Northern Ireland Assembly

Northern Ireland Assembly Commission Annual Report and Accounts For the year-ended 31 March 2017

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Report and Accounts for the year ended 31 March 2017

The Northern Ireland Assembly Commission (the "Commission") presents its Annual Report and Accounts for the financial year ended 31 March 2017.

PERFORMANCE REPORT - Performance Overview

The purpose of this overview is to provide a short summary of the Commission's performance for the reporting year. It is aimed at giving sufficient information to stakeholders so that they may gain an understanding of the organisation, its purpose, the key risks it faces and how it has performed during the year.

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 elected Members.

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 an original version of its Corporate Strategy for 2012-16 which clearly defined 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 embedded corporate planning process is reviewed annually as part of the development of the annual Directorate business plans, 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), 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 twofold:

> *"… an Assembly which builds a better future for the people of Northern Ireland through fostering a peaceful, stable and prosperous society.*
>
> *"… best serve the Assembly in that task by being at the forefront of providing progressive, effective and efficient parliamentary services".*

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. *Providing effective and high quality support to the Assembly;*
2. *Enabling and delivering change; and*
3. *Being a progressive and efficient Commission.*

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; and*
- *Being open and transparent.*

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

3 *One Team - which is demonstrated by:*
- *Team Working;*
- *Respect for others; and*
- *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

Following the restoration of the Assembly on 8 May 2007, the principal risk relating to the work of the Assembly arose from the ongoing political environment. This risk decreased in the intervening years as the Assembly successfully completed two mandates. However, following the resignation of the First and deputy First Ministers in January 2017 and the failure to form an Executive following the subsequent Assembly election in March 2017, political uncertainty once again represents the most apparent risk to the ongoing work of the Commission.

The Annual Report and Resources Accounts have been prepared in the context of this period of political uncertainty. The Secretariat continue to be ready to support the Assembly once the political talks have concluded and an Executive can be formed. Whilst this current period of uncertainty might be classed as a principal risk, this is a risk that is wholly outside the control of the Commission and, as such, it cannot be captured in normal risk management processes. However, it is recognised that the prevailing political environment may have an impact on the delivery of some of the corporate objectives and this has been considered in the latest update to the Corporate Risk Register.

It is also recognised that the prevailing economic climate represents a risk to the levels of service delivered by the Secretariat. If a situation was to arise where the levels of service could not be delivered within the financial resources available to the Commission, the Commission may need to re-assess its objectives for effective service delivery to Members. In all cases, the costs associated with Members are established by legislation and must be fully funded.

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 23. SMG is responsible for both the corporate planning process and the implementation of the Risk Management Strategy. The on-going corporate planning process and the administration of the Risk Management Strategy 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 29 to 36.

Chief Executive's Performance Overview

This is the first Performance Overview that I have presented since my appointment as Clerk to the Assembly / Chief Executive in June 2016.

In the Performance Overview for 2015-16 my predecessor, Trevor Reaney, noted that the work of the Commission was significantly impacted by the complexities of the political environment that existed during that year. During 2016-17, those political complexities again predominated with two Assembly elections taking place during the year (in May 2016 and March 2017). Aligned to the first election in May 2016 was the introduction of a wholly revised system of financial support for Members.

As in the preceding year, the Commission delivered a significant reduction to its controllable expenditure during 2016-17. While the Commission's overall budget for 2016-17 was maintained at the 2015-16 level (which reflected a reduction of 8% on the previous year), a further reduction of £1.035m to controllable costs was delivered in the June 2016 Monitoring Round. Some £979k of that total was used to offset the increased costs resulting from the May 2016 Assembly election. Further cost savings over the remainder of the year meant that the increased costs resulting from the March 2017 election were subsumed by the Commission.

In terms of performance against the measures of success set out in the revised Corporate Strategy 2015-17, seven of the ten measures were fully achieved, two were partially achieved and one was not achieved. During the year, two hundred and thirteen out of the two hundred and forty-eight targets (85.9%) contained in Directorate business plans were achieved.

The uncertainty for the organisation and, in particular, for the staff of the Assembly Secretariat that arises during periods of political uncertainty should not be under-estimated. However, I am pleased to report that the standard of delivery to Members was maintained at its usual exemplary standard throughout the year, in spite of the political complexities that the Secretariat faced.

I would like to thank the Secretariat staff for their continued hard work and commitment and for the high standard of service provided to the Assembly and its Committees.

Performance Summary

The Corporate Strategy contains a relatively small number of measures of success for each of the three Strategic Goals. Performance against of these measures is discussed in detail within the Performance Analysis at page 6. The performance of the Secretariat can be measured by the success of attaining these goals within the context of financial performance against budget.

The Corporate Strategy is underpinned by a series of Directorate and business area plans. The established governance framework means that the delivery of Directorate plans is monitored and measured on a quarterly basis and is reported to SMG and the Commission. During the year a total of two hundred and forty-eight separate targets were set across the Secretariat. By 31 March 2017, two hundred and thirteen targets (85.9%) were achieved. The detail of those targets that were not fully achieved as at 31 March 2017 is recorded in the Performance Analysis commencing at page 6.

The final total outturn for the year was £39.198 million against an allocation of £46.973 million. The outturn for the Net Resource Requirement was £37.772 million, against an allocation of £45.003 million. The Capital outturn was £1.426 million against an allocation of £1.970 million. The significant levels of underspend reflect the fact that, unlike previous years, the outturn is compared to the allocation set out in the Main Estimates. The political uncertainties that persisted towards the end of the 2016-17 financial year meant that the Spring Supplementary Estimate process did not take place. Therefore, any adjustments to the Commission's budgetary requirements during 2016-17 were not reflected in a revised allocation contained in a Spring Supplementary Estimate.

A detailed analysis and explanation of performance can be found in the Performance Analysis section of the Performance Report on pages 6 to 22.

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 Committee meetings facilitated).*
		2. Member satisfaction rate above 80%.	Partially Achieved. *(78% of Members interviewed said they were 'satisfied' or 'very satisfied' with the services provided by the Secretariat. The remainder said that they were mostly satisfied with the services but identified a number of issues which are being addressed by senior management. No Member said they were dissatisfied with the services).*
		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+".	**1. SP15+ Programme fully implemented by 31 March 2017.**	Achieved. (*SP15+ Programme concluded at 31 March 2016 and was superseded by the Assembly 21 Programme).*
	2. Plan for, and manage the implementation of, agreed institutional reforms.	**2. Institutional reforms implemented within agreed timescales.**	Achieved. *(The Assembly provided support in progressing the Assembly and Executive Reform Act 2016 and developing the Standing Orders to implement the Fresh Start Agreement).*
	3. Prepare for, and ensure smooth transition to, the 2016-21 mandate.	**3. End of mandate and election plans developed and implemented by 30 June 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.	**1. Staff to undertake an average of 2.5 learning and development days per year.**	Achieved. *(On average, 3.86 learning and development days were undertaken by staff).*
	2. Deliver service standards against a reducing budget whilst driving income generation through innovative partnerships.	**2. Annual DEL Resource expenditure within 1.5% underspend on total budget.**	Not achieved. *(As noted in the Annual Report, the performance is measured against the Main Estimate position this year. This opening budget position did not accurately reflect the Commission's requirements).*

STRATEGIC AIMS	TO ACHIEVE THIS AIM WE WILL:	MEASURES OF SUCCESS	OUTCOME
	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. *(A 2-year trial period was approved by the Commission on 2 December 2015. The scheme was extended and expanded by the Commission in January 2017).*
		4. Annual level of overall audit assurance at least satisfactory.	Achieved. (*Assurance level was "satisfactory" for 2016-17*).

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 two hundred and forty-eight separate targets were set across the Secretariat. By 31 March 2017, two hundred and thirteen targets (85.9%) were achieved. The analysis below sets out those targets which were not fully achieved as at 31 March 2017.

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
Accurate and relevant internal and external communications.	Address supplier concerns regarding e-TendersNI accessibility issue by 31 December 2016.	Central Procurement Directorate advised that it had no complaints from the wider Civil Service supplier community and that the system was widely accepted. There are no plans to drop the Java tools embedded in e-TendersNI which is one of the accessibility barriers. Supplier concerns cannot therefore be

Directorate Activity	Specific Target	Reason for non-achievement
		addressed if e-TendersNI continues to be used.
Accurate and relevant internal and external communications.	Publish Members' and Financial Assistance for Political Parties (FAPP) expenditure on the NIA website for 1 October to 31 December 2016 by 25 February 2017.	Publication was delayed due to changes to reporting arising from the 2016 Independent Financial Review Panel determination and changes to staffing responsibilities.
Continue to develop the Assembly Information Management System (AIMS) procedural data programme.	Rewrite of questions and plenary functions re-scoped and re-scheduled for completion April 2017.	Progress was delayed due to resource pressures. Written Questions Self-Services functionality is complete. Order Paper and Indicative Timings functionality is with the Business Office for final testing at the end of June. Further phases for Questions and Plenary are planned.
Roof refurbishment project.	Warranty period due to end 30 September 2016; outstanding work items/snags to be completed. Final account to be agreed.	Resolution of snag items with the contractor has taken longer than expected which has impacted agreement of the final account.
Implement SharePoint Electronic Document Management pilot system.	Pilot to replace shared folder structure with online repository March 2017.	Limited progress has been made due to resource pressures and technical issues with new version of SharePoint. The revised date for commencement of the pilot is September 2017.
Replacement of Secretariat analogue telephones with Voice over Internet Protocol (VoIP) system.	Appoint Project Board by April 2017.	Appointment of the Project Board was delayed due to recruitment of a Project Manager and the unavailability of the Senior Reporting Officer.
Develop and implement e-petitions system. Timescales dictated by Procedures Committee.	Estimated at January 2017 (dependent on Committee on Procedures review).	The ePetitions system has been fully developed and tested internally. The launch however is dependent on the appointment of the new Assembly Committee on Procedures following the 2017 Assembly election.
Fully implement Parliament Buildings room booking system.	Testing by Events Office January 2017.	Implementation was delayed due to enhancement of the specification. The system is undergoing final user acceptance testing and is expected to be fully operational by the end of June

Directorate Activity	Specific Target	Reason for non-achievement
		2017.
Review of External Lighting Policy.	As agreed by Commission once the new system is operational.	Installation of new external lighting was completed, as anticipated in May 2017 and the accompanying policy will be reviewed in 2017/18.
Continued development and maintenance of the Assembly Business Continuity Plan.	To hold the next Consultant led Business Continuity exercise by end of March 2017.	A Business Continuity exercise was scheduled for March 2017 but this had to be postponed to April 2017 due to operational priorities.
Support of security review of Parliament Buildings.	To progress any remaining Commission approved Security recommendations.	Work on the outstanding security enhancements was slightly delayed and was completed in April 2017.
Review of functionality of Security Management System.	Tenders will be invited from specialist security consultants in January 2017, to take this forward and report by March 2017.	The procurement/award exercise of the SMS consultant was slightly delayed and as a result the report was received in April 2017.
Provision of adequate mobile phone services.	EE (mobile provider) proposal to resolve ongoing issues.	A new booster system was installed to resolve the issue and this is awaiting testing and commissioning. As anticipated this was completed in May 2017.
External lighting system.	Installation due by end March 2017.	The programme was delayed to end May 2017 due to contractor delays.
New ramped access between Ground Floor and Lower Ground Floor.	Ramped access by end of February 2017.	The programme was delayed to end June 2017 due to contractor delays.
Progress the agreement and implementation of the Memorandum of Understanding between the Assembly and Executive on the Budget process.	30 September 2016.	Not achieved due to lack of agreement with Department of Finance.
Advance current draft of the “Public Finance Protocol on Information and Data Sharing”.	30 September 2016.	Not achieved due to lack of agreement with Department of Finance.
Develop and commence the implementation of a cross-directorate plan to further strengthen research, communications and engagement support for Assembly committees.	31 March 2017.	Partially delivered, due to competing business pressures.

