Reports and Accounts (including the Governance Statement).

SARC comprises two independent Non-Executive members, one of whom chairs the Committee and a Commission member. The presence of an independent chair and independent member forms a robust challenge to the corporate governance regime within the Assembly Secretariat. The members of SARC during 2015-16 were:

Role	Name	Percentage of Meetings attended
Independent Chairperson	Mr Colm McKenna	100.0%
Independent Member	Mr Bernard Mitchell	83.0%
Commission Member	Mr Peter Weir MLA (up to 18 May 2015)	100.0%
Commission Member	Mr Pat Ramsey MLA (From 24 Jun 2015 to 31 Dec 2015)	50.0%
Commission Member	Mr Sam Gardiner MBE MLA (From 22 Mar 2016)	100.0%

As Accounting Officer, I attend all SARC meetings. Mr Brian Moreland (Head of Internal Audit) and a Northern Ireland Audit Office representative regularly attend the Committee's meetings. Richard Stewart (Director of Corporate Services) and Paula McClintock (Head of Finance) also attend the meetings. Each other Director attends on a rotational basis. The Terms of Reference and Annual Reports of SARC are published on the Assembly's website.

Internal Audit

The objective of the Internal Audit team is to provide independent assurance on the adequacy and effectiveness of internal control, governance and risk management arrangements. Through reviewing, monitoring and reporting on the performance of systems and controls, established to manage the risks of the Commission, it seeks to assure the Commission that risks are being properly managed and that the achievement of organisational goals will occur while still being accountable for the efficient and effective use of resources.

An internal audit plan was prepared for 2015-16 and detailed reports on the findings from individual audits, together with associated recommendations for control enhancement were prepared and presented to senior management and SARC for consideration. The audits completed included business units from each Directorate of the Secretariat. This enabled the Head of Internal Audit to give an overall opinion to the Accounting Officer representing the system of risk management, control and governance across the organisation. Formal monitoring of the implementation of audit recommendations continued for each Directorate, with progress on each recommendation formally reported to SARC.

Of the 13 final reports issued to date, 4 received a substantial level of assurance and 8 received a satisfactory level of assurance. The remaining report was advisory in nature and did not include an overall assurance rating or formal recommendations. As for previous years the levels of acceptance of recommendations remained high with 100% acceptance at risk rating 1, 94% for risk rating 2, and 90% acceptance of risk rating 3 recommendations. Once again improvement was noted through follow-up activity. Five assurance ratings moved from satisfactory to substantial, 4 remained substantial, and 2 remained satisfactory.

Based on the results of the above programme of internal audits and follow-up activity the Head of Internal Audit reported an overall satisfactory level of assurance for the period 2015-16. On the basis of work completed to date, it was noted that the assurance levels for each assignment had either a satisfactory or substantial rating.

Two pieces of work carried out since the March SARC meeting have highlighted several isolated instances of breakdown of internal control in relation to training, travel & subsistence and hospitality arrangements:

- Findings and recommendations in respect of a number of general issues including hospitality expenditure relating to one business area have been reported to management and an action plan to address the identified weaknesses is currently being agreed; and
- Initial findings in relation to one business area's training, travel & subsistence arrangements were reported and have led to further action in conformance with the Assembly's Bribery and Fraud Response Plan. Action was taken to address immediate concerns and work currently being undertaken will lead to the development of an action plan to enhance internal control arrangements.

Members Expenses

In January 2016, the Chairman of the Independent Financial Review Panel (the "Panel") wrote to the Accounting Officer to highlight a range of Office Cost Expenditure (OCE) payments that the Panel considered to be non-compliant with the Northern Ireland Assembly (Members' Salaries, Allowances, and Pensions) Determination 2012 (as amended).

In response to the issues raised by the Panel, an analysis was made of the queried payments. In addition, the Accounting Officer commissioned a review of a specified range of payments made under OCE for specific account codes relating to research or administrative support for MLAs. That report included transactions from 1 January 2013 to the date of the report on 9 March 2016. The source of the issue highlighted by the Panel lies in the interpretation of the provisions contained in the Panel's Determination as it relates to the employment of persons providing research, secretarial, clerical or administrative assistance to MLAs. In addition, the Panel raised concerns about the nature of payments made in respect of claims for the period from 1 April 2012 to 31 December 2012 particularly as it related to the provision of services to MLAs that had been acquired under contracts for services.

Although the legal responsibility for the interpretation of a Determination rests with the Commission, in undertaking the review, the Accounting Officer was assured that the transactions between April 2012 and December 2012 that were queried were valid. For that reason, the review concentrated on transactions that were made after the Panel had issued a revised Determination with an effective date of 1 January 2013. The review sought to assess the appropriateness or otherwise of those payments in line with that revised Determination.

The review found that the provisions of the Determination did not match the provisions of the guidance issued to MLAs through the Financial Support for Members Handbook (the "Handbook") as they related to the acquisition of research and administrative support for MLAs. That mismatch led to payments to MLAs totalling £65,166 over the period from 1 January 2013 to 31 March 2015. This divergence between the Handbook and the Determination could be seen to call the regularity of the payments into doubt. The review was clear that the claims submitted by MLAs had been submitted in good faith and in line with the terms of the guidance contained in the Handbook. The review did not recommend that recovery action should be sought for the payments but it further suggested that a legal opinion could be sought on the validity of this view. A legal opinion has been received. On the basis of that legal advice, it has been decided that there are no reasonable grounds for seeking recovery. For this reason, recovery of the payments is not proposed. Finally, the review suggested that the nature of this activity should be recorded in this Governance Statement.

Although the attendant publicity surrounding this issue led to adverse commentary on the operation of the system of financial support for MLAs, it did not interfere with the productive and effective working relationships that have been developed between the Commission and the Panel. From February 2015, the Accounting Officer instigated formal "Liaison Meetings" between the Panel and Secretariat staff. These regularly scheduled meetings have enabled the Panel and the Commission to review areas of mutual interest and common concern in a constructive and participative manner. Additionally, a Memorandum of Understanding (MoU) has recently been agreed between the Commission and the Panel to help to place the working relationships on a more formal footing.

It is anticipated that these developments and, in particular, a renewed focus on effective communication between the Panel and the Commission will help to remove the possibility of divergent views on the precise provisions of any Determination issued by the Panel. The success of this approach has already been seen from the highly effective implementation of the administration of the Panel's most recent Determination issued on 23 March 2016. The frequent and collaborative interactions between the Panel and Secretariat staff has meant that the terms of the radically altered Determination have been fully reviewed and their precise meaning and intent is based on a shared understanding.

During 2014-15, the Commission authorised a peer review of its administration of MLAs' expenses. The peer review was delivered by the Independent Parliamentary Standards Authority (IPSA), the statutory body responsible for determining and administering all aspects of financial support to Members of Parliament at Westminster. That review was issued to the Accounting Officer on 21 September 2015. The review made a number of recommendations relating to the guidance on expenses issued to MLAs through the Handbook. In particular, the review noted that the Handbook should make clear those provisions that were directly contained within a Determination issued by the Panel and those that were general governance controls applied by the Commission to ensure the proper disbursement of public funds.

Following the issue of the Panel's most recent Determination on 23 March 2016, the Handbook was completely re-drafted. This wholly revised document was also reviewed by IPSA and was also passed to the Panel for comment. The Accounting Officer is confident that the recommendations contained in the IPSA peer review of September 2015 have been fully implemented in respect of the revised Handbook.

External Audit

The Comptroller and Auditor General for Northern Ireland is responsible for auditing the Commission's Annual Report and Resource Accounts.

Weaknesses in the effectiveness of the system of internal control may be identified through the detail of the Northern Ireland Audit Office's annual Report to those Charged with Governance. This provides a commentary on the observations of the Audit Office for each key risk area and where appropriate, makes recommendations for enhancement of controls. The implementation of audit recommendations is monitored quarterly and reported to SARC.

Strategic Planning and Performance Management

Details on performance against the objectives set in the Corporate Strategy and Directorate business plans for 2015-16 are set out in the *Key Performance Indicators – Delivery of the Corporate Strategy* section of the Performance Report at page 6.

Internal Control Environment

Systems of internal control are designed to continuously identify and prioritise the principal risks to the achievement of the Commission's policies, aims and objectives. The systems also evaluate the likelihood of those risks being realised, assess the impact should they be realised, and seek to manage them efficiently, effectively and economically.

Generally, the systems of internal control seek to manage risk to a reasonable level rather than to eliminate all risk; it can therefore only provide reasonable and not absolute assurance of effectiveness. These arrangements have been in place for the period ended 31 March 2016. Risks and internal controls are reviewed routinely by management and are tested as part of the on-going Internal Audit programme.

Personal Data Related Incidents

There were no personal data related incidents during the year that were formally reported to the Information Commissioner's Office.

Risk Management

The Commission's risk management arrangements comply with generally accepted best practice principles and relevant guidance.

A Risk Management Strategy and associated policies and procedures were in place across the Secretariat during the reporting period. The Strategy continues to define the Secretariat's approach to risk management.

The Strategy notes that the Risk Management Framework includes the Strategy, Corporate and Directorate Risk Registers, Assurance Statements, the activities of SARC, risk-based audit delivered by the Internal Audit team and external audit. In delivering the Risk Management Strategy, SMG has sought to ensure that a strong risk management culture is embedded across the entire organisation, which is assisted by a process of regular and ongoing monitoring and reporting of risk.

SMG has ownership of the Corporate Risk Register. The Corporate Risk Register is presented quarterly to SARC and biannually to the Commission. It is reviewed and approved by SMG on a monthly basis. As at 31 March 2016, four corporate risks were identified. These are:

1. *Budget allocations and corporate capacity insufficient to achieve corporate objectives;*
2. *Interruption of ability to deliver key services;*
3. *Loss of Member Confidence in Secretariat;*
4. *Values or behaviours move from positive to negative.*

Risks are identified and assessed using a 5 x 5 matrix of impact and probability with appropriate colour coding (using a variation of the Red, Amber, Green methodology) applied to each risk. Identified corporate risks are then reported using the agreed format, documenting root causes and responses to the risk. Each corporate risk has an identified risk owner, who reports on the adequacy of current controls, the degree of acceptance of any gaps in controls and any further actions that are required to improve control. The monthly review ensures SMG can evaluate the nature and extent of corporate risks and ensures the risks are managed efficiently.

