



Northern Ireland
Assembly

**Northern Ireland Assembly Commission
Annual Report and Accounts
For the year ended 31 March 2018**

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

29th June 2018



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Report and Accounts for the year ended 31 March 2018

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**The Northern Ireland Assembly Commission (the “Commission”) presents its
Annual Report and Accounts for the year ended 31 March 2018.**

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 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. However, following the Assembly election on 2 March 2017, there was no return to normal Assembly business. Recognising that many of the principal activities could no longer be undertaken, the Commission agreed at its meeting on 30 May 2017 that the work of the Secretariat should be guided by three principles namely:

- Retaining readiness;

- Maximising the use of public resources; and
- Supporting and motivating staff.

It was agreed that these three principles would guide all of the decisions taken by officials and the advice that would be brought to the Commission. In this context, work was undertaken to identify continuing activities that would be required to achieve these three principles or objectives.

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 Secretariat may be found within the Corporate Strategy. Customarily the Corporate Strategy is delivered through Directorate and business area plans. During a period of normal Assembly business, 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. The Corporate Strategy was revised in 2015 and extended to provide space for the incoming Commission to establish its own strategic priorities for the next corporate planning period. Failure to appoint an Executive following the Assembly election in March 2017 meant that normal Assembly business has not been undertaken so a new Corporate Strategy was not put in place for 2017-18. In the context of the prevailing political situation it was agreed that the work of the Secretariat would continue to be guided by the values and principles of the extant Corporate Strategy and also informed by the three principles of Retaining readiness, Maximising the use of public resources and Supporting and motivating staff. During 2017-18 extensive work has been undertaken to develop a new Corporate Strategy for the period from 2018-23. The draft Strategy will be considered by the Commission in due course.

Through the existing Corporate Strategy and in the context of the three agreed principles above, 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 in the Corporate Strategy guide the work of the Secretariat. During the period covered by this Report and Accounts these existing Goals continued to be 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 remain fundamental to everything that the Secretariat undertakes.

The overall planning process establishes corporate objectives that are in keeping with the Vision, Goals and three principles 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, resource constraints and the wider political uncertainty.

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 deputy First Minister in January 2017 and the failure to appoint an Executive following the subsequent Assembly election in March 2017, ongoing political uncertainty once again represents the most apparent risk to the work of the Commission.

The Annual Report and Resources Accounts have been prepared in the context of this continuing political uncertainty. The Secretariat continue to be ready to support the Assembly once an Executive can be formed. Its work is guided by the three agreed principles and the existing Strategic Goals as established in the Corporate Strategy. 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 will have an impact on the delivery of some of the corporate objectives and this has been considered in the Corporate Risk Register.

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 26. SMG is responsible for both the corporate planning process and the implementation of the Risk Management Strategy. The ongoing corporate planning process and the administration of

the Risk Management Strategy provide a strong emphasis on the identification and management of risks.

The Risk Management Strategy was reviewed and revised in April 2017 to include a more detailed analysis of risk appetite. 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 32 to 39.

Chief Executive's Performance Overview

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

Previous commentary has noted that the work of the Commission is significantly impacted by the complexities of the political environment that exist. During 2017-18, those political complexities again predominated. With no Executive appointed following the election on 2 March 2017, there was no return to normal Assembly business.

As in the preceding year, the Commission delivered a significant reduction to its controllable expenditure during 2017-18. The Commission's overall budget for 2017-18 was established by the Assembly's Audit Committee in October 2016, on the basis of a fully functional Assembly (£42.423m for Resource and Capital DEL). This represented a reduction of 5.15% on the previous year. However, in the absence of normal Assembly business and following a reduction in Members from 108 to 90 a further reduction of £3.000m Resource DEL was delivered and recognised when the Secretary of State for Northern Ireland presented the written statement on the budget to Parliament in July 2017. In this statement a further capital allocation was made of £210k, bringing the revised DEL budget to £39.633m. It was assumed that there would be a return to normal Assembly business at some stage during the financial year, however failure to restore the devolved administration meant that further savings of £2.610m Resource DEL and £420k Capital DEL were delivered in the December 2017 monitoring round, bringing the final DEL budget to £36.603m. The continuing absence of an Executive during the last quarter of the year resulted in further savings and meant the final outturn of the Commission was £1.306m less for Resource DEL and £63k less for Capital DEL than the Spring Supplementary Estimate DEL position.

In terms of performance against the measures of success set out in the revised Corporate Strategy 2015-17 (which continued to be used for the 2017-18 financial year), eleven of the fifteen measures were fully achieved and four were partially achieved. During the year, one hundred and two out of the one hundred and thirty targets (78.5%) contained in Directorate business plans were achieved.