Directorate Activity	Specific Target	Reason for non-achievement
Develop and implement new contractual arrangements for Bill drafting and printing.	31 November 2016.	Bill printing is complete and Bill drafting was completed in April 2017 due to competing business pressures.
Develop outline proposals for the future electronic delivery of plenary, committee, research and engagements publications and services.	31 March 2017.	Not achieved due to increased levels of plenary business following the May 2016 election and subsequent dissolution of the Assembly.
Develop a plan for, and commence, the implementation of the Declaration on Parliamentary Openness.	31 March 2017.	Not achieved due to 2017 Assembly election.
Deliver Audit Plan 2016/17 in light of SP15+ and other impacts.	100% by 31 March 2017.	One review remains outstanding at the end of the year as the necessary information is being collated by the business area.

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 with the following exceptions:

Directorate Activity	Specific Target	Reason for non-achievement
Commence preparation for a comprehensive review of Standing Orders.	31 March 2017.	Not achieved due to increased levels of plenary business following the May 2016 election and subsequent dissolution of the Assembly.
Accommodation/space review to meet the changing needs of the Assembly.	31 March 2017.	Not achieved due to workload/resource issues.

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
Specific HR policies and procedures appropriately consulted, developed and communicated.	Review of draft Organisational Development Strategy in conjunction with development of Corporate Strategy by 31 December 2016.	The Organisational Development Strategy was reviewed in December 2016 and will be further tailored if required once the new Corporate Strategy is agreed.
Liaison with Trade Union Side (TUS).	Review of the Joint Agreement by 31 December 2016.	The review has been delayed due to other priorities but the existing Joint Agreement remains in place.
Review of processes and procedures.	Review of Business Justifications and Cases Policy including use of the Decision Authorisation System for recording and reporting by 31 December 2016.	A comprehensive review of the Policy was undertaken during the year which will be finalised early in 2017/18.
Develop an organisational wide approach to benchmarking.	Methodology for benchmarking developed and disseminated to all Business Areas by 31 December 2016.	Benchmarking now to be incorporated into revised Organisational Development Strategy.
Review and application of organisational systems and processes.	Post Procurement Exercise of the web-based purchasing system (PECOS) to evaluate project deliverables by 30 September 2016.	Final review of report to be undertaken by HoB. Staffing resources within the Finance Office and implementation of new monthly reporting processes inhibited progress on completion of the report.
Sustainable Development.	Develop Strategic Plan by end March 2017.	Delayed due to workload and staff resource issues.
Facilities staff to participate in the Employer Supported Volunteering scheme once per year.	Yearly.	Lack of volunteers within the Directorate.
Legal Services Office exchange proposal delivered for Legal and Governance Services.	31 March 2017.	Pressure of business.
Further Development of SharePoint as Electronic Document and Record Management solution for Legal Services.	31 March 2017.	Awaiting Information Systems Office development.

Directorate Activity	Specific Target	Reason for non-achievement
Develop Directorate Learning & Development Strategy for 2017-2021.	31 January 2017.	Not achieved due to increased levels of plenary business following the May 2016 election and subsequent dissolution of the Assembly.
Develop an Internal Communications Plan.	31 December 2016.	Partially delivered: draft internal communications strategy considered by Secretariat Management Group (SMG) in February 2017 and development ongoing.

Review of Financial Performance

The Commission's budget for 2016-17 was agreed through the Budget 2016-17 process initiated by the then Minister for Finance in late 2015 / early 2016. In November 2015, the Commission engaged with the Minister and agreed that the controllable elements of the budget for 2016-17 would be reduced by further 5% from the 2015-16 baseline. This reduction was not applied to the full budget. Instead, it was only applied to those costs that are within the control of the Commission. The costs that are payable to Members, provided for under a determination issued by the Independent Financial Review Panel, were excluded from the 5% reduction as neither the Commission nor the Executive can amend these costs. This 5% cut was confirmed in the Main Estimates for the 2016-17 financial year. Through participation in monitoring exercises undertaken by the Department of Finance (DoF) and an internal management reporting cycle, the Commission closely monitored its resource and cash requirements over the course of the year.

During 2016-17, the Commission agreed a revised approach to setting its budget with the Executive. That revised approach will see the Commission present its draft budget proposals to the Assembly's Audit Committee who will scrutinise the draft budget in the same way as that Committee scrutinises the draft budgets for the Northern Ireland Audit Office and for the Northern Ireland Public Services Ombudsman. Once the Committee has finalised its scrutiny, it will report on its conclusions to the Assembly. The Assembly will then vote on the Commission's budget plans and, if approved, that budget will be forwarded to the DoF for inclusion, without amendment, in any subsequent budget presented to the Assembly by the Executive. An abridged version of that approach was adopted for the budget Commission's plans for the 2017-18 financial year.

The resource outturn for 2016-17 is shown in the table below:

	Outturn	**Budget**	**Under/(over)**	**Under/(Over)**
	£'000	**£'000**	**£'000**	**%**
Income	(46)	(46)	-	-
Gross Resource Requirement	37,818	45,049	7,231	16.05%
Net Resource Requirement	37,772	45,003	7,231	16.07%
Capital	1,426	1,970	544	27.61%
Total	39,198	46,973	7,775	16.55%

The budget figure that is normally utilised in the above table is the Spring Supplementary Estimate position but, following the dissolution of the Assembly in January 2017 and the subsequent election in March 2017, no Executive was formed. As a result, the normal process for approving the Spring Supplementary Estimate and passing the associated Budget Bill did not take place. Consequently, the Estimate position shown in the Performance Report and in following Statements contained in this Annual Report and Accounts is the Main Estimate position prepared in June 2016. Had the Spring Supplementary Estimate (SSE) and Budget Bill been completed, savings identified early in the 2016-17 year would have been reflected in the Commission's budget and the overall level of underspend would have been adjusted accordingly.

The Commission's budget, as reported within the Main or Supplementary Estimate, is not split by expenditure type. For internal budgetary purposes, the overall budget is broken down into a number of broad expenditure categories. The breakdown by expenditure category is set out in the table overleaf. For comparison purposes, a breakdown of the proposed SSE position is also provided.

Financial Performance by Expenditure Category							
Expenditure Category	**Outturn**	**Main Estimate**	**Proposed Spring Supplementary Estimate (SSE)**		**Performance Against Proposed SSE Under / (over)**	**Performance Against Main Estimate Under/ (over)**	**Performance Against Main Estimate Under/ (over)**
	£'000	**£'000**	**£'000**		**£'000**	**£'000**	**%**
Accruing Resources (Income)	-46	-46	-65		-19	0	0.00%
Salaries (incl VES)	15,667	18,028	15,761		94	2,361	13.10%
Secretariat Admin	4,819	4,666	5,039		220	-153	-3.28%
Party Allowance	752	849	857		105	97	11.43%
Members' Salaries	7,029	7,770	7,421	**	392	741	9.54%
Members' Office Costs	5,750	7,052	6,611	**	861	1,302	18.46%
Members' Other Costs	2,318	1,044	1,557	**	-761	-1,274	-122.03%
Depreciation & Impairment	3,076	3,395	3,200		124	319	9.40%
Profit / (loss) on disposal of assets	272	0	124		-148	-272	0.00%
Total DEL - Resources	**39,637**	**42,758**	**40,505**		**868**	**3,121**	**7.3%**
Members' Pension Finance Costs	1,400	2,200	12,025	*	10,625	800	36.36%
Notional Costs	35	45	40		5	10	22.22%
Prior Period Adjustment *(ref to note 18.2)*	(3,300)	-	-		3,300	3,300	0.00%
Total Estimate - Resources	**37,772**	**45,003**	**52,570**		**14,798**	**7,231**	**16.07%**
CAPITAL	**1,426**	**1,970**	**1,443**		**15**	**544**	27.61%

* This was the estimate of the provision based on the Actuary valuation of the Assembly Members' Pension Scheme at the end of November 2016.

** These estimates were calculated in advance of the dissolution of the Assembly and subsequent election in March 2017

The outturn on Net Resource Requirement was £37.772 million. The underspend of £7.231 million (16.07%) arose from four distinct elements, including the impact of the Prior Period Adjustment. For 2016-17, it should be recognised that there was a divergence in the opening allocations made by the Commission and those that were recorded by the DoF. This lead to larger than anticipated underspends in some categories of expenditure with Secretariat Salaries being a notable example. These misalignments were notified to DoF as part of the normal monitoring process in June 2016.

In monetary terms the most significant item that contributed to the underspend was the Prior Period Adjustment which is discussed below.

The next most significant item of underspend was Secretariat Salaries which showed an underspend of £2.361 million (13.10%) but this underspend was significantly affected by the misalignments noted above. The outturn for salaries was £15.667 million and includes the wages for permanently employed staff and agency workers. Excluding the misalignment of budgets, there were a number of specific contributory factors to this underspend. At the beginning of the year, the budget included an amount for an anticipated second Voluntary Exit Scheme but it was decided that this was not required and this funding (£370k) was surrendered at the earliest opportunity. The remaining underspend arose due to the number of permanent staff continuing to fall and as a result of a continued focus on centralised manpower planning especially during the period from dissolution of the Assembly January 2017 to the year-end.

In total, expenditure on costs associated with Members was £15.097 million which was £0.769 million less than anticipated (5.09%). This net reduction is mainly due to a reduction in Members' office costs of £1.302 million that was directly attributable to the implementation of the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016, as published by the Independent Financial Review Panel in March 2016. This determination was effective from 6 May 2016 following the May 2016 Assembly election. This reduction also includes some elements of expenditure that were included in the opening Estimate position as "office costs", but which are now classified as "Members' other costs", such as support staff employers National Insurance contributions. The new determination radically changed the financial support framework available to Members, not only in terms of the nature of expenditure that could be reimbursed, but also the quantum of support that is provided. Funding under the determination is available to meet the expenses incurred in respect of running and staffing a constituency office. The underspend as a result of this change was compounded by a number of returning Members failing to utilise the full level of funding that is available under the determination.

Within Members' costs, there was a net increase in Members' other costs of £1.274 million. The largest contributory factor to this was an increase in resettlement and winding up costs as a direct consequence of the second election during 2016-17, that was held in March 2017. Members' costs also include salaries which had an outturn of £7.029 million, an underspend of £0.741 million (9.54%). Leaving aside the incorrect amount that was initially allocated to this category of expenditure, the underspend was directly attributable to the impact of the dissolution of the Assembly in January 2017, the reduction in returning Members in March 2017 from 108 to 90 and the failure to appoint an Executive.

General administrative costs showed an outturn of £4.819 million with an overspend of £0.153 million (3.28%). However, the misalignment of the opening budget accounts entirely for this overspend. Funding was reallocated internally during the June monitoring round.

The amount provided for the Members' pension scheme was £1.400 million showing an underspend of £0.800 million (36.36%). This was due to a change in accounting policy which, is not reflected in Estimates. When the Estimate was prepared it was anticipated that a provision would be required for the net deficit of the scheme liabilities and assets. However, the revised accounting policy now means that only the net finance cost is recorded each year. Adjusting the accounting policy has given rise to a significant Prior Period Adjustment of £3.3 million. See Note 18.2 on page 87 for further information. As the Statement on Assembly Supply from previous years cannot be altered the total amount of the adjustment that relates to previous years must be accounted for in this year's outturn for Estimate purposes.

Capital expenditure shows an outturn of £1.426 million, which gives an underspend of £0.544 million when compared to the Main Estimate position. A number of projects were identified at the start of the year that would not be completed during the reporting period. The funding for these projects was surrendered back to DoF as part of the normal monitoring rounds but this was not reflected in the budget allocations due to the lack of a

Spring Supplementary Estimate. This outturn figure includes a loss on disposal of software licences, which can no longer be capitalised due to a contractual change in how the licences are supplied. As they can no longer be capitalised they have been removed from the asset register during the reporting period, resulting in an accounting loss. This was not anticipated at the start of the year and had not been included in the Main Estimate position.