Directorate and business area Risk Registers (where appropriate) are maintained. The Risk Management Strategy includes a monthly review of Directorate risk registers by each Director.

Assurance Statements are prepared every six months by each Director. The Statements are submitted to the Clerk / Chief Executive and are subsequently considered by SARC. These Statements confirm if the management of risks in respective areas have been effectively managed and provide a narrative on how this assurance has been achieved. If controls have been inappropriate or ineffective in managing the risk a narrative must also be provided on any remedial actions that may be required. The Statements also require risk owners to provide a commentary on other governance issues, such as the control of expenditure, information management practices, fraud and bribery prevention measures and the implementation of internal and external audit recommendations.

The Stewardship Statements were prepared at the end of September 2015 and the end of March 2016. For the period from April 2015 to September 2015, all Directors confirmed that they were satisfied that controls were in place and that these controls were appropriate with one exception. That exception related to a perception of a lack of appropriate physical security measures at Parliament Buildings. Such measures were identified through internal security analysis, by Internal Audit and by the PSNI. These matters were specifically referred to the Commission. A number of security-related recommendations were deferred with the attendant security risk kept under review. As at 31 March 2016, all Directors confirmed that they were satisfied that the range of controls in place were appropriate.

In preparing the Annual Report and Accounts I review the annual analysis of compliance with contract management principles. This report is summarised and considered by SARC. The purpose of this report is to review the range of contracting activity across the Secretariat. Compliance with legislation and compliance with internal procedures in this complex area remained very high. This degree of compliance provides a high level of assurance on the efficacy of non-staffing expenditure.

General

As Accounting Officer, my assessment of the current corporate governance arrangements are that they comply with the best practice principles as contained within the “Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013” as issued by DFP under the DAO (DFP) 06/13. While recognising the fact that the Commission is not a Government Department, many of the principles can be applied. However the application may not always be straightforward and where alternative governance arrangements are deemed to be more appropriate, deviation from the code has been explained for the purposes of this statement.

Financial Support for Members

During the 2014-15 financial year, the Accounting Officer initiated two investigations under the Assembly’s Bribery and Fraud Response Plan relating to MLAs’ expenses. Both investigations involved extensive co-operation with the PSNI. During 2015-16, the Accounting Officer was advised that the PSNI would be taking no further action for one case and, for the other case, the Public Prosecution Service brought a successful prosecution which resulted in the full recovery of all fraudulently claimed expenses.

Trevor Reaney
Accounting Officer
Clerk / Chief Executive
Date: 23 June 2016

Remuneration and Staff Report

Remuneration Policy

Commission Members

The salaries and pensions of all MLAs (including those Members elected to serve as members of the Commission) for the 2015-16 financial year were set by the Northern Ireland Assembly Members' Salaries, Allowances, Expenses and Pensions Determination March 2012 (as amended). This Determination was made by the Independent Financial Review Panel (IFRP) which was established by the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 to make Determinations in relation to all salaries, allowances and pensions payable to MLAs.

Senior Management

Section 40 of the Northern Ireland Act 1998 states that "*The Commission shall provide the Assembly, or ensure that the Assembly is provided, with the property, staff and services required for the Assembly's purposes".* The Commission has the legal authority to appoint the staff of the Assembly Secretariat and to set the remuneration of staff.

The pay award for all Secretariat staff including its senior managers is normally based on an incremental uplift on salary scales following an annual assessment of staff performance. Following the end of the two year pay freeze (in 2011 and 2012), salary scales were increased by 1% from 1 August 2013 in line with wider public sector pay policy. In August 2014 and again in August 2015 only an incremental uplift was awarded for staff not on the maximum of their scale. A non-consolidated payment for staff at the maximum pay point on their pay scale was made.

Service Contracts

Assembly Secretariat staff normally hold appointments that are open-ended. Early termination, other than for misconduct, may result in the individual receiving compensation as set out in the Commission's staff policies and procedures.

Appointments to senior management positions are made by the Commission on the basis of fair and open competition and the Commission has set its own policies and procedures in this regard.

The following sections provide details of the remuneration and pension interests of the Commission and the most senior officials within the Assembly Secretariat.

Remuneration (audited)

	2015-16				2014-15			
Assembly Commission	**Salary £**	**Benefits in kind (to nearest £100)**	**Pension Benefits ** (to nearest £1000)**	**Total (to nearest £1000)**	**Salary £**	**Benefits in kind (to nearest £100)**	**Pension Benefits ** (to nearest £1000)**	**Total (to nearest £1000)**
Mitchel McLaughlin **Presiding Officer**	44,000	-	17,000	61,000	16,715 (44,000 full year equivalent)	-	6,000	23,000
Judith Cochrane MLA	6,432	-	2,000	9,000	6,432	-	2,000	9,000
Sam Gardiner MBE MLA	6,000	-	-	6,000	4,452 (6,000 full year equivalent)	-	2,000	6,000
Pat Ramsey MLA (to 31 Dec 2015)	4,824 (6,432 full year equivalent)	-	2,000	7,000	6,432	-	2,000	9,000
Karen McKevitt MLA (from 18 Jan 2016)	1,226 (6,000 full year equivalent)	-	-	2,000	-	-	-	-
Caitríona Ruane MLA	6,000	-	2,000	8,000	6,000	-	1,000	7,000
Peter Weir MLA (up to 15 May 2015)	709 (6,432 full year equivalent)	-	6,000	6,709	6,432	-	2,000	9,000

**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 increase excludes an increase due to inflation or any increase or decrease due to a transfer of pension rights.

The above figures only relate to the remuneration received by Commission Members in respect of their position as officeholders.

	2015-16					2014-15				
Secretariat Officials	**Salary £'000**	**Bonus Payments £'000**	**Benefits in kind (to nearest £100)**	**Pension Benefits (to nearest £'000)**	**Total £'000**	**Salary £'000**	**Bonus Payments £'000**	**Benefits in kind (to nearest £100)**	**Pension Benefits (to nearest £'000)**	**Total £'000**
Trevor Reaney **Clerk / Chief Executive**	130-135	-	-	(44)	85-90	130-135	-	-	147	280-285
Gareth McGrath **Director of Parliamentary Services**	80-85	-	-	36	120-125	80-85	-	-	27	110-115
John Stewart **Director of Information & Outreach** (to 30 Nov 2015)	55-60 (80-85 full year equivalent)	-	-	25	80-85	80-85	-	-	34	115-120
Richard Stewart **Director of Corporate Services**	80-85	-	-	40	120-125	80-85	-	-	30	110-115
Stephen Welch **Director of Facilities**	85-90	-	-	36	120-125	85-90	-	-	35	120-125
Hugh Widdis **Director of Legal & Governance Services** (to 21 Oct 2015)	45-50 (85-90 full year equivalent)	-	-	23	70-75	85-90	-	-	27	110-115
Tara Caul ** **Director of Legal & Governance Services)** (from 22 Oct 2015)	30-35 (70-75 full year equivalent)	-	-	16	45-50	-	-	-	-	-
Band of Highest Paid Director's Total Remuneration	**130-135**					**130-135**				
Median Total Remuneration	**£33,139**					**£30,387**				
Ratio	**4.0**					**4.4**				

*** Ms Tara Caul was temporary promoted to Director of Legal & Governance services on this date and was subsequently made permanent on 26 February 2016.*

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 increase excludes an increase due to inflation or any increase or decrease due to a transfer of pension rights.

Hutton Fair Pay Review Disclosure

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

The reported figure for the banded remuneration of the highest paid Director under the Hutton Fair Pay Review Disclosure was 4.0 times (2014-15; 4.4) the median remuneration of the workforce, which was £33,139 (2014-15; £30,387). The increase is due to the proportion of employees who left during the year attracting a salary on the lower end of the salary scale. In 2015-16, 0 (2014-15; 0) employees received remuneration in excess of the highest-paid Director. The salary range (to the nearest £'000) for 2015-16 was £120 (2014-15; £122).

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

Salary

'Salary' for Secretariat officials includes gross salary, overtime any other allowance to the extent that it is subject to UK taxation and any gratia payments.

This report is based on payments made by the Assembly and thus recorded in these accounts. In respect of Members of the Assembly Commission, 'salary' represents the officeholder's salary payable for being a Member of the Assembly Commission of £6,432 (2014-15; £6,432) for those holding office on 1 April 2012 or £6,000 (2014-15; £6,000) for those who took up office after 1 April 2012 or Speaker / Chair of the Assembly Commission of £44,000 (2014-15; £44,000). These figures do not include the salary for services as a Member of £48,000 (2014-15; £48,000).

Benefits in kind

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

Pensions Benefits (audited)

Assembly Commission Members	Accrued pension at age 65 as at 31/03/16	Real increase in pension at age 65	CETV at 31/03/16 (or end date)	CETV at 31/03/15 (or end date)	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mitchel McLaughlin MLA **Presiding officer**	0-5	0-2.5	28	11	12
Judith Cochrane MLA	0-5	0-2.5	9	7	1
Sam Gardiner MBE MLA	0-5	0-2.5	1	1	-
Pat Ramsey MLA (to 31 Dec 2015)	0-5	0-2.5	19	17	1
Karen McKevitt MLA (from 18 Jan 2016)	0-5	0-2.5	-	-	-
Caitríona Ruane MLA	0-5	0-2.5	46	43	1
Peter Weir MLA (up to 15 May 2015)	0-5	0-2.5	16	14	3

Assembly Commission pensions

Pension benefits for Commission Members are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2012 (AMPS). The scheme is made under section 48 of the Northern Ireland Act 1998. As Commission Members will be MLAs they may also accrue a Members' pension under the AMPS (details of which are not included in this report). The pension arrangements for Commission Members provide benefits on a "contribution factor" basis which takes account of service as a Commission Member. The contribution factor is the relationship between the salary as a Commission Member and the salary as a Member for each year of service as a Commission Member. Pension benefits as a Commission Member 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.

Benefits for Commission Members are payable at the same time as Member's benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Price Index (CPI). Commission Members can pay contributions of either 7% of their officeholder's salary (if they opt for the lower accrual rate of 50^{ths}) or of 12.5% of their officeholder's salary (if they do not opt for the lower accrual rate and remain on the higher default rate of 40^{ths}). 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. This is currently 20.6% of the Commission Members' salary.