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

Performance Summary

As noted in the Performance Report – Performance Overview on page 2, in the current political circumstances the work of the Secretariat is guided by the agreed three principles of Retaining readiness, Maximising the use of public resources, and Supporting and motivating staff. It is also informed by the Strategic Goals contained within the extant Corporate Strategy. The Corporate Strategy contains a relatively small number of measures of success for each of the three Strategic Goals. Performance against these measures is discussed in detail within the Performance Analysis commencing on page 7. 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 continues to be 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 one hundred and thirty separate targets were set across the Secretariat. By 31 March 2018, one hundred and two targets (78.5%) were achieved. The detail of those targets that were not fully achieved as at 31 March 2018 is recorded in the Performance Analysis commencing at page 7.

The final total outturn for the year was £37.071 million against an allocation of £38.841 million. The outturn for the Net Resource Requirement was £36.730 million, against an allocation of £ 38.437 million. The Capital outturn was £0.341 million against an allocation of £0.404 million. The significant levels of underspend reflect the fact that, unlike previous years, the budgeting process was undertaken within the context of the continuing political uncertainty. In preparing the Spring Supplementary Estimate it had been assumed that following the conclusion of political talks in the Autumn an Executive would be appointed and there would be restoration of the devolved administration. The prevailing political uncertainty meant that these planning assumptions were not fulfilled and a significant underspend arose for Members' costs and Secretariat Salaries due to the non-payment of officeholders' salaries for Members and the reduced level of staffing activity.

A detailed analysis and explanation of performance can be found in the Performance Analysis section of the Performance Report on pages 7 to 25.

Performance Analysis

Performance Linkages to Corporate Planning

The corporate planning process links strategic aims 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 aims. These business planning objectives include measures of success and planned actions / initiatives. Responsibility for meeting each objective is allocated to a specific individual.

During 2017-18 the Assembly has continued to experience a period of political uncertainty with no Assembly sittings taking place throughout the year. The previous Corporate Strategy was scheduled to conclude in 2017 with a new strategy to be developed for the 2017-22 mandate; however, the introduction of a new strategy in 2017-18 was paused due to the uncertainty of the political situation. Instead, a strategic decision was taken to use the time available to consult with staff, and to develop a strategy which would be based on a return to full Assembly business. It is anticipated that this planning process will conclude by summer 2018. Consideration will then be given to the approval and implementation of the new strategy in light of political developments. The 2012-17 Corporate Strategy therefore continued to be used for the 2017-18 financial year.

Key Performance Indicators – Strategic Aims and Measures of Success

For the period of the Corporate Strategy, a small number of measures of success for the organisation as a whole were assigned to each of the three Strategic Aims. Some of these objectives were met earlier in the life of the strategy while others continued to have relevance or were updated. Performance against these measures of success for 2017-18 is shown below.

STRATEGIC AIMS	TO ACHIEVE THIS AIM WE WILL	MEASURES OF SUCCESS	OUTCOME
Strategic Aim 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.	1. 100% of Plenary and Committee meetings facilitated.	Achieved. <i>While the Assembly has not met during 2017-18, preparations continued to be made for a return to Assembly business.</i>
	2. Provide the Speaker, Committees, Members and office holders with the support, services and professional development needed to fulfil their roles.	2. Member satisfaction rate above 80%.	Suspended or not required because of a failure to resume normal Assembly business. <i>The Members' survey generally takes place every two years with the last one in 2016-17 and therefore one was</i>

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STRATEGIC AIMS	TO ACHIEVE THIS AIM WE WILL	MEASURES OF SUCCESS	OUTCOME
			<i>not scheduled in 2017-18. A number of actions from the 2016-17 survey have been completed but the remainder have been suspended pending a return of Assembly business.</i>
	3. Ensure the Assembly and its work is accessible to all and communicated widely.	3. Engagement Strategy fully implemented on schedule.	Achieved. <i>Following implementation of the 2012 Engagement Strategy a new draft strategy has been prepared for consideration in the new Corporate Strategy period.</i>
Strategic Aim 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. <i>SP15+ Programme concluded at 31 March 2016.</i>
	2. Plan for, and manage the implementation of, agreed institutional reforms.	2. Institutional reforms implemented within agreed timescales.	Suspended or not required because of a failure to resume normal Assembly business. <i>No such reforms were required to be implemented in 2017-18.</i>
	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. <i>Preparations made for new 2017-22 mandate.</i>

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STRATEGIC AIMS	TO ACHIEVE THIS AIM WE WILL	MEASURES OF SUCCESS	OUTCOME
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. <i>On average, 4.10 learning and development days were undertaken by staff.</i>
	2. Deliver service standards against a reducing budget whilst driving income generation through innovative partnerships.	2. Annual Resource expenditure within 1.5% underspend on total budget.	Not Achieved. <i>Resources were being maintained to facilitate a resumption of normal Assembly business.</i>
		3. Revenue Generation Plan in place by 31 December 2015.	Achieved. <i>The Revenue Generation Plan was developed in 2015-16 and during the 2017-18 year has continued to operate successfully.</i>
	3. Have equality and corporate governance arrangements in place which command confidence and which facilitate compliance with statutory responsibilities.	4. Annual level of overall audit assurance at least “satisfactory”.	Achieved. <i>Assurance level was “satisfactory” for 2017-18.</i>