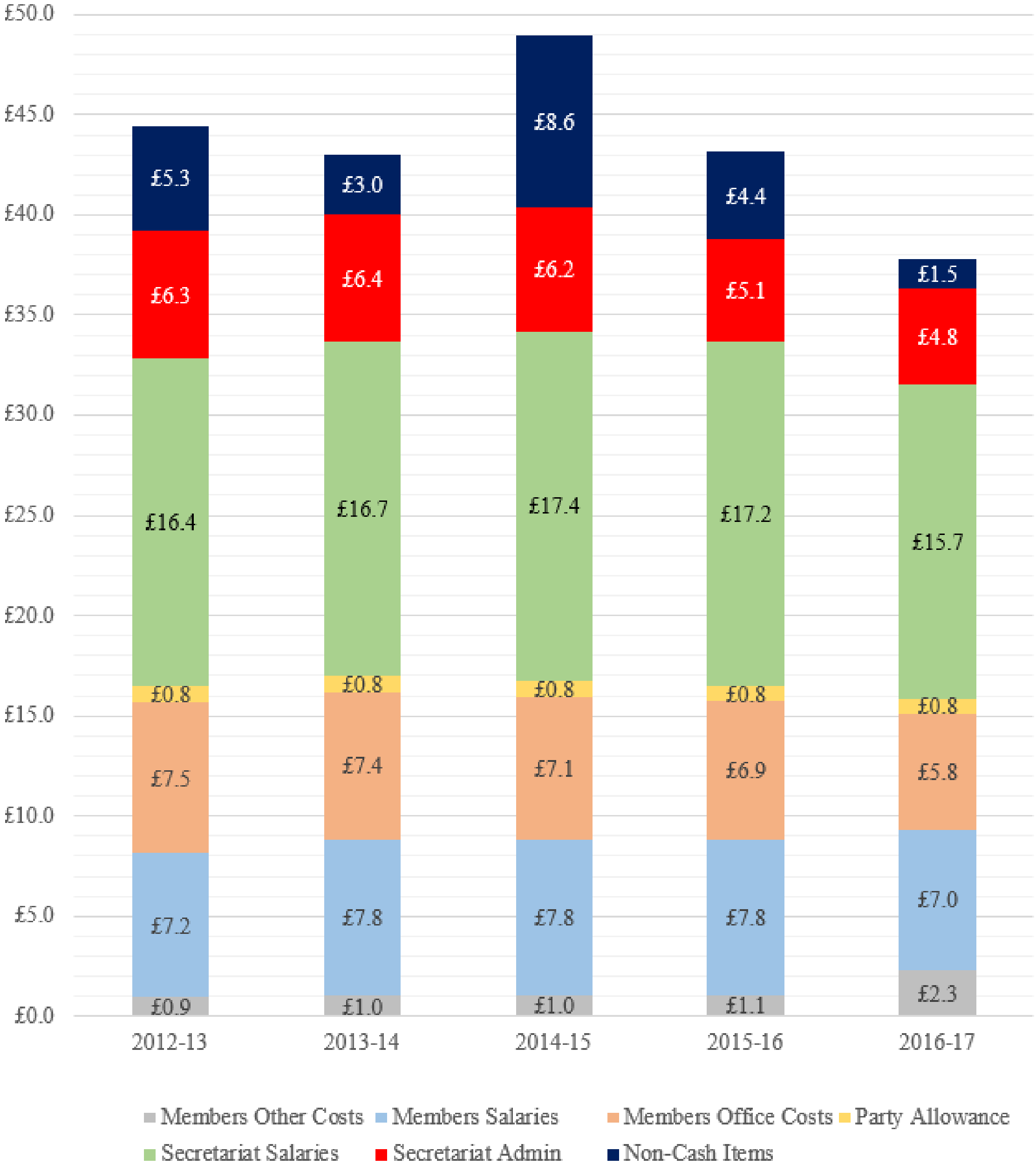
Long term expenditure trends

Chart 1, overleaf, shows the Commission's gross expenditure for the past five 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 actuarial valuation of the Assembly Members Pension Scheme, on the revaluation of Property, Plant and Equipment or the net gain or loss on revaluation of Intangibles.

This chart highlights the impact on Members' costs in the context of electoral cycles and also the impact of the recently implemented Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016.

CHART 1

GROSS EXPENDITURE BY TYPE (£m): 2012-13 to 2016-17



"Non-Cash Items" includes depreciation, impairment of assets, notional costs, provisions and Members Pension Finance costs. See Note 5 to the Accounts. 2016-17 also includes the Prior Period Adjustment in relation to Member's Pensions.

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	2016-17 £'000	**2015-16 £'000**
Net Resource Outturn (Estimates)	**37,772**	**43,063**
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	(34)	(10)
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)	**37,738**	**43,053**
Adjustments to remove:		
Voted expenditure outside the budget	(35)	(37)
Adjustments to additionally include:	-	-
Other Consolidated Fund Extra Receipts	-	-
Resource Budget Outturn (Budget)	**37,703**	**43,016**
of which		
Departmental Expenditure Limits (DEL)	36,303	41,816
Annually Managed Expenditure (AME)	1,400	1,200

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 2016-17 the Commission paid 97.2% of bills, without queries, within this standard (2015-16; 97.6%).

In addition to this the Commission has sought to comply with DoF's initiative to pay all supplier invoices within a suggested target of 10 days. During 2016-17, 91.2% of invoices were paid within 10 days of being received (2015-16; 92.1%).

The Commission made no payment of interest under the Late Payment of Commercial Debts (Interest) Act 1988 during the year ended 31 March 2017.

Sustainability Report

The Commission has a long-standing commitment to being an exemplar organisation in respect of Sustainable Development. An Environmental Policy 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 was 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 and working towards the new standard ISO 14001:2015.

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 and environmental considerations are embedded across the organisation through environmental awareness training.

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 2016 was D which is very good for a building of its nature. Following the recent project to refurbish and repair the roof of Parliament Buildings, there has a significant reduction in energy usage due to additional building energy monitoring controls including the installation of photovoltaic (PV) panels and solar thermal tubes.

During 2016, the Commission retained its membership of Business in the Community Northern Ireland (BiTC) and has signed up to be a Silver Status Careers Member. BiTC is a leading authority on Corporate Social Responsibility (CSR) and Sustainable Development throughout the UK and Ireland. As a Silver Status Careers Member, Secretariat staff will participate in 3 specific challenges through the year as well as general volunteering days such as Environment Day. The Human Resources Office, Outreach Office and Facilities Directorate have worked closely with BiTC over the past year on an action plan. In addition, the SDO is working with Outreach colleagues to encourage staff to participate in volunteering for the Assembly's Charity of the Year.

Each year, the Commission participates in the BiTC Northern Ireland Environmental Benchmarking Survey. The Assembly received the Gold standard in 2015 and was able to improve on this in 2016 by attaining the Platinum standard. The Assembly, working in partnership with DoF has achieved Platinum standard in the BiTC Business and Biodiversity Award for the Stormont estate.

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 and the average amount of waste that is recycled continues 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. The SDO also hopes to work in partnership with EcoSchools and the Education Officers within the Assembly to help educate people on sustainability at the Assembly and at home.

The Commission has continued to promote 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 travelcards where repayments are made out of net salary).

The 'Cycle to Work scheme' has continued to grow with it now being open all year to staff and Members. The SDO worked closely with the Finance Office to put in place a new scheme with Cyclescheme NI which allow staff and Members to order bikes and equipment online.

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

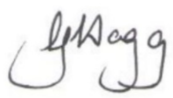
As the Commission is not a Government Department and does not provide services to citizens, its *Social, Community and Human Rights* impacts have a more internal focus.

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 £8.45 per hour.

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

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.

Signed:



Lesley Hogg
Accounting Officer
Clerk / Chief Executive
Date: 23 June 2017

ACCOUNTABILITY REPORT

Corporate Governance Report

The purpose of the Corporate Governance Report is to explain the composition and organisation of the Commission's governance structures and outline how these structures support the achievement of the Commission's objectives.

Directors' Report

The Commission and the Accounting Officer

The statutory basis for the Commission is provided in the Performance Report: Overview at page 1. On 9 May 2016, the Assembly elected Mr Robin Newton MLA as the new Presiding Officer (the Speaker) at which date he also became the chair of the Commission, replacing Mr Mitchell McLaughlin. The membership of the Commission for the 2016-17 year and the percentage attendance at meetings is given below:

Role	**Name**	**Percentage of Meetings attended**
Chairperson	Mr Mitchell McLaughlin (to 9 May 2016)	No meetings held in period
Chairperson	Mr Robin Newton (from 9 May 2016)	100%
Member	Mrs Judith Cochrane (to 31 May 2016)	No meetings held in period
Member	Mr Sam Gardiner MBE (to 31 May 2016)	No meetings held in period
Member	Mrs Karen McKevitt (to 31 May 2016)	No meetings held in period
Member	Ms Caitríona Ruane (to 31 May 2016)	No meetings held in period
Member	Ms Paula Bradley (to 31 May 2016)	No meetings held in period
Member	Mr Jim Wells (from 31 May 2016)	100%
Member	Mr Alex Maskey (from 31 May 2016)	100%
Member	Mr Ross Hussey (from 31 May 2016 to 23 Jan 2017)	60%
Member	Mr Alex Attwood (from 31 May 2016)	80%
Member	Mr Stewart Dickson (from 31 May 2016)	60%
Member	Mr Robin Swann (from 25 January 2017)	No meetings held in period

The work of the Commission is detailed in the Governance Statement on pages 29 to 36.

As Clerk to the Assembly, Mrs Lesley Hogg (Mr Trevor Reaney to 24 June 2016) is the principal adviser to the Assembly. As well as advising the Speaker on all procedural and organisational matters she 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 91.

The work of the Assembly Secretariat is organised and monitored by 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 Members in carrying out their Assembly functions.

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.

Membership of SMG:

Role	**Name**	**Percentage of Meetings attended**
Clerk / Chief Executive	Mr Trevor Reaney (up to 24 June 2016)	100%
Clerk/Chief Executive	Mrs Lesley Hogg (from 27 Jun 2016)	100%
Director of Parliamentary Services	Dr Gareth McGrath	82%
Director of Corporate Services	Mr Richard Stewart	100%
Director of Facilities	Mr Stephen Welch	91%
Director of Legal & Governance Services	Ms Tara Caul	91%

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 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 2016, a Register of Members' Interests for the fifth 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/

A Register of Interests was established by SMG in April 2016. This Register is also continually updated by individuals and reviewed formally annually by SMG. The last review was undertaken in March 2017. The latest version of the Register can be viewed at: http://www.niassembly.gov.uk/about-the-assembly/corporate-information/secretariat/secretariat-management-group/register-of-interests/

Pensions liabilities

Note 1.14 to the Accounts and the Remuneration and Staff Report on pages 37 to 52 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 59 of the Accounts. The notional cost of the work performed by the Northern Ireland Audit Office for 2016-17 was £35,000 (2015-16; £36,750) and related solely to audit services. The 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 the Northern Ireland Audit Office for 2016-17 was £2,521 (2015-16; £Nil).

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 she has taken all reasonable steps to make herself 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.

Communication with staff

The Commission and senior management make every effort to ensure that all staff are kept informed of the organisation's plans and developments. During the reporting period current internal communication practices have been reviewed and work has been undertaken to progress and implement a robust and sustainable Internal Communications Strategy for 2017-2020. From September 2016, responsibility for internal communications moved to the Communications Office within the Parliamentary Services Directorate.

Central to delivering the Commission's Vision is effective internal communications in an environment where communication is a two-way process between staff and management. The main channels of communication continued to include formal industrial relations processes through the work of the Employee Relations Group and the Employee Relations Board, the intranet (AssISt), Postmaster notices via email and regular team meetings and briefings. A newly developed version of the intranet was launched in March 2017 to provide a more user friendly and creative method of internal communications including an area to share staff news and updates.

The Internal Communications Group continued to represent staff by helping 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 communication on a wide number of issues including the development of the impending biennial 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

From 1 April 2016, the activities of the Commission fall within the remit of the newly created Northern Ireland Public Services 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. The review resulted in minor amendments to the Complaints Procedure and provided further assurance to the Commission of the efficacy and effectiveness of its complaint handling processes and procedures.