The accrued pension quoted is the pension the Commission Member is entitled to receive when they reach 65 or immediately on ceasing to be an active member of the scheme if they are already 65. This accrued pension arises from all previous service during which the Commission Member held any remunerated office within the Assembly. It does not relate solely to service as a Commission Member.

As noted above, Commission Members may also accrue a Members' pension under the AMPS (details of which are not included in this report). The current service cost (inclusive of member contributions) for the AMPS for year ended 31 March 2016 is estimated to be 56.1% of pensionable salaries equivalent to a cost of approximately £3.3 million. The Commission will liaise with the Department of Finance with regard to further disclosures relating to current service costs for the 2016-17 financial year.

The Cash Equivalent Transfer Value (CETV)

The 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. 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 service as an officeholder, not just their current appointment as an officeholder. The figures are calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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 drawn.

The real increase in the value of the CETV

This is the increase in accrued pension due to the Assembly's contributions to the AMPS, and excludes increases due to inflation and contributions paid by the Commission Member and is calculated using factors for the start and end of the period. Prior to October 2015, the CETV factors were calculated using a net discount rate of 3%, which was the rate set by HM Treasury for the major public service pension schemes. Following the completion of the 2014 funding valuation of the AMPS the assumptions used to calculate the scheme's factors were reviewed. The AMPS is not covered directly by the financial assumptions set by HM Treasury for other public service pension schemes, and the Trustees instead decided to adopt the financial assumptions used in the scheme's funding valuation to calculate the CETV (a net discount rate of 3.5%) rather than the HM Treasury rate. This has led to a reduction in the CETV in general and a difference between the closing CETV reported in 2014-15, and the opening CETV reported in 2015-16.

Secretariat Pension Entitlements (audited)

Secretariat Officials	**Accrued pension at pension age as at 31/03/16 and related lump sum**	**Real increase in pension and related lump sum at pension age**	**CETV at 31/03/16**	**CETV at 31/03/15**	**Real increase in CETV**	**Employer contribution to partnership pension account**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**Nearest £100**
Trevor Reaney **Clerk / Chief Executive**	55-60	(2.5-0)	1,045	1,018	(41)	-
Gareth McGrath **Director of Parliamentary Services**	15-20	0-2.5	277	236	14	-
John Stewart **Director of Information & Outreach** (to 30 Nov 15)	10-15	0-2.5	150	132	10	-
Richard Stewart **Director of Corporate Services**	30-35 plus lump sum of 90-95	2.5-5	555	493	21	-
Stephen Welch **Director of Facilities**	20-25	0-2.5	383	333	27	-
Hugh Widdis **Director of Legal and Governance Services** (to 21 Oct 15)	15-20 plus lump sum of 5-10	0-2.5	271	251	9	-
Tara Caul ** **Director of Legal and Governance Services** (from 22 Oct 15)	5-10	0-2.5	117	94	16	-

*** Ms Tara Caul was temporary promoted to Director of Legal & Governance services on this date and was subsequently made permanent on 26 February 2016.*

Pension Benefits

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by the Assembly each year. From April 2011, pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos 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 rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI.

A new pension scheme, alpha, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements have also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age will not move to alpha 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. alpha is also 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 rate will be 2.32%. CARE pension benefits are increased annually in line with increases in the CPI.

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with the cost of living. Increases are applied from April and are determined by the CPI figure for the preceding September. The CPI in September 2015 was negative (-0.1%) and HM Treasury has announced that there will be no increase to public service pensions from April 2016. Therefore public service pensions will remain at their current level.

Employee contribution rates for all members for the period covering 1 April 2016 – 31 March 2017 are as follows:

Scheme Year 1 April 2016 to 31 March 2017 Annualised Rate of Pensionable Earnings

Annualised Rate of Pensionable Earnings (Salary Bands)		**Contribution rates** – Classic members or classic members who have moved to alpha	**Contribution rates** – All other members
From	**To**	**From 1 April 2016 to 31 March 2017**	**From 1 April 2016 to 31 March 2017**
£0	£15,000.99	3.8%	4.6%
£15,001.00	£21,210.99	4.6%	4.6%
£21,211.00	£48,471.99	5.45%	5.45%
£48,472.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

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 3% and 14.7% (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).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. The normal pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension arrangements can be found at the website https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni.

Cash Equivalent Transfer Values (CETV)

The 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 CSP 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 2008 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. The actuarial factors used to calculate the CETV changed during the 2015-16 year and, consequently, CETV figures increased even without any further pension accrual. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Staff Report

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

				2015-16 Number	2014-15 Number
Objective	**Total**	**Permanent staff**	**Members**	**Agency, temporary and contract staff**	**Total**
1	466	345	108	13	496
Total	**466**	**345**	**108**	**13**	**496**

During 2015-16, an average of 1.6 members of staff (2014-15; 1.8) were out-posted to other public sector employers.

The Commission does not employ any staff exclusively for capital projects (2014-15; nil).

Directors, Senior Managers and Employees

As at 31 March 2016, the number of Directors, senior managers and employees split by gender was as follows:

Role	Female	Male
Director	1	4
Senior managers	-	1
Employees (not including Directors)	144	190

The Secretariat does not apply the grading structures used by the Northern Ireland Civil Service. "Senior manager" is defined as a member of staff at Assembly Grade 1 or Assembly Grade 2 which is broadly analogous to Senior Civil Service grades.

Staff costs

	Special advisers	Permanently employed staff	Agency, Temporary and contract staff	Members	2015-16 £'000 Total	2014-15 £'000 Total
Wages and salaries	-	12,981	353	5,955	19,289	19,773
Social security costs	-	1,024	-	605	1,629	1,678
Other pension costs	-	2,803	-	1,195	3,998	3,784
Sub Total	**-**	**16,808**	**353**	**7,755**	**24,916**	**25,235**
Less recoveries in respect of outward secondments	-	(81)	**-**	**-**	(81)	(77)
Total net costs *	**-**	**16,727**	**353**	**7,755**	**24,835**	**25,158**

* Of the total, £0 has been charged to capital (2014-15: £0).

Temporary Staff

The Commission made payments of £353,215 (2014-15; £546,036) in relation to temporary staff during the year.

Pension Arrangements

The Northern Ireland Civil Service pension arrangements are unfunded multi-employer defined benefit schemes but the Commission is unable to identify its share of underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2016.

For 2015-16, employers' contributions of £2,794,666 were payable to the NICS pension arrangements (2014-15; £2,517,298) at one of three rates in the range 20.8% to 26.3% of pensionable pay based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of the new career average earnings scheme, alpha, from April 2015. For 2016-17, the rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2015-16 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £7,731 (2014-15; £6,565) were paid to an appointed stakeholder pension provider. Employer contributions are age-related and range from 3% to 14.7% (2014-15; 3 to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £324, 0.5% (2014-15; £420, 0.8%) 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 **partnership** pension providers at the balance sheet date were nil. Contributions prepaid at that date were nil.

Pension benefits for MLAs are provided through the Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). MLAs pay contributions of 12.5% of pensionable salary, including Office Holder's salary. MLAs may opt to accrue benefits more slowly paying contributions at a rate of 7% of pensionable salary. All pensions increase in line with the Consumer Price Index once in payment. There is a separate scheme statement for the Assembly Members' Pension Scheme. The rules of the Assembly Members' Pension Scheme require the employer to meet the balance of the cost of providing the benefits as recommended by the actuary from time to time. There is currently a liability of £12.8 million, and this is provided for in the accounts in line with FReM and IAS 19. The rate used to discount scheme liabilities is 3.55%. A full actuarial valuation was carried out for the period ending 31 March 2016 by the Government Actuary.

For 2015-16, contributions of £1,195,221 (2014-15; £1,259,624) were paid to the Assembly Members' Pension Scheme. Contributions were at a rate of 20.6% (2014-15; 21.6%) of pensionable pay, as determined by the Government Actuary and advised by the Treasury.

Ill Health Retirement – Staff

No staff (2014-15: 1 staff) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2014-15; £Nil).

Ill Health Retirement – Members

During the year, 4 Members retired due to ill health (2014-15; 1). Under the Northern Ireland Assembly Members' Salaries, Allowances, Expenses and Pensions Determination 2012 (as amended), MLAs who are forced into early retirement through ill health are entitled to receive an ill health retirement allowance. The total amount paid by way of ill health retirement allowance was £92,480 (2014-15; £24,000). For 2015-16, this amount was split as follows:

Member 1	£24,000 paid in September 2015
Member 2	£16,000 paid in September 2015
Member 3	£16,000 paid in January 2016
Member 4	£36,480 paid in January 2016

Compensation Schemes – exit packages

Exit package cost band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**
< £10,000	-	2	2
£10,000 - £25,000	-	16	16
£25,000 - £50,000	-	2	2
£50,000 - £100,000	-	1	1
£100,000 - £150,000	-	1	1
£150,000 - £200,000	-	-	-
Total number of exit packages	-	22	22
Total resource cost/ £000	-	506	506

** There were no compensation payments made in 2014-15

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs are accounted for in full in the year of departure. Where the Commission has agreed early retirements, the additional costs are met by the Commission 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.

Off-Payroll Engagements

The Commission had no Off-Payroll Engagements at a cost of over £58,200 in place either prior to or during the financial year.

Consultancy

The Commission made payments of £57,574 (2014-15; £20,319) to External Consultants during the year.

Equal opportunity policy (including employment of persons with a disability)

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

In keeping with the Equality Commission for Northern Ireland's "Positive Action for People who are Disabled" guidance, the Commission operates a Guaranteed Interview Scheme (GIS). The GIS provides a candidate with a disability automatic access to an interview provided that they have demonstrated in their application form that they meet the essential criteria for the post. Guidance is also given in the external recruitment policy on how a candidate can advise the Human Resources Office of any reasonable adjustments, due to disability, that may be required to attend an aptitude test or interview.

For existing employees, the Commission carries out a disability audit each year to assess whether an employee has a disability that requires reasonable adjustments to be made to their job or matters relating to their job e.g. access to training.