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 2016-17, the Commission received three (2015-16; Nil) complaints. These did not have an impact on the policies and procedures of the Commission.

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 has directed the Northern Ireland Assembly Commission (the 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 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 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, Mrs Lesley Hogg, as Accounting Officer of the 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 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*.

This includes ensuring that the arrangements for delegation are robust and promote good management, supported by staff with an appropriate balance of skills and experience. Appropriate management systems and procedures are also essential to support service delivery.

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 DoF 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. 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

Ordinarily, the Commission meets monthly while the Assembly is in session. However, following the dissolution of the Assembly in January 2017 and in the absence of the formation of an Executive after the Assembly election in March 2017, the Commission has not met. However, during this period the Commission has received relevant updates by correspondence and will meet if necessary, as issues arise. In a normal session I attend

Commission 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 as occurs 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 are given in the Directors' Report at page 23.

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. This includes 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 Minutes 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 May 2017. Any issues arising from this or through the governance arrangements and business planning processes are discussed by SMG and addressed as appropriate.

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

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 specifically considers the adequacy of the governance framework and internal control system, the assessment and management of risk, the planned activity of the Internal Audit Office 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 the 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 2016-17 were:

Role	**Name**	**Percentage of Meetings attended**
Independent Chairperson	Mr James Brooks (from 1 December 2016)	100%
Independent Member	Mr Derek Martin (from 1 December 2016)	100%
Independent Chairperson	Mr Colm McKenna (to 30 November 2016)	100%
Independent Member	Mr Bernard Mitchell (to 30 November 2016)	100%
Commission Member	Mr Jim Wells MLA (from 23 June 2016)	0%

As Accounting Officer, I attend all SARC meetings, along with Ms Tara Caul (Director of

Legal & Governance Services), Mr Brian Moreland (Head of Internal Audit) and a Northern Ireland Audit Office representative. Mr Richard Stewart (Director of Corporate Services) and Mrs Paula McClintock (Head of Finance) also attend the meetings to advise on any matters arising. Previously, the other Directors attended on a rotational basis but, from October 2016, all Directors attend each meeting. The Terms of Reference and Annual Reports of SARC are published on the Assembly's website.

Internal Audit

The Internal Audit Office of the Assembly Secretariat is compliant with the requirements of the Public Sector Internal Audit Standards (PSIAS) as per the following definition:

> *"Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisations operation. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."*

A detailed risk analysis was carried out by Internal Audit in early 2016 with the co-operation and input from Directors and Heads of Business. This analysis was used to inform the outline Internal Audit plan for a four-year period commencing in April 2016 from which detailed annual plans could be drawn. These plans have subsequently been approved by SARC.

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. As per the requirements in the PSIAS, 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 twelve final reports issued since 1 April 2016, four received a substantial level of assurance, seven were satisfactory and the remaining report received an unacceptable level of assurance. As for previous years, the levels of acceptance of recommendations remained high and improvement was noted through follow-up activity. Of the nine follow-up reports issued in the period, the assurance ratings increased in six cases.

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 2016-17.

During 2016-17, there were two main areas of concern arising from Internal Audit work.

The first case related to an audit of the support to an Assembly committee. It was found that there had been a number of breakdowns in internal control caused primarily by a failure to follow proper procedures. Theses failings related to the treatment of a Committee report and compliance with the Assembly's hospitality arrangements. During a follow-up review, Internal Audit noted that management had taken prompt action to address the issues raised and the assurance rating has since been raised to satisfactory.

The second case which involved concerns regarding training and travel and subsistence resulted in the actions outlined in the Assembly's Bribery and Fraud Response Plan being invoked. Work on this case has now concluded. Management have acted to prevent a recurrence by enhancing control / authorisation arrangements as observed during a follow-up review. In addition, Internal Audit has been notified that action was taken by management to recover monies and these have now been paid in full.

Internal Audit had scheduled an audit of the Roof Project as part of the 2016-17 plan. It was necessary for Internal Audit to re-schedule this work as management was not in a position to provide a complete set of project documents to facilitate a comprehensive review. The issue has now been resolved and an Internal Audit review is under way to provide the Accounting Officer with an assessment of the level of assurance for the project.

Members Expenses

The Independent Financial Review Panel published the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 on 23 March 2016. This determination radically altered the financial support framework for Members. During 2015-16 work was undertaken to build on the productive working relationships between the Panel and Secretariat staff. Building on the regular liaison meetings, an agreed Memorandum of Understanding (MoU) was established which helped place the working relationships on a more formal footing. These developments sought to remove the possibility of divergent views on the implementation of a determination issued by the Panel. The success of this collaborative approach was seen in the effective implementation of the new radically altered determination with effect from 6 May 2016. This approach continued as operational issues arose in the months following the introduction of the new determination up until the end of the Panel's tenure in July 2016.

Following the publication of the 2016 determination, a re-drafted Handbook and Administrative Guide were issued to Members. These documents are intended to assist Members when submitting claims against the provisions of the determination. The first Internal Audit review of Members' expenses against the new framework is underway. Once this review report is available, any issues raised and recommendations made will be considered by SMG through the normal management processes.

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 for each significant financial risk as identified by the Audit Office; and where appropriate, makes recommendations for the 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 2016-17 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 2017. 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. A review of the Risk Management Framework was undertaken during the reporting period which has resulted in a number of changes. A new format was adopted for the Corporate and Directorate Risk Registers in December 2016 which introduced a further element of risk assessment, as a "target risk" scoring was introduced. SMG discussed the further development of the Secretariat's risk appetite in February and March 2017. The outcome of these discussions have been reflected in a revised Risk Management Strategy which was agreed by SMG in April 2017. The Strategy continues to define the Secretariat's approach to risk management.

The Strategy notes that risk management is not a process for avoiding risk but instead can act as a tool to encourage the organisation to take on activities that have a higher level of risk, because the risks have been identified, are being managed and that the exposure to risk is both understood and acceptable. 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, and the annual Governance Statement. 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 2017, six corporate risks were identified. These are:

1. *Budget available to the Assembly insufficient to achieve corporate aims;*
2. *Interruption of ability to deliver key services;*
3. *Loss of Member Confidence in Secretariat;*
4. *Failure to maintain a suitably skilled, experience and motivated staff complement;*
5. *Failure to adequately prepare for the outworkings of the EU Referendum vote; and*
6. *Loss of confidence in how Members' salaries and expenses are determined and paid.*

The risk management process is adapted from a standard model, incorporating five phases. Risk 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. The risk appetite is then assessed for each risk, using one of the five identified levels. The risk owner documents the root causes of the risk and appropriate responses to address the risk. The final phase is to review the risk and report on the adequacy of 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 Stewardship 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 as at the end of September 2016 and the end of March 2017. For the reporting period April 2016 to March 2017 all of the Directors have confirmed that they were satisfied that controls were in place and that these controls were appropriate.

2017-18 Budget position

The Northern Ireland Assembly was dissolved as from 26 January 2017 for an election which took place on 2 March, on which date Ministers also ceased to hold office. An Executive was not formed following the election within the period specified in the Northern Ireland Act 1998. As a consequence, a Budget Act is not yet in place for 2017-18. In the absence of a Budget Act for 2017-18, Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 provide for the Permanent Secretary of the Department of Finance to issue cash to departments from the Northern Ireland Consolidated Fund. These powers are an interim measure designed to ensure that services can be maintained until such times as a Budget Act passed.

The revised internal monthly management accounts reporting cycle which is now in place, ensures that the expenditure incurred can be closely monitored against the cash issued under these interim circumstances.

General

As Accounting Officer, my assessment of the current corporate governance arrangements is 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.

Signed:

Lesley Hogg
Accounting Officer
Clerk / Chief Executive
Date: 23 June 2017

Remuneration and Staff Report

The purpose of the Remuneration and Staff report is to set out the Commission's remuneration policy for senior management, reporting on how this policy has been implemented and what has been paid to senior management. This report explains the provisions for Commission Members as set by the current Determination (s), therefore providing the users of the Annual Report and Resource Accounts with information on those individuals who are central in terms of accountability. The report also provides information on the overall staff numbers and associated costs for the reporting period.

Remuneration Policy

Commission Members

The salaries and pensions of all Members (including those Members elected to serve as members of the Commission) for the 2016-17 financial year, were set by the Northern Ireland Assembly Members' Salaries, Allowances, Expenses and Pensions Determination March 2012 (as amended) for the period from 1 April 2016 to 5 May 2016, and by the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 and the Assembly Members (Pensions) Determination (Northern Ireland) 2016 from 6 May 2016. These determinations were made by the Independent Financial Review Panel, which was established by the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011, to make determinations in relation to salaries, allowances and pensions payable to Members.

Non- Executive Directors

The Commission has established a Secretariat Audit and Risk Committee (SARC) to consider and advise the Accounting Officer on all matters of governance, audit and internal controls. The Committee comprises two independent Non-executive members, one of whom chairs the Committee, and a Commission Member. The Non-executive members are paid a daily rate as established and reviewed by the Commission. The Commission Member receives no additional remuneration for undertaking this particular role.

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. A one year pay award was made from 1 August 2016 which included four elements:

- Each pay point on the Assembly Grade 8 pay scale was increased by £500 per annum;
- Each pay point on all other pay scales had a 1% uplift;
- An incremental uplift was awarded for staff not on the maximum of their scale and subject to satisfactory performance; and

- The number of pay points within each pay scale was reduced.

Service Contracts

Assembly Secretariat staff are appointed on merit on the basis of a fair and open competition. 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, the most senior officials within the Assembly Secretariat and the Non-Executive members of SARC.

Remuneration (including salary) and pension entitlements for Assembly Commission Members (audited)

Assembly Commission Members "FYE" = Full Year Equivalent	2016-17 Salary £	2016-17 Benefits in kind (to nearest £100)	2016-17 Pension Benefits ** (to nearest £1000)	2016-17 Total (to nearest £1000)	2015-16 Salary £	2015-16 Benefits in kind (to nearest £100)	2015-16 Pension Benefits ** (to nearest £1000)	2015-16 Total (to nearest £1000)
Mitchel McLaughlin MLA (to 9 May 2016)	4,973 (44,000 FYE)	-	2,000	7,000	44,000	-	17,000	61,000
Robin Newton MLA (from 9 May 2016)	34,269 (38,000 FYE)	-	11,000	45,000	-	-	-	-
Jim Wells MLA (from 31 May 2016)	5,016 (6,000 FYE)	-	2,000	7,000	-	-	-	-
Alex Maskey MLA (from 31 May 2016)	5,016 (6,000 FYE)	-	2,000	7,000	-	-	-	-
Ross Hussey MLA (from 31 May 2016 to 23 Jan 2017)	3,887 (6,000 FYE)	-	1,000	5,000	-	-	-	-
Alex Attwood MLA (from 31 May 2016)	5,016 (6,000 FYE)	-	2,000	7,000	-	-	-	-
Stewart Dickson MLA (from 31 May 2016)	5,016 (6,000 FYE)	-	2,000	7,000	-	-	-	-
Robin Swann MLA (from 25 Jan 2017)	1,097 (6,000 FYE)	-	-	1,000	-	-	-	-
Paula Bradley MLA (to 31 May 2016)	1,000 (6,000 FYE)	-	-	1,000	-	-	-	-
Judith Cochrane MLA (to 31 May 2016)	1,042 (6,432 FYE)	-	-	1,000	6,432	-	2,000	9,000
Sam Gardiner MBE MLA (to 31 May 2016)	1,000 (6,000 FYE)	-	-	1,000	6,000	-	-	6,000
Karen McKevitt MLA (to 31 May 2016)	1,000 (6,000 FYE)	-	-	1,000	1,226 (6,000 FYE)	-	-	2,000
Caitríona Ruane MLA (to 31 May 2016)	1,000 (6,000 FYE)	-	3,000	4,000	6,000	-	2,000	8,000

**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 and 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.

Remuneration SARC Members (audited)

	2016-17			2015-16		
SARC	**Fees £**	**Benefits in kind (to nearest £100)**	**Total (to nearest £1000)**	**Fees £**	**Benefits in kind (to nearest £100)**	**Total (to nearest £1000)**
James Brookes – Chairperson * (from 1 Dec 2016)	-	-	-	-	-	-
Derek Martin – Independent Member (from 1 Dec 2016)	674	-	1	-	-	-
Colm McKenna - Chairperson (to 30 Nov 2016)	2,557	-	3	4,662	-	5
Bernard Mitchell – Independent Member (to 16 Nov 2016)	1,264	-	1	2,243	-	2

**The current Chairperson did not claim fees for the SARC meetings prior to 31 March 2017, as the dates of the meetings coincided with other board meetings that he was already scheduled to attend and be remunerated for.*

Remuneration (including salary) and pension entitlements for Secretariat staff (audited)

	2016-17				2015-16			
Secretariat Officials	**Salary £'000**	**Benefits in kind (to nearest £100)**	**Pension Benefits (to nearest £'000)**	**Total £'000**	**Salary £'000**	**Benefits in kind (to nearest £100)**	**Pension Benefits (to nearest £'000)**	**Total £'000**
Trevor Reaney **Clerk / Chief Executive** (to 24 Jun 2016)	35-40 (130-135 (full year equivalent)	-	5	40-45	130-135	-	(44)	85-90
Lesley Hogg **Clerk/Chief Executive** (from 27 Jun 2016)	90-95 (115-120 full year equivalent)	-	1	90-95	-	-	-	-
Gareth McGrath **Director of Parliamentary Services**	80-85	-	29	110-115	80-85	-	36	120-125
Richard Stewart **Director of Corporate Services**	80-85	-	32	115-120	80-85	-	40	120-125
Stephen Welch **Director of Facilities**	80-85	-	32	115-120	85-90	-	36	120-125
Tara Caul **Director of Legal & Governance Services**	75-80	-	30	105-110	30-35 (70-75 full year equivalent)	-	16	45-50
Band of Highest Paid Director's Total Remuneration	**115-120**							
Median Total Remuneration	**£28,186**							
Ratio	**4.2**							

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 and any increase or decrease due to a transfer of pension rights.

Hutton Fair Pay Review Disclosure (audited)

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 4.2 times (2015-16; 4.0) the median remuneration of the workforce, which was £28,186 (2015-16; £33,139). The decrease in the median salary is due to the inclusion of enhanced levels of overtime payments in the March 2016 salary figures. In 2016-17, 0 (2015-16; 0) employees received remuneration in excess of the highest-paid Director. The salary range (to the nearest £'000) for 2016-17 was £102 (2015-16; £120).

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 Commission, 'salary' represents the officeholder's salary payable for being a Member of the Commission, as provided under the terms of the determination issued by the Independent Financial Review Panel. Two determinations were in place during the reporting period. Salaries for the period 1 April 2016 to 5 May 2016, were paid under the terms of the Northern Ireland Assembly Members' Salaries, Allowances, Expenses and Pensions Determination 2012 (as amended) and were the same as 2015-16 rates. From 6 May 2016, the amount paid for holding an office was set by the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016. From that date the amount paid for holding the office of Commission Member was £6,000 (2015-16; £6,432 for those holding office on 1 April 2012 or £6,000 for those who took up office after 1 April 2012). For Speaker / Chair of the Commission, the amount paid for holding office was £38,000 (2015-16; £44,000). These figures do not include the salary for services as a Member of £49,000 (2015-16; £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 for Assembly Commission Members (audited)

Assembly Commission Members	Accrued pension at age 65 as at 31/03/17	Real increase in pension at age 65	CETV at 31/03/17 (or end date)	CETV at 31/03/16 (or end date)	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mitchel McLaughlin MLA (to 9 May 2016)	0-5	0-2.5	30	28	1
Robin Newton MLA (from 9 May 2016)	0-5	0-2.5	27	-	-
Jim Wells MLA (from 31 May 2016)	0-5	0-2.5	39	-	-
Alex Maskey MLA (from 31 May 2016)	0-5	0-2.5	24	-	-
Ross Hussey MLA (from 31 May 2016 to 23 Jan 2017)	0-5	0-2.5	1	-	-
Alex Attwood MLA (from 31 May 2016)	0-5	0-2.5	40	-	-
Stewart Dickson MLA (from 31 May 2016)	0-5	0-2.5	2	-	-
Robin Swann MLA (from 25 Jan 2017)	0-5	0-2.5	7	-	-
Paula Bradley MLA (to 31 May 2016)	0-5	0-2.5	1	1	-
Judith Cochrane MLA (to 31 May 2016)	0-5	0-2.5	9	9	-
Sam Gardiner MBE MLA (to 31 May 2016)	0-5	0-2.5	1	1	-
Karen McKevitt MLA (to 31 May 2016)	0-5	0-2.5	-	-	-
Caitríona Ruane MLA (to 31 May 2016)	5-10	0-2.5	50	46	2

Commission pensions

Pension benefits for Commission Members are provided by the Assembly Members Pension Scheme (Northern Ireland) 2016 (AMPS). The Assembly passed the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 establishing a Panel to make determinations in relation to the salaries, allowances and pensions payable to Members of the Northern Ireland Assembly. In April 2016, the Independent Financial Review Panel issued the Assembly Members (Pensions) Determination (Northern Ireland) 2016 which introduced a Career Average Revalued Earnings (CARE) scheme for new and existing members. Existing members born on or before 1 April 1960 retain their Final Salary pension arrangements under transitional protection until 6 May 2021. The new scheme is named Assembly Members' Pension Scheme (Northern Ireland) 2016 and replaces the 2012 scheme.

As Commission Members are Assembly Members, they accrue a Members' pension under the AMPS (details of which are not included in this report). Pension benefits for

Commission Members under transitional protection arrangements are provided 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 salary as an Assembly Member for each year of service as a Commission Member. Pension benefits as a Commission Member are based on the accrual rate ($1/50^{th}$ or $1/40^{th}$) multiplied by the cumulative contribution factors and the relevant final salary as an Assembly Member. In the CARE section benefits accrue at a rate of 2% of the pensionable earnings each year.

Benefits for Commission Members are payable at the same time as Assembly 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 9% or 12.5% of their officeholder's salary, depending on the accrual rate. Commission Members in the CARE scheme pay 9% of the officeholder's salary. There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose representing the balance of cost. This is currently 14.4% of the Commission Member's salary.

The accrued pension quoted is the pension the Commission Member is entitled to receive when they reach normal pension age for their section of the Scheme. Commission Members under transitional protection arrangements may retire at age 65. Commission Members in the CARE scheme have a pension age aligned to their State Pension Age. 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.

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a Member at a particular point in time. The benefits valued are the Member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the Member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total service as an officeholder, not just their current appointment as an officeholder. 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 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 valuation factors for the start and end of the period.

Pension Benefits for Secretariat Staff (audited)

Secretariat Officials	Accrued pension at pension age as at 31/03/17 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/17	CETV at 31/03/16	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Trevor Reaney **Clerk / Chief Executive** (up to 24 June 16)	55-60	0-2.5	1,055	1,045	5	-
Lesley Hogg **Clerk/Chief Executive** (from 27 June 16)	5-10	0-2.5	57	52	(3)	-
Gareth McGrath **Director of Parliamentary Services**	20-25	0-2.5	305	277	10	-
Richard Stewart **Director of Corporate Services**	30-35 plus lump sum 90-95	0-2.5	595	555	14	-
Stephen Welch **Director of Facilities**	25-30	0-2.5	427	383	25	-
Tara Caul **Director of Legal and Governance Services**	10-15	0-2.5	138	117	13	-

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP). 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 reviewed annually in line with changes in the cost of living. Prior to 2011, pensions were reviewed 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 reviewed annually in line with changes in the cost of living.

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 reviewed annually in line with changes in the cost of living.

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2016 was 1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2017.

Employee contribution rates for all members for the period covering 1 April 2017 – 31 March 2018 are as follows:

Scheme Year 1 April 2017 to 31 March 2018

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 2017 to 31 March 2018**	**From 1 April 2017 to 31 March 2018**
£0	£15,000.99	4.6%	4.6%
£15,001.00	£21,422.99	4.6%	4.6%
£21,423.00	£51,005.99	5.45%	5.45%
£51,006.00	£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 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

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

				2016-17	2015-16
				Number	**Number**
Objective	**Total**	**Permanent staff**	**Members**	**Agency, temporary and contract workers**	**Total**
1	449	324	107	17	466
Total	**449**	**324**	**107***	**17**	**466**

**** Average no of Members is reduced due to the overall reduction in Members from 108 to 90, following the Assembly Election on 2 March 2017.***

During 2016-17, an average of 0.6 members of staff (2015-16; 1.6) were out-posted to other public sector employers.

The Commission does not employ any staff exclusively for capital projects (2015-16; nil).

Directors, Senior Managers and Employees

As at 31 March 2017, the number of Directors, senior managers and employees split by gender was as follows:

Role	**Female**	**Male**
Director	2	3
Senior managers	-	-
Employees (not including Directors)	150	189
Total	**152**	**192**

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 (audited) comprise:

					2016-17	2015-16
					£'000	**£'000**
	Special advisers	**Permanently employed staff**	**Agency, Temporary and contract workers**	**Members**	**Total**	**Total**
Wages and salaries	-	11,440	428	5,525	17,393	19,289
Social security costs	-	1,185	-	690	1,875	1,629
Other pension costs	-	2,614	-	814	3,428	3,998
Sub Total	**-**	**15,239**	**428**	**7,029**	**22,696**	**24,916**
Less recoveries in respect of outward secondments	-	(50)	-	-	(50)	(81)
Total net costs *	**-**	**15,189**	**428**	**7,029**	**22,646**	**24,835**

* Of the total, £0 has been charged to capital (2015-16: £0).

Temporary Staff

The Commission made payments of £427,983 (2015-16; £353,215) in relation to temporary workers during the year.

Pension Arrangements

The Northern Ireland Civil Service pension schemes 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's Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2017.

For 2016-17, employers' contributions of £2,606,586 were payable to the NICS pension arrangements (2015-16: £2,794,666) 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 alpha from April 2015. For 2017-18, the rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2016-17 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 £6,967 (2015-16; £7,731) were paid to appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2015-16; 3 to 14.7%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £362, 0.5% (2015-16; £324, 0.5%) of pensionable pay were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to partnership pension providers at the reporting date were nil. Contributions prepaid at that date were nil.

Pension benefits for Members are provided through the Assembly Members' Pension Scheme. In 2016 the Independent Financial Review Panel introduced a new CARE scheme effective from 6 May 2016. Returning Members within 10 years of retirement at 1 April 2015 were afforded transitional protection for a period of 5 years allowing them to remain in the final salary section of the Scheme. Members pay contributions of 12.5% of pensionable salary accruing benefits at 1/40th of final salary for each year of service, 9% of pensionable salary accruing benefits at 1/50th of final salary for each year of service. Normal retirement age for the final salary section is age 65. All new Members, and returning Members without transitional protection, joined the CARE section of the Scheme, building up pension benefits at a rate of 2% of pensionable earnings in the year. Normal retirement age for CARE section is aligned with the Member's State Pension age. Members make contributions from their officeholder salary at the same rate as their Assembly Members' 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 assets of the scheme are held separately from those of the Assembly and are managed by an Investment Manager. A full actuarial valuation was carried out for the period ending 31 March 2017 by the Government Actuary.

For 2016-17, contributions of £0.8m (2015-16; £1.2m) were paid to the Assembly Members' Pension Scheme. From 6 May 2016 contributions were at a rate of 14.6% (2015-16; 20.6%) of pensionable pay, as determined by the Government Actuary and advised by the Treasury. Further disclosures can be found in Note 3.2 "Members' and Staff related Costs".

Ill Health Retirement – Staff

No staff (2015-16; Nil) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2015-16; £Nil).