Sickness Absence

There was an average absence rate of 3.2% during 2015-16 (2014-15; 3.9%). The absence rate is the percentage of available working days which were lost due to sickness absence. SMG has set a benchmark of 7.5 days per employee per annum. The average number of days lost per employee due to sickness for 2015-16 was 7.2 days (2014-15; 8.9 days). This positive outcome was achieved through a series of proactive measures including changes to attendance management policies and procedures. Despite reducing budgets, modest investment was made in health and well-being initiatives to specifically address the root causes of sickness absence.

Statement of Assembly Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Northern Ireland Assembly Commission to prepare a Statement of Assembly Supply (SOAS) and supporting notes to show resource outturn against the Supply Estimate presented to the Assembly, in respect of each request for resources.

Summary of Resource Outturn 2015-16

								2015-16 £'000	2014-15 £'000
				Estimate			Outturn		Outturn
Request for Resources	Note	Gross Expenditure	ARs	Net Total	Gross Expenditure	ARs	Net Total	Net total outturn compared with estimate: saving / (excess)	Net Total
1	SOAS 1	46,351	(121)	46,230	43,170	(107)	43,063	3,167	48,873
Total Resources	SOAS 2	**46,351**	**(121)**	**46,230**	**43,170**	**(107)**	**43,063**	**3,167**	**48,873**
Non-operating cost ARs		-	(18)	(18)	-	(18)	(18)	-	(1,275)

Net Cash Requirement 2015-16

				2015-16 £'000	2014-15 £'000
	Note	**Estimate**	**Outturn**	**Net total outturn compared with estimate: saving /(excess)**	**Outturn**
Net Cash Requirement	SOAS3	41,625	40,665	960	42,692

Summary of income payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Assembly Commission and is payable to the Consolidated Fund (cash receipts being shown in *italics*)

		Forecast 2015-16 £'000		Outturn 2015-16 £'000	
	Note	**Income**	**Receipts**	**Income**	**Receipts**
Total	**SOAS4**	10	*10*	10	*10*

Explanation of variances between Estimate and outturn are given in Note SOAS 1 and in the Performance Analysis. In 2014-15 the Assembly incurred an excess of £953,000 as a breach of the net resource requirement for a Request for Resources. In its Report of 3 February 2016, the Public Accounts Committee recommended that the Assembly provides the necessary amounts by means of an Excess Vote. That provision was made by the Assembly on 13 June 2016.

Notes to the Statement of Assembly Supply

SOAS 1 Analysis of net resource outturn by function

										2015-16	2014-15
										£'000 Estimate	£'000
						Outturn					
	Admin	Other Current	Grants	Gross resource expenditure	ARs	Net Total	Net Total	Net total outturn compared with Estimate	Net total outturn compared with Estimate adjusted for virements		Prior Year Outturn
Request for Resources 1 – Members' salaries, expenses and administration costs											
	-	43,120	50	43,170	(107)	43,063	46,230	3,167	-		48,873
Departmental Expenditure in DEL:											
A-1 Administration											
	-	41,883	50	41,933	(107)	41,826	42,985	1,159	-		43,237
Annually Managed Expenditure (AME):											
A-2 Administration Provisions											
	-	1,200	-	1,200	-	1,200	3,200	2,000	-		5,600
Non-Budget:											
A-3 Notional Charges											
	-	37	-	37	-	37	45	8	-		36
Resource Outturn	**-**	**43,120**	**50**	**43,170**	**(107)**	**43,063**	**46,230**	**3,167**	**-**		**48,873**

Detailed analysis of expenditure variances are given in the Performance Analysis at page 11. The outturn on Net Resource Requirement was £43.063 million. The underspend of £3.167 million arose from three distinct sources namely a reduction in staff costs due to VES and steps to limit discretionary administrative expenditure (£0.508 million), a conservative approach in budgeting for the movement in the excess in liabilities over assets of the Assembly Members' Pension scheme (£2.000 million) and a reduction in costs associated with Members (£0.404 million).

Key to Request for Resources and Functions

Request for resources 1 – Remunerating and supporting Members of the Assembly in discharging their duties in their constituencies, in the Assembly and elsewhere, enhancing public awareness of, and involvement in, the working of the Northern Ireland Assembly; severance payments; administration; related services; and associated non-cash items.

SOAS 2 Reconciliation of outturn to net operating cost and against Administration Budget

SOAS 2.1 Reconciliation of net resource outturn to net operating cost

				2015-16 £'000	2014-15 £'000
	Note	**Outturn**	**Supply Estimate**	**Outturn Compared With Estimate**	**Outturn**
Net Resource Outturn	**SOAS1**	43,063	46,230	3,167	48,873
Non-supply income (CFERs)	**SOAS4**	(10)	(10)	-	(65)
Net operating cost in Statement of Comprehensive Net Expenditure		**43,053**	**46,220**	**3,167**	**48,808**

SOAS 2.2 Outturn against final Administration Budget

The Assembly Commission is independent from the Northern Ireland Executive for funding purposes and receives programme funding only.

SOAS 3 Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £'000	Outturn £'000	Net Total outturn compared with Estimate: savings/(excess) £'000
Resource Outturn	**SOAS1**	46,230	43,063	3,167
Capital:				
Acquisition of property, plant and equipment	**7**	1,593	1,334	259
Acquisition of intangible assets	**8**	250	156	94
Investments		-	-	-
Non-operating Accruing Resources				
Proceeds of asset disposals		(18)	(18)	-
Accruals to cash adjustments**:**				
Adjustments to remove non-cash items:				
Depreciation	**5**	(3,395)	(3,147)	(248)
New provisions and adjustments to previous provisions	**18**	(3,200)	(1,200)	(2,000)
Prior period Adjustments		-	-	-
Other non-cash items		(45)	(37)	(8)
Adjustments to reflect movement in working balances:				
Increase/(decrease) in inventories		-	-	-
Increase/(decrease) in receivables		(50)	(168)	118
Increase/(decrease) in payables falling due within one year		260	682	(422)
Changes in payables falling due after more than one year		-	-	-
Use of provision	**18**	-	-	-
Excess cash receipts surrenderable to the Consolidated Fund	**SOAS4**	-	-	-
Net Cash Requirement		**41,625**	**40,665**	**960**

SOAS 4 Income payable to the Consolidated Fund

SOAS 4.1 Analysis of income payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Assembly Commission and is payable to the Consolidation Fund *(cash receipts being shown in italics).*

		Forecast 2015-16 £'000		Outturn 2015-16 £'000	
	Note	**Income**	**Receipts**	**Income**	**Receipts**
Operating income and receipts - excess AR		-	-	-	-
Other operating income and receipts not classified as AR		10	*10*	10	*10*
Total income payable to the Consolidated Fund		**10**	***10***	**10**	***10***

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

		2015-16	**2014-15**
		£'000	**£'000**
	Note		
Operating income	**6**	117	145
Adjustments for transactions between RfRs		-	-
Gross Income		117	145
Income authorised to be Accruing Resources		(107)	(80)
Operating income payable to the Consolidated Fund	**SOAS4.1**	**10**	**65**

SOAS 6 Non-operating income – Excess Accruing Resources (AR)

The Northern Ireland Assembly Commission had no non-operating income – excess AR.

Other Assembly Accountability Disclosures

i. Losses and special payments

There were no Losses or Special Payments exceeding £250,000 either individually or cumulatively during the year.

ii. Fees and Charges

A detailed analysis of fees and charges information is not provided as the income and full cost of each service are immaterial.

iii. Remote Contingent Liabilities

In addition to contingent liabilities reported within the meaning of IAS37, the Assembly also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. A Remote Contingent Liability exists at the Balance Sheet date in respect of the full implementation of the 2011 pay and grading review with regard to allowances presently in payment. The possible transfer of economic benefits will only become clear if one or more uncertain events arise.

iv. Long Term Expenditure Trends

Chart 1, overleaf, shows the Commission's gross expenditure for the past three years split against relevant expenditure categories. This expenditure includes all items included in the Statement of Comprehensive Net Expenditure but excluding any net gain or loss on the revaluation of Property, Plant and Equipment or the net gain or loss on revaluation of Intangibles.

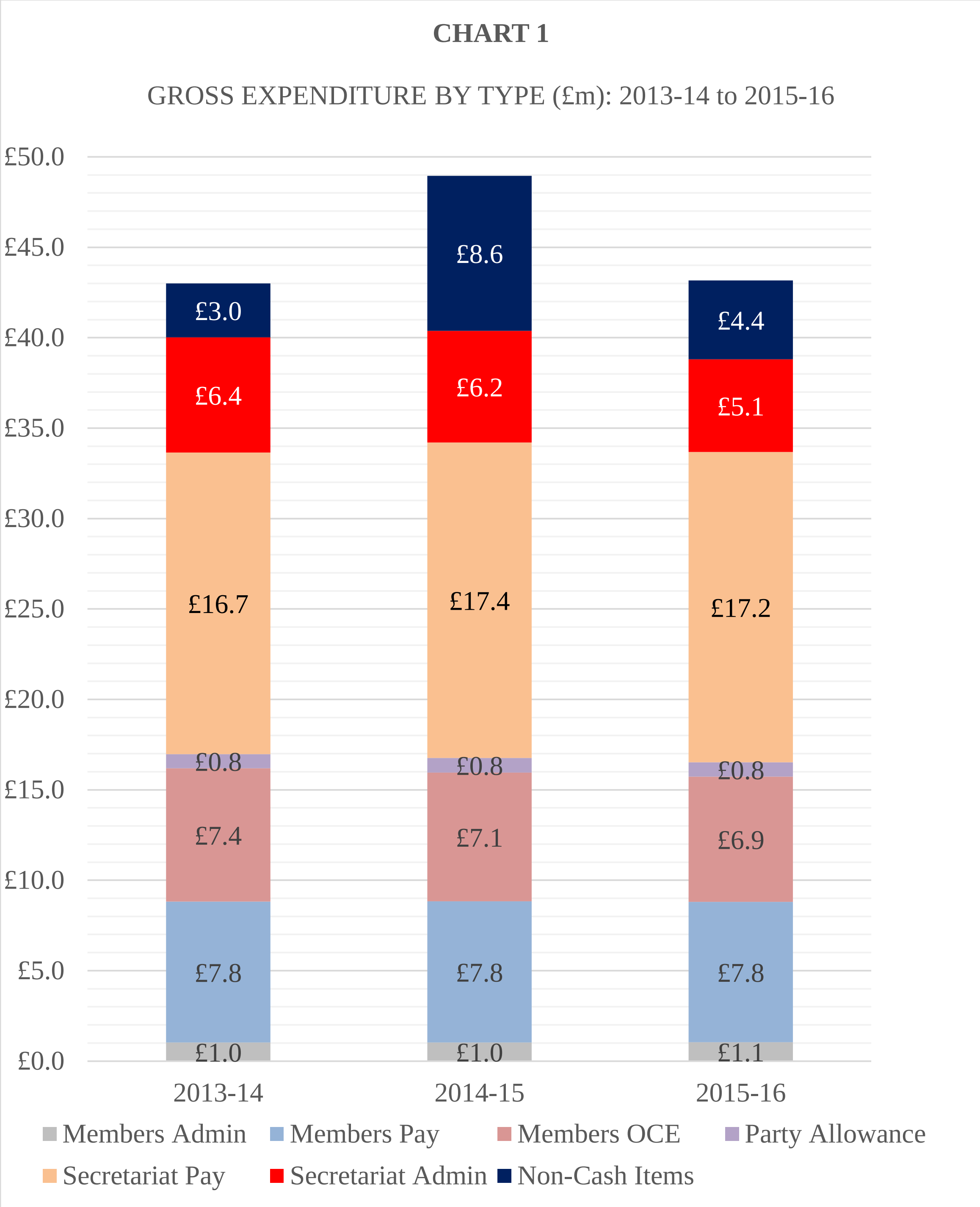
CHART 1
GROSS EXPENDITURE BY TYPE (£m): 2013-14 to 2015-16
£50.0
£45.0
£40.0
£35.0
£30.0
£25.0
£20.0
£15.0
£10.0
£5.0
£0.0
£3.0
£6.4
£16.7
£0.8
£7.4
£7.8
£1.0
£8.6
£6.2
£17.4
£0.8
£7.1
£7.8
£1.0
£4.4
£5.1
£17.2
£0.8
£6.9
£7.8
£1.1
2013-14
2014-15
2015-16
Members Admin
Members Pay
Members OCE
Party Allowance
Secretariat Pay
Secretariat Admin
Non-Cash Items