Ill Health Retirement – Members

During the year, 1 Member retired due to ill health (2015-16; 4). Members who are forced into early retirement through ill health are entitled to apply to the Commission to receive an ill health retirement allowance under the terms of the Assembly Members' (Salaries and Expenses) Determination (Northern Ireland) 2016. The total amount paid by way of ill health retirement allowance was £ Nil (2015-16; £92,480).

Compensation Schemes – exit packages (audited)

There were no compensation payments made in 2016-17

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	2016-17/ (2015-16)	2016/17/ (2015-16)	2016/17/ (2015-16)
< £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)

Redundancy and other departure costs are 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 £14,169 (2015-16; £57,574) 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 4.1% during 2016-17 (2015-16; 3.2%). 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 2016-17 was 9.2 days (2015-16; 7.2 days). 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 International Financial Reporting Standards (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. The Statement of Assembly Supply and related notes are subject to audit.

Summary of Resource Outturn 2016-17

								2016-17 £'000	2015-16 £'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	45,049	(46)	45,003	37,818	(46)	37,772	7,231	43,063
Total Resources	SOAS 2	**45,049**	**(46)**	**45,003**	**37,818**	**(46)**	**37,772**	**7,231**	**43,063**
Non-operating cost ARs		-	-	-	-	-	-	-	(18)

Net Cash Requirement 2016-17

				2016-17 £'000	2015-16 £'000
	Note	**Estimate**	**Outturn**	**Net total outturn compared with estimate: saving /(excess)**	**Outturn**
Net Cash Requirement	**SOAS 3**	41,333	37,591	3,742	40,665

Summary of income payable to the Consolidated Fund

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

		Forecast 2016-17 £'000		Outturn 2016-17 £'000	
	Note	**Income**	**Receipts**	**Income**	**Receipts**
Total	**SOAS 4**	-	-	304	*34*

Explanation of variances between Estimate and outturn are given in Note SOAS 1 and in the Performance Analysis.

Notes to the Statement of Assembly Supply

SOAS 1 Analysis of net resource outturn by function

	Outturn						2016-17 £'000 Estimate			2015-16 £'000
	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										
	-	37,768	50	37,818	(46)	37,772	45,003	7,231	7,231	43,063
Departmental Expenditure in DEL:										
A-1 Administration										
	-	39,633	50	39,683	(46)	39,637	42,758	3,121	3,121	41,826
Annually Managed Expenditure (AME):										
A-2 Administration Provisions & Members' Pension Finance Costs										
	-	1,400	-	1,400	-	1,400	2,200	800	800	1,200
Non-Budget:										
A-3 Notional Charges										
	-	35	-	35	-	35	45	10	10	37
A-4 Prior Period adjustment										
	-	(3,300)	-	(3,300)	-	(3,300)*	-	3,300	3,300	-
Resource Outturn	**-**	**37,768**	**50**	**37,818**	**(46)**	**37,772**	**45,003**	**7,231**	**7,231**	**43,063**

**Full details of the Prior Period Adjustment can be found in note 18.2 to the Accounts.*

Detailed analysis of expenditure variances are given in the Performance Analysis at page 13. The Northern Ireland Assembly was dissolved on 25 January 2017 and following the election no Executive was formed. This meant that the process for approving the Spring Supplementary Estimates and passing the associated Budget Bill did not take place. Consequently, the Estimate position shown in the Statements is that of the Main Estimate prepared in June 2016. The Net Resource Requirement was £37.772 million against an allocation of £45.003 million, giving an underspend of £7.231 million (16.07%) on the

Main Estimate position. These savings against the Main Estimate figure are mainly attributable, the impact of the Prior Period Adjustment for the change in accounting policy relating to the net finance cost on the Members Pension Scheme; a reduction in Secretariat Salaries and a reduction in Members costs following the implementation of the Assembly Members' (Salaries and Expenses) Determination (Northern Ireland) 2016. Further savings were achieved as a result of the Assembly election in March 2017, with the number of Members reducing from 108 to 90. Had the Spring Supplementary Estimate and Budget Bill been completed these savings would have been reflected in the Commission's budget and these savings would not have been reported.

Prior Period Adjustment

The prior year adjustment relates to a voluntary change in accounting policy in relation to the way in which the Commission accounts for the Members' Pension Scheme. Further information can be found at Note 18.2.

Key to Request for Resources and Functions

Request for resources 1 – Remunerating and supporting Members of the Assembly in discharging their duties in the Assembly, constituencies and elsewhere, enhancing public awareness of, and involvement in, the working of the Northern Ireland Assembly; recoupment of costs of hosting events; 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

				2016-17 £'000	2015-16 Restated £'000
	Note	**Outturn**	**Supply Estimate**	**Outturn Compared With Estimate**	**Outturn**
Net Resource Outturn	SOAS 1	37,772	45,003	7,231	43,063
Prior Period Adjustment		3,300	-	(3,300)	700
Non-supply income (CFERs)	SOAS 4	(34)	-	34	(10)
Net operating cost in Statement of Comprehensive Net Expenditure		**41,038**	**45,003**	**3,965**	**43,753**

SOAS 2.2 Outturn against final Administration Budget

The 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**	45,003	37,772	7,231
Capital:				
Acquisition of property, plant and equipment	**7**	1,970	1,397	573
Acquisition of intangible assets	**8**	-	29	(29)
Investments		-	-	-
Net book value of asset disposals		-	(270)	270
Accruals to cash adjustments**:**				
Adjustments to remove non-cash items:				
Depreciation	**5**	(3,395)	(3,076)	(319)
Members' Pension finance costs	**3.2**	-	(1,400)	1,400
New provisions and adjustments to previous provisions	**18**	(2,200)	-	(2,200)
Prior period Adjustments	**18.2**	-	3,300	(3,300)
Other non-cash items		(45)	(35)	(10)
Adjustments to reflect movement in working balances:				
Increase/(decrease) in inventories		-	-	-
Increase/(decrease) in receivables		-	260	(260)
Increase/(decrease) in payables falling due within one year		-	(386)	386
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		**41,333**	**37,591**	**3,742**

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 Commission and is payable to the Consolidation Fund *(cash receipts being shown in italics).*

		Forecast 2016-17 £'000		Outturn 2016-17 £'000	
	Note	**Income**	**Receipts**	**Income**	**Receipts**
Operating income and receipts - excess AR		-	-	23	*23*
Other operating income and receipts not classified as AR		-	-	11	*11*
		-	**-**	**34**	***34***
Non-operating income and receipts – excess Accruing Resources	SOAS6	-	-	270	-
Total income payable to the Consolidated Fund		**-**	**-**	**304**	***34***

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

	Note	2016-17 £'000	2015-16 £'000
Operating income	**6**	80	117
Adjustments for transactions between RfRs		-	-
Gross Income		80	117
Income authorised to be Accruing Resources		(46)	(107)
Operating income payable to the Consolidated Fund	**SOAS4.1**	**34**	**10**

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

	Note	2016-17 £'000	2015-16 £'000
Disposal of property, plant and equipment		(270)	-
Non-operating income – excess Accruing Resources		**(270)**	**-**

Other Assembly Accountability Disclosures *(audited)*

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 reporting 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.

I hereby approve the Commission's Resource Accounts for the year ended 31 March 2017

Signed:

Lesley Hogg
Accounting Officer
Clerk / Chief Executive
Date: 23 June 2017

NORTHERN IRELAND ASSEMBLY COMMISSION

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

I certify that I have audited the financial statements of the Northern Ireland Assembly Commission for the year ended 31^{st} March 2017 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 2017 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 2017 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 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

Date: 29 June 2017

The Financial Statements

Statement of Comprehensive Net Expenditure
for the year-ended 31 March 2017

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	2016-17 £'000	2015-16 Restated £'000
Income from sale of goods and services	6	-	-
Other operating income	6	(80)	(117)
Total Operating Income		(80)	(117)
Staff Costs	3	22,696	24,916
Purchase of goods and services	5	13,639	13,883
Depreciation and impairment charges	5	3,076	3,147
Members' Pension finance cost	3	1,400	1,900
Provision Expense	5	-	-
Other Operating Expenditure	5	307	24
Total operating Expenditure		41,118	43,870
Finance Income		-	-
Finance Expense		-	-
Net expenditure for the period		41,038	43,753
Other comprehensive net expenditure			
Net (gain)/loss on revaluation of Heritage assets, Property, Plant and Equipment	7	(4,886)	(10,610)
Net (gain)/loss on revaluation of Intangibles	8	(43)	(14)
Actuarial (gain)/loss on pension scheme	18	4,900	(700)
Items that may be reclassified to net operating costs:			
Net (gain)/loss on revaluation of investments		-	-
Comprehensive net expenditure for the period		**41,009**	**32,429**

Statement of Financial Position
as at 31 March 2017

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	2016-17 £'000	2015-16 Restated £'000	2014-15 Restated £'000
Non-current assets:				
Property, plant and equipment	**7**	134,099	130,779	121,778
Intangible assets	**8**	63	368	468
Financial Assets	**11**	-	-	-
Total non-current assets		**134,162**	**131,147**	**122,246**
Current assets:				
Assets classified as held for sale	**13**	-	-	-
Inventories	**14**	-	-	-
Trade and other receivables	**16**	469	399	378
Other current assets	**16**	-	-	-
Financial Assets	**11**	-	-	-
Cash and cash equivalents	**15**	441	-	347
Total current assets		910	399	725
Total assets		**135,072**	**131,546**	**122,971**
Current liabilities				
Trade and other payables	**17**	(3,391)	(2,573)	(3,594)
Provisions	**18**	-	-	-
Other liabilities		-	-	-
Cash and cash equivalents	**15**	-	(181)	-
Total current liabilities		(3,391)	(2,754)	(3,594)
Total assets less current liabilities		**131,681**	**128,792**	**119,377**
Non-current liabilities				
Provisions	**18**	(19,100)	(12,800)	(11,600)
Other payables	**17**	**-**	**-**	**-**
Financial Liabilities	**11**	-	-	-
Total non-current liabilities		**(19,100)**	**(12,800)**	**(11,600)**
Total assets less liabilities		**112,581**	**115,992**	**107,777**
Taxpayers' equity & other reserves				
General fund		81,408	83,357	84,412
Pension reserve		(19,100)	(12,800)	(11,600)
Revaluation reserve		50,273	45,435	34,965
Total equity		**112,581**	**115,992**	**107,777**

Signed:

Lesley Hogg
Accounting Officer
Clerk / Chief Executive
Date: 23 June 2017

Statement of Cash Flows
for the year ended 31 March 2017

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

	Note	2016-17 £'000	2015-16 Restated £'000
Cash flows from operating activities			
Net operating cost		(41,038)	(43,753)
Adjustments for non-cash transactions	**5**	4,783	5,071
(Increase)/Decrease in trade and other receivables		(70)	(21)
less movements in receivables relating to items not passing through the SOCNE		(190)	190
(Increase)/Decrease in Inventories		-	-
Increase/(Decrease) in trade payables		818	(1,021)
less movements in payables relating to items not passing through the SOCNE		(948)	723
Use of provisions	**18**	-	-
Net cash outflow from operating activities		(36,645)	(38,811)
Cash flows from investing activities			
Purchase of property, plant and equipment	**7**	(881)	(1,718)
Purchase of intangible assets	**8**	(29)	(156)
Purchase of heritage assets	**7**	-	-
Proceeds less cost of disposal of property, plant and equipment		(3)	-
Proceeds of disposal of intangibles		-	30
Net cash outflow from investing activities		(913)	(1,844)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		38,000	40,475
From the Consolidated Fund (Supply) - prior year		190	(283)
From the Consolidated Fund (non-Supply)		-	-
Capital element of payments in respect of finance leases and on-balance sheet (SoFP) PFI contracts		-	-
Net financing		38,190	40,192
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		632	(463)
Payments of amounts due to the Consolidated Fund		(10)	(65)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		622	(528)
Cash and cash equivalents at the beginning of the period	**15**	(181)	347
Cash and cash equivalents at the end of the period	**15**	441	(181)

Statement of Changes in Taxpayers' Equity
for the year ended 31 March 2017

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

	Note	General Fund £'000 Restated	Revaluation Reserve £'000	Pension Reserve £'000 Restated	Total Reserves £'000
Balance at 31 March 2015		72,812	34,965	-	107,777
Prior period adjustment	**18.2**	11,600	-	(11,600)	-
Balance at 31 March 2015 (restated)		84,412	34,965	(11,600)	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		(43,753)	10,624	700	(32,429)
CFERs payable to the Consolidated Fund		(10)	-	-	(10)
Non- cash charges - auditors remuneration	**5**	37	-	-	37
Non-cash charges - other		-	(48)	-	(48)
Transfers between reserves		2,006	(106)	(1,900)	-
Balance at 31 March 2016		83,357	45,435	(12,800)	115,992
Net Assembly Funding – drawn down		38,190	-	-	38,190
Net Assembly Funding – prior year		(190)	-	-	(190)
Supply (payable)/receivable adjustment		(408)	-	-	(408)
Comprehensive Net Expenditure for the period		(41,038)	4,929	(4,900)	(41,009)
CFERs payable to the Consolidated Fund		(34)	-	-	(34)
Non-cash charges - auditors remuneration	**5**	35	-	-	35
Non-cash charges - other	**9**	-	5	-	5
Transfers between reserves		1,496	(96)	(1,400)	-
Balance at 31 March 2017		81,408	50,273	(19,100)	112,581

The Northern Ireland Assembly – Annual Report and Accounts 2016-17

Notes to the Assembly's Resource Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2016-17 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 Commission 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 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 2016-17 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 DoF holds legal title to Parliament Buildings, the Northern Ireland 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 expensed 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;
- they may require significant maintenance expenditure so that they can continue to be enjoyed by future generations; and
- 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.

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 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 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 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 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 Members are provided through the Assembly Members Pension Scheme (Northern Ireland) 2016 (AMPS). The provisions of the scheme are set by the Assembly Members (Pensions) Determination (Northern Ireland) 2016, which was issued in April 2016. This introduced a Career Average Revalued Earnings (CARE) scheme for new and existing members. Existing members born on or before 1 April 1960 retain their Final Salary pension arrangements under transitional protection until 6 May 2021. This element of the scheme is a, 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). Members opt to pay contributions of either 12.5% (2015-16 12.5%) of pensionable salary, including officeholder's salary or 9% (2015-16 7%) of pensionable salary, including officeholder's salary. Members in the CARE scheme pay 9% of the pensionable salary. Members in the CARE scheme have a pension age aligned to their State Pension Age.

The new scheme is named Assembly Members' Pension Scheme (Northern Ireland) 2016 and replaces the 2012 scheme.

All pensions increase in line with the Consumer Price Index once in payment.

The valuation of AMPS is carried out by the Government Actuary's Department (GAD). Until 31 March 2016, the Commission made an annual provision for any excess of the scheme's liabilities over its assets in the Resource Accounts. The quantum of this valuation was heavily influenced by a reliance on market values as at the reporting date (used to calculate a discount rate) and this made the movement in the provision particularly difficult to forecast with any degree of certainty. This resulted in this aspect of Annually Managed Expenditure (AME) fluctuating dramatically each year. In the 2014-15 financial year it was the sole contributory to an excess Resource Requirement. During this reporting period the Commission has amended its accounting policy to provide now only for an amount equivalent to the annual service cost for the pension scheme with the remaining movement in actuarial gain/loss being accounted for between Revenue and Pension Reserves. Any liabilities of the fund arising from a deficit on assets will be met through increased funding by the Northern Ireland Assembly through the Northern Ireland Consolidated Fund.

1.15 Early departure costs

The Commission is required to meet the additional cost of benefits beyond the normal PCSPS (NI) benefits in respect of employees who retire early. The 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 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 2.65% 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 Commission output tax generally does not apply and input tax is recovered on a monthly basis from the DoF. 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 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 Commission becomes party to the contractual provision of the financial instrument. Initial recognition is at fair value. As financial assets and liabilities of the Commission are generated by the day-to-day operational activities, that is, trade contracts to buy non-financial items in line with the 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 Commission does not recognise any service concession arrangements in its financial statements (including the Statement of Assembly Supply).

1.24 Prior Period Adjustments (PPAs)

During the reporting period the Commission changed its accounting policy with respect to the way in which it accounts for the movement in the actuarial gain/loss on the Members' Pension Scheme which resulted in a prior period adjustment. Further information can be found at Note 18.2 on page 87.

2 Statement of Operating Costs by Operating Segment

As required under Section 40, paragraph (4) of the Northern Ireland Act 1998, the

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 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 five 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 Commission to meet its legal obligations. It is at an overall organisational level that performance information is routinely reported to and reviewed by the SMG. As such, the Commission considers that it operates with a single Operating Segment.

3 Member and Staff Related costs

3.1 Staff numbers and related costs

Staff costs comprise:

	2016-17	2015-16
	£'000	£'000
	Total	Total
Wages and salaries	17,393	19,289
Social security costs	1,875	1,629
Other pension costs	3,428	3,998
Sub Total	**22,696**	**24,916**
Less recoveries in respect of outward secondments	(50)	(81)
Total net costs *	**22,646**	**24,835**

* 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.

3.2 Assembly Members' Pension Scheme

The amounts recognised in the Statement of Financial Position are as follows:

	Note	2016-17 £'000	2015-16 £'000
Present value of scheme liabilities		(54,200)	(41,100)
Fair value of scheme assets		35,100	28,300
Net liability	**18**	(19,100)	(12,800)

Amount in the Statement of Financial Position:

	Note	2016-17 £'000	2015-16 £'000
Liabilities		(19,100)	(12,800)
Assets		-	-
Net liability	18	(19,100)	(12,800)

Analysis of amount charged to the Statement of Comprehensive Net Expenditure:

	Note	2016-17 £'000	2015-16 Restated £'000
Current Service cost		1,700	2,700
Interest on pension liability		1,500	1,400
Interest on scheme assets		(1,000)	(1,000)
		2,200	3,100

Allocated in the account as:

	Note	2016-17 £'000	2015-16 Restated £'000
Other pension costs (contribution by employer)		800	1,200
Members' Pension Finance cost (Net)	5	1,400	1,900
		2,200	3,100

Analysis of the amount recognised in Statement of Change in Taxpayer's Equity (SCITE):

	Note	2016-17 £'000	2015-16 £'000
Actual return less interest on scheme assets		5,900	(2,600)
Experience gain and losses arising on pension liabilities		200	400
Changes in assumptions		(11,000)	2,900
Net actuarial gain/(losses) recognised in SCITE		(4,900)	700

Movements in liabilities during the year:

	Note	2016-17 £'000	2015-16 £'000
Liabilities at 1 April		41,100	40,800
Current service cost (net of member contributions)		1,700	2,700
Member contributions (including net transfers-in)		500	600
Benefits paid during the year		(1,400)	(1,100)
Interest on pension liability		1,500	1,400
Actuarial gains/(losses)		10,800	(3,300)
Liabilities at 31 March 2017		54,200	41,100

Movements in assets during the year:

	Note	2016-17 £'000	2015-16 £'000
Assets at 1 April		28,300	29,200
Interest on scheme assets		1,000	1,000
Actual return less interest on scheme assets		5,900	(2,600)
Contributions by Commission		800	1,200
Contributions by Members (including net transfers-in)		500	600
Benefits paid and expenses		(1,400)	(1,100)
Closing fair value of scheme assets 31 March 2017		35,100	28,300

The Commission expects to contribute £0.7m to the Members' Pension scheme in 2017-18.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2016-17 £'000	2015-16 £'000
Equities	23,100	18,700
Alternative investments	1,100	600
Fixed interest and cash	10,900	9,000

Principal actuarial assumptions at the Statement of Financial Position date:

	2016-17 £'000	2015-16 £'000
Discount rate	2.65%	3.55%
Future salary increases	4.35%	4.20%
Future pension increases (CPI)	2.35%	2.20%

Expectation of life at age 65 (years)

Men	25.3	25.2
Women	26.9	26.8

Sensitivity to main assumptions

If the assumed rate of return in excess of earnings changes by 0.5% a year, the total actuarial liability would change by 2% and the change in total liabilities by circa £1m.

If the real rate of return in excess of pension changes by 0.5% the total actuarial liability would change by about 9% and the change in total liabilities by circa £5m.

If longevity at retirement were assumed to be 2 years greater, this would increase the total actuarial liability by about 4% and would increase total liability by circa £2m.

Amounts for the current and previous four periods are as follows:

	31 March 2017 £'000	**31 March 2016 £'000**	**31 March 2015 £'000**	**31 March 2014 £'000**	**31 March 2013 £'000**
Defined benefit obligation	**54,200**	41,100	40,800	31,500	29,100
Scheme assets	**35,100**	28,300	29,200	25,500	22,800
Actual return less interest on scheme assets	**5,900**	(2,600)	1,500	300	1,300
Experience gains and losses arising on pension liabilities	**200**	400	900	200	100
Gains/(losses) arising from changes in assumptions	**(11,000)**	2,900	(6,900)	1,100	(2,500)

Further information on the Assembly Members' Pension Scheme can be found in the annual report and accounts for the scheme ending 31 March 2016 which are published and can be found at:

http://www.niassembly.gov.uk/your-mlas/members-pension-scheme/reports/.

4 Other Administration Costs

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

5 Programme Costs

	Note	2016-17 £’000	2015-16 Restated £’000
Payments to Members			
Office Cost Expenditure		5,750	6,924
Members’ winding-up costs		1,548	160
Other Members’ costs		770	890
Party Allowance		752	789
Other Costs			
Premises		1,092	1,165
Office running costs		136	524
Contracted services		1,718	1,810
Repairs & maintenance		1,318	955
Staff travel, subsistence and training		165	143
Miscellaneous expenses		390	519
Rentals under operating leases		-	4
Total cash items		**13,639**	**13,883**
Non-cash items			
Depreciation		3,071	3,195
Pension Finance costs		1,400	1,900
Permanent diminution of assets		6	-
Reversal of previous impairment loss		(1)	(48)
Miscellaneous notional charges		-	-
Auditor’s remuneration and expenses (notional)		35	37
Release of provisions		-	-
Provisions: provided in year	**18**	-	-
(Profit)/Loss on disposal of assets		272	(13)
Total non-cash items		**4,783**	**5,071**
Total		**18,422**	**18,954**

6 Income

	Note	2016-17 £’000	2015-16 £’000
Recoupment of salaries		50	81
Other Income		30	36
Total		**80**	**117**

7 Property, plant and equipment

2016-17

	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 2016	5,000	124,370	2,441	3,020	1,215	2,615	479	139,140
Additions	-	727	424	89	59	98	-	1,397
Donations	-	-	-	-	-	-	-	-
Disposals	-	-	(990)	(6)	-	-	-	(996)
Impairments	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	1,000	1,171	56	13	6	-	136	2,382
At 31 March 2017	**6,000**	**126,268**	**1,931**	**3,116**	**1,280**	**2,713**	**615**	**141,923**
Depreciation								
At 1 April 2016	-	-	2,171	2,906	1,173	2,111	-	8,361
Charged in year	-	2,525	239	64	20	98	-	2,946
Disposals	-	-	(979)	-	-	-	-	(979)
Impairments	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	-	(2,525)	15	5	1	-	-	(2,504)
At 31 March 2017	**-**	**-**	**1,446**	**2,975**	**1,194**	**2,209**	**-**	**7,824**
Carrying amount								
At 31 March 2017	**6,000**	**126,268**	**485**	**141**	**86**	**504**	**615**	**134,099**
At 31 March 2016	**5,000**	**124,370**	**270**	**114**	**42**	**504**	**479**	**130,779**
Asset financing								
Owned	**6,000**	**126,268**	**485**	**141**	**86**	**504**	**615**	**134,099**
Financed leased	-	-	-	-	-	-	-	-
On-balance sheet (SoFP) PFI and other service concession arrangements	-	-	-	-	-	-	-	-
At 31 March 2017	**6,000**	**126,268**	**485**	**141**	**86**	**504**	**615**	**134,099**

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 (LPS) at 28 November 2016 and an updated valuation undertaken on 31 March 2017. 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 2017 was 288 (31 March 2016; 281), an increase of 2.4%. Land is valued at Current Value, interpreted as existing use value, having regard to the cost of purchasing a notional replacement site in the same locality, equally suitable for the existing use and of the same size. LPS noted in their report that: "the value of land has increased across many parts of the province as economic conditions have continued to improve following the property market crash and the overall land market is experiencing more sustained demand for parcels of good quality, "clean" residential development land. LPS research and analysis of market sales within the area surrounding the subject asset, over the last 12 months, has shown a greater number of transactions, selling quicker and at increasing prices and this has been reflected in the current increase in the land value attributed to the asset". 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 24 January 2017 was £864,750. This includes £250,000 in relation to the "Large central gilded bronze chandelier in the central hall" that is on long term loan to the NI Assembly from the Royal Collection Trust. This chandelier is not included in the total for Heritage assets on the Statement of Financial Position. This is because the Royal Collection Trust have indicated that they include it in their inventory for accounting purposes. The valuation for the chandelier was received for insurance purposes only. 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 later of the commencement of each new mandate or every four years.