I hereby approve the Northern Ireland Assembly Commission Resource Accounts for the year ended 31 March 2016

Signed

Trevor Reaney
Accounting Officer
Clerk / Chief Executive
Date: 23 June 2016

NORTHERN IRELAND ASSEMBLY COMMISSION

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

I certify that I have audited the financial statements of the Northern Ireland Assembly Commission for the year ended 31^{st} March 2016 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. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of Assembly Supply and the related notes and the information in the Remuneration and Staff Report and the Other Assembly Accountability Disclosures that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. 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 Northern Ireland Assembly Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31^{st} March 2016 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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Northern Ireland Assembly Commission's affairs as at 31st March 2016 and of its net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance (formerly Department of Finance and Personnel) directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Assembly Accountability and Audit 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 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

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 Remuneration and Staff Report and the Assembly Accountability and Audit Report to be audited are not in agreement with the accounting records; 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 Department of Finance's guidance.

Report

I have no observations to make on these financial statements.

K J Donnelly

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

28th June 2016

The Financial Statements

Statement of Comprehensive Net Expenditure
for the year-ended 31 March 2016

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	2015-16 £'000	2014-15 £'000
Income from sale of goods and services	6	-	-
Other operating income	6	(117)	(145)
Total Operating Income		(117)	(145)
Staff Costs	3	24,916	25,235
Purchase of goods and services	5	13,883	15,151
Depreciation and impairment charges	5	3,147	3,143
Provision Expense	5	-	-
Other Operating Expenditure	5	24	(176)
Total operating Expenditure		41,970	43,353
Finance Income		-	-
Finance Expense		-	-
Net expenditure for the year		41,853	43,208
Other comprehensive net expenditure			
Net (gain)/loss on revaluation of Property, Plant and Equipment	7	(10,610)	(5,110)
Net (gain)/loss on revaluation of Intangibles	8	(14)	(8)
Actuarial gain/loss on pension scheme		1,200	5,600
Items that may be reclassified to net operating costs:			
Net (gain)/loss on revaluation of investments		-	-
Comprehensive net expenditure for the year		**32,429**	**43,690**

Statement of Financial Position
as at 31 March 2016

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

	Note	2015-16 £'000	2014-15 £'000
Non-current assets:			
Property, plant and equipment	**7**	130,779	121,778
Intangible assets	**8**	368	468
Financial Assets	**11**	-	-
Total non-current assets		**131,147**	**122,246**
Current assets:			
Assets classified as held for sale	**13**	-	-
Inventories	**14**	-	-
Trade and other receivables	**16**	399	378
Other current assets	**16**	-	-
Financial Assets	**11**	-	-
Cash and cash equivalents	**15**	-	347
Total current assets		399	725
Total assets		**131,546**	**122,971**
Current liabilities			
Trade and other payables	**17**	(2,573)	(3,594)
Provisions	**18**	-	-
Other liabilities		-	-
Cash and cash equivalents	**15**	(181)	-
Total current liabilities		(2,754)	(3,594)
Total assets less current liabilities		**128,792**	**119,377**
Non-current liabilities			
Provisions	**18**	(12,800)	(11,600)
Other payables	**17**	**-**	**-**
Financial Liabilities	**11**	-	-
Total non-current liabilities		**(12,800)**	**(11,600)**
Total assets less liabilities		**115,992**	**107,777**
Taxpayers' equity & other reserves			
General fund		70,557	72,812
Revaluation reserve		45,435	34,965
Charitable Funds			-
Total equity		**115,992**	**107,777**

Signed:

Trevor Reaney
Accounting Officer
Clerk / Chief Executive
Date: 23 June 2016

Statement of Cash Flows
for the year ended 31 March 2016

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Assembly Commission during the reporting period. The statement shows how the Assembly Commission 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 Assembly Commission. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Assembly Commission's future public service delivery.

	Note	2015-16 £'000	2014-15 £'000
Cash flows from operating activities			
Net operating cost		(43,053)	(48,808)
Adjustments for non-cash transactions	**5**	4,371	8,567
(Increase)/Decrease in trade and other receivables		(21)	815
less movements in receivables relating to items not passing through the SOCNE		190	(924)
(Increase)/Decrease in Inventories		-	-
Increase/(Decrease) in trade payables		(1,021)	927
less movements in payables relating to items not passing through the SOCNE		723	(611)
Use of provisions	**18**	-	-
Net cash outflow from operating activities	**SOAS3**	(38,811)	(40,034)
Cash flows from investing activities			
Purchase of property, plant and equipment	**7**	(1,718)	(3,847)
Purchase of intangible assets	**8**	(156)	(234)
Purchase of heritage assets	**7**	-	-
Proceeds of disposal of property, plant and equipment		-	1,487
Proceeds of disposal of intangibles		30	-
Net cash outflow from investing activities	**SOAS4**	(1,844)	(2,594)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		40,475	42,976
From the Consolidated Fund (Supply) - prior year		(283)	924
From the Consolidated Fund (non-Supply)		-	-
Capital element of payments in respect of finance leases and on-balance sheet (SoFP) PFI contracts		-	-
Net financing		40,192	43,900
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(463)	1,272
Payments of amounts due to the Consolidated Fund		(65)	(62)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(528)	1,210
Cash and cash equivalents at the beginning of the period	**15**	347	(863)
Cash and cash equivalents at the end of the period	**15**	(181)	347

Statement of Changes in Taxpayers' Equity
for the year ended 31 March 2016

This statement shows the movement in the year on the different reserves held by the Assembly Commission, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). Financing and the balance from the provision of services are recorded here. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. Other earmarked reserves are shown separately where there are statutory restrictions on their use.

	Note	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31 March 2014		78,898	29,897	108,795
Net Assembly Funding – drawn down		43,900	-	43,900
Net Assembly Funding – prior year		(924)	-	(924)
Supply (payable)/receivable adjustment		(283)	-	(283)
Comprehensive Net Expenditure for the Year		(48,808)	5,118	(43,690)
CFERs payable to the Consolidated Fund		(65)	-	(65)
Non- cash charges - auditors remuneration	**5**	35	-	35
Non-cash charges - other		1	8	9
Transfers between reserves		58	(58)	-
Balance at 31 March 2015		72,812	34,965	107,777
Net Assembly Funding – drawn down		40,192	-	40,192
Net Assembly Funding – prior year		283	-	283
Supply (payable)/receivable adjustment		190	-	190
Comprehensive Net Expenditure for the Year		(43,053)	10,624	(32,429)
CFERs payable to the Consolidated Fund		(10)	-	(10)
Non-cash charges - auditors remuneration	**5**	37	-	37
Non-cash charges - other	**9**	-	(48)	(48)
Transfers between reserves		106	(106)	-
Balance at 31 March 2016		70,557	45,435	115,992

The Northern Ireland Assembly – Annual Report and Accounts 2015-16

Notes to the Assembly's Resource Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2015-16 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the NI Assembly for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Assembly 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 Assembly Commission to prepare one additional primary statement. The *Statement of 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 property, plant and equipment, intangible assets and certain financial assets and liabilities.

1.2 Going Concern

The financial statements for 2015-16 have been prepared on the going concern basis.

1.3 Property, Plant and Equipment

As outlined in paragraph 35 of the International Accounting Standards Board's (IASB's) Framework for the Preparation and Presentation of Financial Statements "*information within financial statements should represent faithfully the transactions that it purports to represent. It is necessary that transactions are accounted for and presented in accordance with their substance and economic reality and not merely their legal form*."

While the Department of Finance holds legal title to Parliament Buildings, the Northern Ireland Assembly Commission is the beneficial owner of Parliament Buildings and as such recognises the property as an asset in its Statement of Financial Position. The building has been stated at the last professionally revalued amount (based on fair value). The valuation was undertaken by Land and Property Services (LPS), having regard to IFRS as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the current edition of the Royal Institution of Chartered Surveyors (RICS) Valuation - Professional Standards. Professional valuations are undertaken every five years with appropriate interim valuations in the intervening years. In addition, the building is revalued annually by LPS by a professional valuer assessment and through the use of appropriate indices.

Other non-current assets are capitalised at their cost of acquisition (including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended) and are revalued annually by reference to appropriate indices compiled by the Office for National Statistics. The threshold for capitalisation as a non-current asset is £500 for IT equipment and £1,000 for all other assets.

Assets are pooled where there are a large number of certain types of asset which, if treated singly, would fall below the capitalisation threshold, but which, if aggregated, have a value exceeding £1,000. Assets which have been pooled include computer hardware, office equipment and office furniture. Depreciation on the value of these assets is charged to the Statement of Comprehensive Net Expenditure.

Subsequent expenditure is included in the carrying amount of the asset in the same way as the initial spend if it is probable that there will be future economic benefit and the cost can be reliably measured. Any parts of an asset that are replaced are derecognised.

Revaluation losses are charged firstly against any existing revaluation surplus, with any remaining charge being expenses to the Statement of Comprehensive Net Expenditure.

1.4 Heritage assets

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

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

In accordance with the FReM, non-operational heritage assets purchased within the accounting period are valued at cost. For existing non-operational heritage assets where there is a market in assets of that type, they are valued at market value for existing use or otherwise at depreciated replacement cost. Valuations are performed by experts in the field of art and antiques and are carried out with sufficient frequency to ensure that the valuations remain current. Where the asset could not or would not be replaced the value is nil. All heritage assets are valued and incorporated within the asset register as at 1.3 above.

1.5 Donated assets

These are assets donated by third parties, either by gift of the assets or funds to buy the asset. Following the implementation of *IAS 20 – Accounting for Government Grants* within FReM for periods beginning on or after 1 April 2011, donated assets should be recognised as income in the Statement of Comprehensive Net Expenditure when receivable unless there are conditions on their use which, if not met, would mean that the donated asset must be returned. In such cases, the income should be deferred and released when the conditions are met. The Donated Asset Reserve has been removed and a prior period adjustment was made in the 2011-12 accounts.

1.6 Intangible Assets

Intangible Assets are assets which are identifiable, non-monetary assets without physical substance, e.g. computer software. Intangible assets are recognised at cost and subsequently carried at a revalued amount as described in paragraph 1.3. They are depreciated as described in paragraph 1.7 below.

1.7 Depreciation

Property, Plant and Equipment assets and 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. Depreciation is charged in the month of acquisition. No depreciation is provided on freehold land and items for collections since they have unlimited or very long estimated useful lives. The principal asset lives used for depreciation purposes are:

	Life (years)
Buildings	50
Information technology	4
Office equipment	5
Furniture & fittings	between 5 and 10

1.8 Impairment of Assets

An impairment loss is recognised when the recoverable amount of an item of Property, Plant and Equipment falls below the carrying amount. It is recognised as an expense in the Statement of Comprehensive Net Expenditure, unless it relates to a previously revalued asset when it should be recognised against any existing revaluation surplus for the asset to the extent that the loss does not exceed the amount of the revaluation surplus of the asset. Once the loss is recognised the depreciation charge is adjusted for future periods to allocate the asset's revised carrying amount less residual value on a systematic basis over the remaining useful life.

1.9 Non-current Assets held for Sale

These are assets for which the carrying amount will be recovered principally through a sale transaction rather than through continuing use. To be classified as such, an asset must be available for immediate sale in its present condition, with a sale being highly probable, and with both a firm plan to sell the asset and an active programme to locate a buyer in place. These assets are measured at the lower of the carrying amount and fair value (less costs to sell). Once an asset is classified as a non-current asset held for sale depreciation ceases to be charged.

1.10 Revenue

Revenue is income that relates directly to the ordinary activities of the Northern Ireland Assembly Commission. It comprises:

- sale of souvenir stock;
- public telephone calls;
- stationery - recovery of cost;
- postage - recovery of cost; and
- recoupment of salary costs of staff seconded to other public sector bodies.

This includes both accruing resources of the Vote and income to the Consolidated Fund that the Department of Finance has agreed should be treated as revenue.

1.11 Administration and programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. For the Assembly Commission all costs incurred are programme costs, incorporating payments of allowances and other disbursements by the Assembly.

1.12 Foreign exchange

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

1.13 Employee Benefits

Where an employee has provided a service during the accounting period, in exchange for an employee benefit to be paid at some point in the future, the Assembly Commission recognises the undiscounted amount of the benefit as an expense in the Statement of Comprehensive Net Expenditure for the period. Such benefits include wages, salaries, social security contributions, paid annual leave or flexi leave and paid sick leave.

1.14 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme NI (PCSPS (NI)). This defined benefit scheme is unfunded. The Assembly Commission 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).

Pension benefits for MLAs are provided through the Assembly Members' Pension Scheme. This scheme is a statutory, defined benefit scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). MLAs opt to pay contributions of either 12.5% (2014-15 12.5%) of pensionable salary, including Office Holder's salary or 7% (2014-15 7%) of pensionable salary, including Office Holder's salary. All pensions increase in line with the Consumer Price Index once in payment.

1.15 Early departure costs

The Assembly Commission is required to meet the additional cost of benefits beyond the normal PCSPS (NI) benefits in respect of employees who retire early. The Assembly Commission provides in full in the year of departure. The Commission may, in certain circumstances, settle some or all of its liability in advance by making a payment to the Paymaster General's account at the Bank of England for the credit of the Civil Service Superannuation Vote. The amount provided is shown net of any such payments.

1.16 Provisions

The Assembly Commission 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 effect of the time value of money is significant, the estimated risk-adjusted cash flows are normally discounted using the Treasury discount rate. However, the discount rate used for the provision for pension costs was 3.55% p.a. reflecting the real yields experienced in the bond markets (see Note 18.1).

1.17 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IFRS 37, the Commission 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 Northern Ireland Assembly by Assembly Minute prior to the Assembly entering into the arrangement;
- 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 IFRS 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 IFRS 37 are stated at the amounts reported to the Assembly.

1.18 Value added tax

In the Assembly Commission output tax generally does not apply and input tax is recovered on a monthly basis from the Department of Finance. Where input tax is recoverable, the amounts are stated net of VAT.

1.19 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Assembly Commission, the asset is recorded as a tangible asset and a debt is recorded to the lesser for the minimum lease payments discounted by the interest rate implicit in the leases. 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 leases.

1.20 Financial Assets and Financial Liabilities

A financial asset or financial liability is recognised in the Statement of Financial Position when the Assembly Commission becomes party to the contractual provision of the financial instrument. Initial recognition is at fair value. As financial assets and liabilities of the Assembly Commission are generated by the day-to-day operational activities, that is, trade contracts to buy non-financial items in line with the Assembly Commission's expected purchase and usage requirements, fair value is deemed to be the transaction price where the impact of discounting is immaterial. When a financial asset or financial liability is recognised it is categorised appropriately and is de-recognised when the contractual right to or obligation for cash flow expires.

1.21 Impending application of newly issued accounting standards not yet effective

The IASB have 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 are effective with EU adoption from 1 January 2014.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaption, has been carried out but a decision has yet to be made by the Executive. Should the Executive agree to the recommendations, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12.

1.22 Comparison with IFRS-based accounts

Many transactions are treated in the same way in National Accounts and IFRS-based accounts, but there are a number of differences as detailed below.

1.23 PFI and other Service Concession arrangements

The National Accounts basis for recognising service concession arrangements is broadly similar to UK GAAP, applying a risk-based test to determine the financial reporting. IFRS-based recognition of service concession arrangements (IFRIC 12) is determined using control tests, which can result in a different on/off balance sheet treatment. The Assembly Commission does not recognise any service concession arrangements in its financial statements (including the Statement of Assembly Supply).

1.24 Prior Period Adjustments (PPAs)

PPAs resulting from an error in previous recording, or from an accounting policy change initiated by the Assembly Commission, need to be voted by the Assembly in the current year, whereas in IFRS-based accounts (IAS 8) they are treated as adjustments to previous years. There are no PPA for the year 2015-16.

2 Statement of Operating Costs by Operating Segment

As required under Section 40, paragraph (4) of the Northern Ireland Act 1998, the Assembly Commission is responsible for ensuring that the necessary property, staff and services are provided to support the successful operation of the Northern Ireland Assembly. The Assembly Commission's purpose and that of its Secretariat is to serve and support the Assembly in its role of representing the interests of the electorate; making effective legislation and influencing the Executive and holding it to account.

Although the Secretariat has an internal structure comprising six Directorates, these Directorates are essentially support functions in the pursuit of the organisation's overall aim - to ensure the provision of resources and services enabling the Assembly Commission to meet its legal obligations. It is at an overall organisational level that performance information is routinely reported to and reviewed by the Secretariat Management Group (SMG). As such, the Assembly Commission considers that it operates with a single Operating Segment.

3 Staff numbers and related costs

Staff costs comprise:

	2015-16	2014-15
	£'000	£'000
	Total	Total
Wages and salaries	19,289	19,773
Social security costs	1,629	1,678
Other pension costs	3,998	3,784
Sub Total	**24,916**	**25,235**
Less recoveries in respect of outward secondments	(81)	(77)
Total net costs *	**24,835**	**25,158**

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

A breakdown of the above costs into permanent staff, Members costs and others can be found in the Remuneration and Staff Report within the Accountability report.

4 Other Administration Costs

All costs incurred by the Assembly Commission are programme costs, incorporating payments of allowances and other disbursements by the Assembly.