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 (restated)	**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 (SoFP) PFI and other service concession arrangements	-	-	-	-	-	-		-
At 31 March 2016	**5,000**	**124,370**	**270**	**114**	**42**	**504**	**479**	**130,779**

8 Intangible Assets

2016-17

	Information Technology £'000	Software Licences £'000	Total £'000
Cost or valuation			
At 1 April 2016	590	998	1,588
Additions	-	29	29
Donations	-	-	-
Disposals	-	(934)	(934)
Impairments	-	-	-
Revaluations	23	37	60
At 31 March 2017	**613**	**130**	**743**
Amortisation			
At 1 April 2016	492	728	1,220
Charged in year	78	47	125
Disposals	-	(682)	(682)
Impairments	-	-	-
Revaluations	5	12	17
At 31 March 2017	**575**	**105**	**680**
Carrying amount at 31 March 2017	**38**	**25**	**63**
Carrying amount at 31 March 2016	**98**	**270**	**368**
Asset financing			
Owned	38	25	63
Leased	-	-	-
At 31 March 2017	**38**	**25**	**63**

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**

9 Impairments

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

	2016-17		2015-16	
	SOCNE	Revaluation Reserve	SOCNE	Revaluation Reserve
	£'000	£'000	£'000	£'000
Land & Buildings	-	-	-	-
Information technology	2	-	(4)	-
Office equipment	-	-	(37)	-
Security Equipment	1	-	(12)	-
Furniture & fittings	3	-	9	-
Intangible Assets	(1)	-	(4)	-
Assets Held for Sale	-	-	-	-
Total	**5**	**-**	**(48)**	**-**

10 Capital and Other Commitments

10.1 Capital Commitments

Capital expenditure authorised at 31 March 2017 was as follows:

	2016-17	2015-16
	£'000	£'000
Contracted capital commitments at 31 March not otherwise included in these financial statements:		
Property, plant and equipment:	-	1,202
Intangible assets:	213	932
As at 31 March 2017	**213**	**2,134**

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:

	2016-17	2015-16
	£'000	£'000
Other:		
Not later than one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-
	-	**-**

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 2017.

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 (for contracts greater than £30,000) are as follows:

	2016-17	**2015-16**
	£'000	**£'000**
Not later than one year	3,418	733
Later than one year but not later than five years	8,457	1,200
Later than five years	1,428	7,471
	13,303	**9,404**

11 Financial instruments

As the cash requirements of the 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

	2016-17	**2015-16**
	£'000	**£'000**
Land & Buildings	0	0
	0	**0**

14 Inventories

The Assembly does not hold any inventories.

15 Cash and cash equivalents

	2016-17 £'000	2015-16 £'000
Balance at 1 April	(181)	347
Net change in cash and cash equivalent balances	622	(528)
Balance at 31 March	**441**	**(181)**
The balances at 31 March were held at:		
Commercial banks and cash in hand	**441**	**(181)**

16 Trade receivables and other current assets

	2016-17 £'000	2015-16 £'000
Amounts falling due within one year:		
VAT	181	116
Prepayments and accrued income	211	73
Other receivables	77	20
Amounts due from the Consolidated Fund in respect of supply	-	190
	469	**399**
Amounts falling due after more than one year:	**-**	**-**

17 Trade payables and other current liabilities

	2016-17 £'000	2015-16 £'000
Amounts falling due within one year:		
Other taxation and social security	812	1,030
Other payables	-	1
Accruals and deferred income	2,137	1,532
Amounts issued from the Consolidated Fund for supply but not spent at year end	408	-
Consolidated Fund extra receipts due to be paid to the Consolidated Fund:		
Received	34	10
Receivable	-	-
	3,391	**2,573**
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

Under International Accounting Standard 19, a liability of £19.1m is recognised for the Assembly Members' Pension Scheme (Northern Ireland) 2016 (AMPS). Further information on this is provided in the Remuneration and Staff report on pages 37 to 52.

	2016-17	2015-16
	£'000	**£'000**
Balance at 1 April	12,800	11,600
Increase	6,300	1,200
Utilised in-year	-	-
Balance at 31 March	**19,100**	**12,800**

This includes the pension finance cost of £1.4m (2015-16; £1.9m) and the net actuarial gain/(loss) (£4.9m) (2015-16; £0.7m).

18.1 Pension Costs

Pension benefits for Members are provided through AMPS. The provisions of the scheme are set by the Assembly Members (Pensions) Determination (Northern Ireland) 2016, which was issued in April 2016. This introduced a Career Average Revalued Earnings (CARE) scheme for new and existing members. Existing members born on or before 1 April 1960 retain their Final Salary pension arrangements under transitional protection until 6 May 2021. This element of the scheme is a, 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). Members opt to pay contributions of either 12.5% (2015-16 12.5%) of pensionable salary, including officeholder's salary or 9% (2015-16 7%) of pensionable salary, including officeholder's salary. Members in the CARE scheme pay 9% of the pensionable salary. Members in the CARE scheme have a pension age aligned to their State Pension Age. 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 £19.1 million and, in accordance with FReM and IAS 19 at 31 March 2017, even though the Commission is not the employer, this has been provided for in the 2016-17 financial statements.

The value of £19.1 million was estimated by the Government Actuary's Department (GAD) and represents the excess of the scheme liabilities (£54.2 million) over its assets (£35.1 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 2.65% (2015-16; 3.55%) (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 0.3% (2015-

16; 1.3%) and notional investment return less than earnings increases of -1.6% (2015-16; -0.6%). 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.

18.2 Prior period Adjustment relating to Members Pension Finance Costs

As noted above a valuation of AMPS is undertaken by GAD each year. Until 31 March 2016, the Commission made provision for any movement in the deficit of the scheme's liabilities when compared to its assets in the Resource Accounts, through the Statement of Comprehensive Net Expenditure (SOCNE). However, the quantum of this annual valuation was heavily influenced by a reliance on market values as at the reporting date (used to calculate a discount rate) and this made the movement in the provision particularly difficult to forecast with any degree of certainty. This meant that this aspect of the Commission's reported Outturn fluctuated dramatically each year. In the 2014-15 financial year it was the sole contributory to an excess Resource Requirement. In seeking to ensure that the Annual Report and Accounts give a true and fair view of the Commission's financial position and that this was not distorted by these large fluctuations, this accounting treatment was reviewed and consequently amended within the provisions of IAS 19 (Employee Benefits).

From 1 April 2016 the movement is no longer recorded as a provision, rather, the Members' Pension Finance Cost (net) is recorded through the SOCNE, along with the employer's pension contributions. The remaining movement in the value of the assets and liabilities is the actuarial gain/loss and this is accounted for as a movement between Revenue and Pension Reserves. This voluntary change in accounting policy ensures that the representation of the information about the pension scheme is more reliable and relevant. IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) requires that the change in accounting policy must be applied as if the revised policy had always been in place, to the extent that it is practicable. The first record of the scheme being reported was in 2001. In trying to assess the financial impact of this accounting policy change the Commission has liaised with GAD. The information has been provided for the previous four years, however it has not been possible to obtain the information prior to 2013.

Paragraph 50 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" states that in some circumstances, it is impracticable to adjust comparative information for one or more periods to achieve comparability with the current period. For example, data may not have been collected in the prior period(s) in a way that allows retrospective application of a new accounting policy, and it may be impracticable to recreate this information." As noted above records have been provided from 2013 onwards, however the relevant data prior to that date was not collected. In order to obtain information for earlier periods GAD would have to derive financial assumptions that would then be used to calculate the value of the scheme's assets and liabilities and current service costs. These derived assumptions would be based on the market conditions that prevailed (and in particular corporate bond yields) at the accounting date, and these would need to be reassessed and recalculated for each year in question. The data that GAD currently has is not complete. The Commission has been advised that the time and cost of such an exercise might be prohibitive. Using the figures that have been provided the issue of materiality also arises and whether adjusting for previous years, prior to 2013, would provide any additional benefit to the user of the accounts. The standard provides that PPAs are not required if the amount is not material. Paragraph 3.13 of IAS 8 states that items are material "if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements". The total adjustment, although material in value for the previous four years (£3.3m) does not materially affect the financial statements as the value of total assets, liabilities and equity does not change. The Commission has therefore decided that the PPA will be based on the four years' information that has been provided only.

The amounts for the current and previous four periods are as follows:

SOCNE	**As previously reported £'000s**	**Restated £'000s**	**Net Prior Year Adjustment £'000s**
31st March 2016			
Pension provision provided in year	1,200	-	(700)
Members' Finance cost	-	1,900	
31st March 2015			
Pension provision provided in year	5,600	-	4,500
Members' Finance cost	-	1,100	
31st March 2014			
Pension provision provided in year	(300)	-	(1,600)
Members' Finance cost	-	1,300	
31st March 2013			
Pension provision provided in year	1,900	-	1,100
Members' Finance cost	-	800	
Total for 4 years			
Pension provision provided in year	8,400	-	3,300
Members' Finance cost	-	5,100	

SCITE	**As previously reported £'000s**	**Restated £'000s**	**Prior Year Adjustment £'000s**
31st March 2016			
General Fund	70,557	83,357	Nil
Pension Reserves	-	(12,800)	
31st March 2015			
General Fund	72,812	84,412	
Pension Reserves	-	(11,600)	Nil

31st March 2014	78,898	84,898	
General Fund	-	(6,000)	Nil
Pension Reserves			
31st March 2013	80,776	87,076	
General Fund	-	(6,300)	Nil
Pension Reserves			

19 Contingent liabilities

In addition to contingent liabilities reported within the meaning of IAS37, the 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 reporting 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 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 DoF.

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 DoF.

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 Members, 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 as Treasurer.

During 2016-17, the Commission and NIABT jointly sent representatives to attend externally organised events. In 2016-17 the NIABT facilitated the payment of some expense on behalf of the Commission with the Commission refunding the NIABT for these costs. In total £15,102 was paid by the NIABT in this period and of this amount £Nil remains outstanding at 31 March 2017. In 2015-16 the Commission facilitated the payment of some expenses on behalf of the NIABT with the NIABT refunding the Commission for their portion of costs. In total £92 was paid by the Commission on behalf of the NIABT in this period and of this amount £92 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 2016-17, Politics Plus' board of Trustees included 5 Members.

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 (2015-16; £50,000). In addition, the Assembly Secretariat facilitated the payment of some travel expenses on behalf of the Politics Plus during 2016-17 with Politics Plus refunding the Assembly for these costs. In total £10,945 (2015-16; £9,170) has been paid by the Assembly Secretariat on behalf of Politics Plus in this period and of this amount £10,945 (2015-16; £8,870) has been reimbursed and £Nil (2015-16; £300) 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 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 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 29 June 2017.

The Speaker

Northern Ireland Assembly

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Mrs Lesley Hogg
Clerk to the Assembly/Chief Executive
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12 September 2016

Dear Lesley

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;

SP240_16

(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

Robin Newton MBE MLA

Northern Ireland Assembly

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