5 Programme Costs

	Note	2015-16 £'000	2014-15 £'000
Payments to Members			
Office Cost Expenditure		6,924	7,118
Members' winding-up costs		160	76
Other Members' costs		890	958
Party Allowance		789	814
Other Costs			
Premises		1,165	1,290
Office running costs		524	647
Contracted services		1,810	2,255
Repairs & maintenance		955	1,208
Staff travel, subsistence and training		143	282
Miscellaneous expenses		519	493
Rentals under operating leases		4	10
Total cash items		**13,883**	**15,151**
Non-cash items			
Depreciation		3,195	3,149
Permanent diminution of assets		-	8
Reversal of previous impairment loss		(48)	(14)
Miscellaneous notional charges		-	1
Auditor's remuneration and expenses (notional)		37	35
Borrowing costs (unwinding of discount) on provisions	**18**	-	-
Release of provisions		-	-
Provisions: provided in year	**18**	1,200	5,600
(Profit)/Loss on disposal of assets		(13)	(212)
Total non-cash items		**4,371**	**8,567**
Total		**18,254**	**23,718**

6 Income

	Note	2015-16 £'000	2014-15 £'000
Recoupment of salaries		81	77
Other Income		36	68
Total		**117**	**145**

7 Property, plant and equipment

2015-16

	Land	Buildings	Information technology	Office equipment	Security Equipment	Furniture & fittings	Art and Antiquities (Heritage)	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost or valuation								
At 1 April 2015	5,000	115,054	2,417	2,997	1,208	2,534	469	129,679
Additions	-	1,206	11	21	5	81	10	1,334
Donations	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	-	8,110	13	2	2	-	-	8,127
At 31 March 2016	**5,000**	**124,370**	**2,441**	**3,020**	**1,215**	**2,615**	**479**	**139,140**
Depreciation								
At 1 April 2015	-	-	1,979	2,813	1,089	2,020	-	7,901
Charged in year	-	2,487	189	92	84	91	-	2,943
Disposals	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	-	(2,487)	3	1	-	-	-	(2,483)
At 31 March 2016	**-**	**-**	**2,171**	**2,906**	**1,173**	**2,111**	**-**	**8,361**
Carrying amount								
At 31 March 2016	**5,000**	**124,370**	**270**	**114**	**42**	**504**	**479**	**130,779**
At 31 March 2015	**5,000**	**115,054**	**438**	**184**	**119**	**514**	**469**	**121,778**
Asset financing								
Owned	**5,000**	**124,370**	**270**	**114**	**42**	**504**	**479**	**130,779**
Financed leased	-	-	-	-	-	-	-	-
On-balance sheet PFI contracts	-	-	-	-	-	-	-	-
At 31 March 2016	**5,000**	**124,370**	**270**	**114**	**42**	**504**	**479**	**130,779**

Parliament Buildings is an operational heritage asset which opened in 1932, and as such is included in the Commission's property, plant and equipment figures.

A full valuation of Parliament Buildings and the land on which it is situated was undertaken by Lands and Property Services at 18 January 2016 and an updated valuation was undertaken on 31 March 2016. The reason for the increase in valuation is predominantly as a result in the increase to the BCIS (Building Cost Information Service) Index. This is the resource Land and Property Services use to work out the cost to replace an asset. An increase in this index arises when it is deemed more expensive to build. The index as at 31 March 2016 was 281 (31 March 2015; 258) - an increase of 8.9%. Other property, plant and equipment are valued using indices reflecting the period-end position obtained from the Office for National Statistics. Donated assets with a carrying amount of £1k are included under Furniture & fittings.

Non-Operational Heritage Assets relate to the Assembly's art and antique collection. The collection includes a number of paintings, antiques and parliamentary items which were inherited by the Assembly from previous legislatures. Prior to the implementation of IAS 20 the value of these donated assets was represented by a credit balance in the donated asset reserve. Following the removal of this reserve the value of the assets has been recorded in the General Fund as though they were treated as income upon receipt. The last full valuation of the collection indicated that its value at 31 December 2010 was £442,000. Additional donated assets and acquisitions of £27,000 (2012-13) and £10,000 (2015-16) were included in the valuation for this asset category. This valuation was undertaken by a professional valuer, Mark Donnelly Fine Art Consultant, who worked for Sotheby's for many years. It is intended that further full valuations of the collection will be carried out at the commencement of each new mandate.

2014-15

	Land	Buildings	Information technology	Office equipment	Security Equipment	Furniture & fittings	Art and Antiquities (Heritage)	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost or valuation								
At 1 April 2014 (restated)	5,000	108,320	2,319	2,981	1,165	2,512	469	122,766
Additions	-	3,954	165	9	38	18	-	4,184
Donations	-	-	-	-	-	-	-	-
Disposals	-	-	(76)	-	-	-	-	(76)
Impairments	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	-	2,780	9	7	5	4	-	2,805
At 31 March 2015	**5,000**	**115,054**	**2,417**	**2,997**	**1,208**	**2,534**	**469**	**129,679**
Depreciation								
At 1 April 2014 (restated)	-	-	1,820	2,679	975	1,949	-	7,423
Charged in year	-	2,315	233	131	111	70	-	2,860
Disposals	-	-	(76)	-	-	-	-	(76)
Impairments	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	-	(2,315)	2	3	3	1	-	(2,306)
At 31 March 2015	**-**	**-**	**1,979**	**2,813**	**1,089**	**2,020**	**-**	**7,901**
Carrying amount								
At 31 March 2015	**5,000**	**115,054**	**438**	**184**	**119**	**514**	**469**	**121,778**
At 31 March 2014 (restated)	**5,000**	**108,320**	**499**	**302**	**190**	**563**	**469**	**115,343**
Asset financing								
Owned	5,000	115,054	438	184	119	514	469	121,778
Financed leased	-	-	-	-	-	-		-
On-balance sheet PFI contracts	-	-	-	-	-	-		-
At 31 March 2015	**5,000**	**115,054**	**438**	**184**	**119**	**514**	**469**	**121,778**

8 Intangible Assets

2015-16

	Information Technology £'000	Software Licences £'000	Total £'000
Cost or valuation			
At 1 April 2015	607	836	1,443
Additions	8	148	156
Donations	-	-	-
Disposals	(31)	-	(31)
Impairments	-	-	-
Revaluations	6	14	20
At 31 March 2016	**590**	**998**	**1,588**
Amortisation			
At 1 April 2015	405	570	975
Charged in year	97	155	252
Disposals	(13)	-	(13)
Impairments	-	-	-
Revaluations	3	3	6
At 31 March 2016	**492**	**728**	**1,220**
Carrying amount at 31 March 2016	**98**	**270**	**368**
Carrying amount at 31 March 2015	**202**	**266**	**468**
Asset financing			
Owned	98	270	368
Leased	-	-	-
At 31 March 2016	**98**	**270**	**368**

2014-15

	Information Technology £'000	Software Licences £'000	Total £'000
Cost or valuation			
At 1 April 2014	544	667	1,211
Additions	58	163	221
Donations	-	-	-
Disposals	-	-	-
Impairments	-	-	-
Revaluations	5	6	11
At 31 March 2015	**607**	**836**	**1,443**
Amortisation			
At 1 April 2014	279	404	683
Charged in year	125	164	289
Disposals	-	-	-
Impairments	-	-	-
Revaluations	1	2	3
At 31 March 2015	**405**	**570**	**975**
Carrying amount at 31 March 2015	**202**	**266**	**468**
Carrying amount at 31 March 2014	**265**	**263**	**528**
Asset financing			
Owned	202	266	468
Leased	-	-	-
At 31 March 2015	**202**	**266**	**468**

9 Impairments

The total impairment charge for the year was made up as follows:

	2015-16		2014-15	
	SOCNE	**Revaluation Reserve**	**SOCNE**	**Revaluation Reserve**
	£'000	**£'000**	**£'000**	**£'000**
Land & Buildings	-	-	-	-
Information technology	(4)	-	8	-
Office equipment	(37)	-	-	-
Security Equipment	(12)	-	-	-
Furniture & fittings	9	-	-	-
Intangible Assets	(4)	-	-	-
Assets Held for Sale	-	-	(14)	-
Total	**(48)**	**-**	**(6)**	**-**

10 Capital and Other Commitments

10.1 *Capital Commitments*

Capital expenditure authorised at 31 March 2016 was as follows:

	2015-16	**2014-15**
	£'000	**£'000**
Contracted capital commitments at 31 March not otherwise included in these financial statements:		
Property, plant and equipment:	1,202	2,358
Intangible assets:	932	500
As at 31 March 2016	**2,134**	**2,858**

10.2 *Commitments under leases*

10.2.1 Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	2015-16	**2014-15**
	£'000	**£'000**
Other:		
Not later than one year	-	5
Later than one year but not later than five years	-	-
Later than five years	-	-
	-	**5**

The Assembly Commission has entered into an operating lease for the provision of a hired vehicle to transport staff between Parliament Buildings and decant accommodation for the duration of the capital project to repair the roof of Parliament Buildings. This lease ended in 2015-16.

10.2.2 Finance Leases

There are no obligations under finance leases.

10.3 *Commitments under PFI and other service concession arrangements*

There were no such commitments at 31 March 2016.

10.4 *Other financial commitments*

The Assembly has entered into non-cancellable contracts (which are not leases or PFI contracts), for a wide range of services and maintenance. The payments to which the Assembly is committed are as follows:

	2015-16 **£'000**	**2014-15** **£'000**
Not later than one year	733	1,148
Later than one year but not later than five years	1,200	7,833
Later than five years	7,471	1,351
	9,404	**10,332**

11 Financial instruments

As the cash requirements of the Assembly Commission 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 Commission's expected purchase and usage requirements and the Commission is therefore exposed to little credit, liquidity or market risk.

12 Investments and loans in other public sector bodies

The Assembly has no investments or loans in other public sector bodies.

13 Assets classified as Held for Sale

	2015-16	**2014-15**
	£'000	**£'000**
Land & Buildings	0	0
	0	**0**

14 Inventories

The Assembly does not hold any inventories.

15 Cash and cash equivalents

	2015-16 £'000	2014-15 £'000
Balance at 1 April	347	(863)
Net change in cash and cash equivalent balances	(528)	1,210
Balance at 31 March	**(181)**	**347**
The balances at 31 March were held at:		
Commercial banks and cash in hand	**(181)**	**347**

16 Trade receivables and other current assets

	2015-16 £'000	2014-15 £'000
Amounts falling due within one year:		
VAT	116	297
Prepayments and accrued income	73	56
Other receivables	20	25
Amounts due from the Consolidated Fund in respect of supply	190	-
	399	**378**
Amounts falling due after more than one year:	**-**	**-**

17 Trade payables and other current liabilities

	2015-16 £'000	2014-15 £'000
Amounts falling due within one year:		
Other taxation and social security	1,030	934
Other payables	1	20
Accruals and deferred income	1,532	2,292
Amounts issued from the Consolidated Fund for supply but not spent at year end	-	283
Consolidated Fund extra receipts due to be paid to the Consolidated Fund:		
Received	10	65
Receivable	-	-
	2,573	**3,594**
Amounts falling due after more than one year:	**-**	**-**

Accruals and deferred income relate to both Member's Office Costs Expenditure and the Assembly Secretariat.

18 Provisions for liabilities and charges

	Pension Costs	Personnel Management Costs	Total
	£'000	£'000	£'000
Balance at 1 April 2015	11,600	-	11,600
Provided in the year	1,200	-	1,200
Provision not required written back	-	-	-
Provision utilised in the year	-	-	-
Borrowing Costs	-	-	-
Balance at 31 March 2016	**12,800**	**-**	**12,800**

Analysis of expected timing of discounted flows

	Pension Costs	Personnel Management Costs	Total
	£'000	£'000	£'000
Not later than one year	-	-	-
Later than one year and not later than five years	-	-	-
Later than five years	12,800	-	12,800
Balance at 31 March 2016	**12,800**	**-**	**12,800**

	Pension Costs	Personnel Management Costs	Total
	£'000	£'000	£'000
Balance at 1 April 2014	6,000	-	6,000
Provided in the year	5,600	-	5,600
Provision not required written back	-	-	-
Provision utilised in the year	-	-	-
Borrowing Costs	-	-	-
Balance at 31 March 2015	**11,600**	**-**	**11,600**

Analysis of expected timing of discounted flows

	Pension Costs	Personnel Management Costs	Total
	£'000	£'000	£'000
Not later than one year			
Later than one year and not later than five years			
Later than five years	11,600	-	11,600
Balance at 31 March 2015	**11,600**	**-**	**11,600**

18.1 *Pension Costs*

Pension benefits for Assembly Members are provided through the Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). The rules of the Scheme require the employer to meet the balance of the cost of providing the benefits as recommended by the actuary from time to time. There is a liability of £12.8 million and, in accordance with FReM and IAS 19, this has been provided for in the 2015-16 financial year.

The value of £12.8 million was estimated by the Government Actuary's Department and represents the excess of the Scheme liabilities (£41.1 million) over its assets (£28.3 million) at the Statement of Financial position date. . The principal financial assumptions used by the Actuary to establish the present value of the future obligation were a discount factor of 3.55% (2014-15; 3.3%) (this rate reflects the real yields experienced in the bond markets for high quality corporate bonds rated AA or higher and equivalent in currency and term to the scheme liabilities), the rate of notional investment return in excess of pension increases (CPI) of 1.3% (2014-15; 1.1%) and notional investment return less than earnings increases of -0.6% (2014-15; -0.9%). Demographic assumptions impacting the incidence of benefit outflow have also been applied including factors such as mortality and withdrawal from service.

The Assembly Members' Pension Fund is administered by Trustees appointed by the Assembly. The Annual Report and Accounts is audited by the Comptroller and Auditor General.

19 Contingent liabilities

The Assembly Commission has a contingent liability in that under the Northern Ireland Assembly (Members' Expenditure) Determination 2012 there are certain payments that MLAs are entitled to receive should they not get re-elected to the Assembly. An Assembly election was held on 5 May 2016. Those MLAs who were not re-elected received these payments in May 2016 amounting to £240k. As the event which caused the liability to arise occurred after the year end (i.e. the election), this amount is disclosed as a contingent liability.

In addition to contingent liabilities reported within the meaning of IAS37, the Assembly Commission also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. A Remote Contingent Liability exists at the Balance Sheet date in respect of the full implementation of the 2011 pay and grading review with regard to allowances presently in payment. The possible transfer of economic benefits will only become clear if one or more uncertain events arise.

20 Related-party transactions

The Assembly Commission is independent from the Executive for funding purposes. It has a number of transactions with the Executive and with other Government Departments and public bodies. Most of these transactions have been with the Department of Finance.

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

The Commission supports the work of the Northern Ireland Assembly and Business Trust (NIABT). The NIABT is an independent educational charity which serves to provide Assembly Members with a better insight into how the local business sector operates and to improve the business community's understanding of how the Assembly and Devolution works. The NIABT's board of Trustees consists of 6 MLAs, one senior member of Secretariat staff and 7 representatives from the business community. Two additional Trustees have been co-opted to the Board, one business representative and an additional senior member of the Secretariat Staff.

During 2015-16, the Commission and NIABT jointly sent representatives to attend externally organised events. In 2015-16 the Commission facilitated the payment of some expense on behalf of the NIABT with the NIABT refunding the Commission for these costs. In total £92 was paid by the Commission in this period and of this amount £92 remains outstanding at 31 March 2016. In 2014-15 the NIABT facilitated the payment of some expenses on behalf of the Assembly Secretariat with the Commission refunding the NIABT for their portion of costs. In total £8,500 was paid by the NIABT on behalf of the Commission in this period and of this amount £8,500 remained outstanding at 31 March 2016.

The Commission also supports the work of Politics Plus Limited (formerly known as Northern Ireland Assembly Legislative Strengthening Trust). Politics Plus was established as an independent and non-partisan organisation with the objective of enhancing the capacity of elected Members of the Northern Ireland Assembly and representatives of political parties. This objective directly supports the Commission's vision of "*an Assembly which builds a better future for the people of Northern Ireland through fostering a peaceful, stable and prosperous society*." During 2015-16, Politics Plus' board of Trustees included 5 MLAs.

During the year, the Commission engaged the Politics Plus programme (operated by the Politics Plus Limited) to provide training and development opportunities for Members. The value of this engagement was £50,000 by way of a grant (2014-15; £50,000). In addition, the Assembly Secretariat facilitated the payment of some travel expenses on behalf of the Politics Plus during 2015-16 with Politics Plus refunding the Assembly for these costs. In total £9,170 (2014-15; £3,393) has been paid by the Assembly Secretariat on behalf of Politics Plus in this period and of this amount £8,870 (2014-15; £2,213) has been reimbursed and £300 (2014-15; £1,180) remains outstanding.

No other Members, key managerial staff or other related parties have undertaken any material transactions with the Northern Ireland Assembly during the year.

21 Third-party assets

The Assembly Commission does not have any assets for which the Commission acts as custodian or trustee but in which neither the entity nor government more generally has a direct beneficial interest.

22 Entities within the Assembly boundary

The Assembly Commission does not currently support any Agencies, Non-Departmental Public Bodies (NDPBs) or trading funds.

23 Events after the Reporting Period

There have been no events between the end of the reporting period and the date when the financial statements are authorised for issue which require adjustment or disclosure under IAS10.

Date authorised for issue

The Accounting Officer / Clerk to the Assembly authorised these financial statements for issue on 28 June 2016.

The Speaker

Northern Ireland
Assembly

Office of the Speaker
Room 39, Parliament Buildings
Ballymiscaw, Stormont
Belfast BT4 3XX

Tel: +44 (0) 28 9052 1130
Fax: +44 (0) 28 9052 1959
email: speaker@niassembly.gov.uk

Mr Trevor Reaney
Clerk to the Assembly/Chief Executive
Northern Ireland Assembly
Parliament Buildings
Belfast
BT4 3XX

23 June 2014

Dear Trevor

DELEGATION OF FUNCTIONS (REVISED JUNE 2014)

The Northern Ireland Assembly Commission ('the Commission') was established by section 40(1) of the Northern Ireland Act 1998 to perform the functions conferred on it by any enactment or any resolution of the Assembly. In particular, section 40(4) confers upon it the function of providing the Assembly, or ensuring that the Assembly is provided, with the property, staff and services required for the Assembly's purposes.

Paragraph 4 of Schedule 5 to the 1998 Act states that the Northern Ireland Assembly Commission may delegate any of its functions to the Presiding Officer or a member of staff of the Assembly. The Clerk/Chief Executive is the senior staff member of the Assembly and as with all staff of the Assembly is responsible to the Commission.

Under paragraph 4 of Schedule 5 of the Act, the Assembly Commission hereby delegates to you all its functions (whether under any enactment or any resolution of the Assembly) including the responsibility for the management of staff subject to the following exceptions and conditions:

(a) matters relating to your appointment, terms and conditions and remuneration;

(b) matters relating to the appointment, terms and conditions and remuneration of any Directors;

(c) your appraisal (the Speaker will deal with this in consultation with Commission members);

(d) final decisions on discipline and grievance issues relating to you, and Directors;

(e) matters relating to salaries and pensions for staff and new or significant variations to terms and conditions and personnel policies which have significant direct budget implications;

SP154_14

(f) matters relating to the appointment, terms and conditions and remuneration for public and non-executive appointments made by the Commission;

(g) the approval of the annual budget;

(h) the approval of expenditure on capital projects above £1m and service contracts above £1m (whole of life cost);

(i) exercise of the power to borrow money provided by paragraph 3 (4) of Schedule 5 to the Act; and

(j) approval of Consultancy expenditure above £10,000 to be sought from the Speaker, acting as Chair of the Commission.

You must consult the Commission before:

(a) making appointments at Director level;

(b) creating new Director posts or abolishing existing Director posts;

(c) authorising ICT and consultancy projects in excess of £50,000; and

(d) authorising expenditure on matters that could reasonably be regarded as novel or contentious.

The delegation of functions mentioned above does not prevent the exercise of those functions by the Commission.

You may sub-delegate functions mentioned above but this does not prevent the exercise of those functions by the Commission.

In exercising the functions delegated to you, you and any staff to whom you further sub-delegate any functions should act, in accordance with the corporate values included in the Assembly's Corporate Strategy:

(a) ensure propriety in the consumption of resources allocated to the Assembly Commission by following all relevant procedures in procurement and financial control;

(b) seek wherever practicable to take account of environmental and sustainable considerations;

(c) apply the Assembly's rules fairly and equally to all MLAs, in particular in relation to allowances.

You are also required to consult the Assembly Commission on any matters which could reasonably be considered as novel, contentious or potentially politically sensitive.

Yours sincerely,

WHay

WILLIAM HAY MLA

Northern Ireland Assembly

Published by the Northern Ireland Assembly

This document is available online
www.niassembly.gov.uk

Mail, Telephone, and E-mail
Northern Ireland Assembly
Parliament Buildings, Ballymiscaw,
Stormont, Belfast, BT4 3XX

General enquiries: 028 90 521137
E-mail: info@niassembly.gov.uk
Textphone: 028 90 521209

ISBN: 978-1-78619-263-9