Directorate Business Plan Targets

Annual Directorate and business area plans continue to underpin the Corporate Strategy. The monitoring and measurement of performance is fundamental to the successful achievement of the Directorate business plans. The current political environment has also had an impact on the implementation of objectives and targets at this level. In many areas, targets which would ordinarily have been achieved could not be progressed while the Assembly was not undertaking normal business. Therefore, for the purposes of accurate reporting, these actions have been listed as “suspended or not required because of a failure to resume normal Assembly business” for the 2017-18 period. During the year a total of one hundred and thirty targets were set across the Secretariat. By 31

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March 2018, one hundred and two targets (78.5%) were achieved, five (4%) were partially achieved, five (4%) were not achieved and a further eighteen (14%) were suspended. The analysis below sets out those targets which were not fully achieved (or suspended) as at 31 March 2018.

Strategic Aim 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 Aim 1 were achieved with the following exceptions:

Directorate Activity	Directorate Target	Reason for non-achievement
Develop the self-service system to include other tabling services (motions, amendments to motions, adjournment debate topics, requests for a matter of the day or an urgent oral question).	30 June 2018.	Not Achieved. <i>Not yet progressed due to insufficient developer resource.</i>
Implement Sharepoint-based Electronic Document Management (EDM) pilot System.	June 2018.	Not Achieved. <i>Not progressed due to technical complexity. An alternative approach will be progressed in 2018-19 to implement an 'off the shelf' solution.</i>
Undertake a review of budget scrutiny processes and develop with Research and Information Services (RaISe) a programme for enhancing scrutiny.	31 March 2018.	Partially Achieved. <i>Clerking review completed but work with RaISe not completed due to lack of capacity in RaISe.</i>
Develop system for electronic laying and presentation of documents and subordinate legislation.	31 March 2018.	Partially Achieved. <i>Part 1 completed but further progress on part 2 is dependent on availability of developer resources.</i>

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Directorate Activity	Directorate Target	Reason for non-achievement
Provision of legal advice on the legislative competence of any Bill presented to the Speaker for introduction, within a timeframe agreed by the client.	100% by 31 March 2018.	Suspended or not required because of a failure to resume normal Assembly business. <i>No Bills have been introduced since the first meeting of this Assembly.</i>
<p>Technical scrutiny of statutory rules and draft statutory rules achieved in accordance with statutory committee delegations under Standing order 43(4)(b).</p> <p>Advice provided to Committees in relation to delegated powers in Bills.</p>	<p>In accordance with Schedule for each Assembly Session.</p> <p>As required to meet relevant statutory committee's timetable.</p>	<p>Both suspended or not required because of a failure to resume normal Assembly business.</p> <p><i>Statutory Committees have not been appointed and no delegation has therefore been provided to the Examiner of Statutory Rules (ESR). Statutory rules have continued, however, to be laid during this period and are being considered by the ESR in readiness for return to normal business.</i></p>
Produce Bill Research Papers prior to the Committee Stage of Legislative process.	31 March 2018.	Suspended or not required because of a failure to resume normal Assembly business. <i>No Bills have been introduced since the first meeting of this Assembly.</i>
Provide Support to the Commission on IFRP legislative reform.	31 March 2018.	Suspended or not required because of a failure to resume normal Assembly business. <i>Further work on hold pending appointment of new Commission and resumption of normal Assembly business.</i>
<p>Produce briefing packs on Private Members' Business within three days of the Publication of the Order Paper.</p> <p>Produce research support for Private Members' Bills as requested by the Bill Office.</p> <p>Meet 95% of agreed research requests within the agreed deadline. Maintain the enquiry</p>	<p>31 March 2018.</p> <p>31 March 2018.</p> <p>31 March 2018.</p>	<p>All suspended or not required because of a failure to resume normal Assembly business.</p> <p><i>No Private Members Business or Bills have been introduced since the first meeting of this Assembly.</i></p>

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Directorate Activity	Directorate Target	Reason for non-achievement
service until 30 minutes following adjournment of plenary sessions or until 20:00hrs, whichever is earlier.		
Support the implementation of the Members' Survey 2016-17 Action Plan.	31 March 2018.	Suspended or not required because of a failure to resume normal Assembly business. <i>A number of actions have been completed but the remainder have been suspended by the Commission pending the return to normal Assembly business.</i>
Implement project to develop new information publishing service (Annunciator), including the replacement of corridor Cathode Ray Tube (CRT) TVs.	31 March 2018.	Suspended or not required because of a failure to resume normal Assembly business. <i>The Annunciator project is complete but the CRT TV replacement project has been suspended by the Commission pending the return to normal Assembly business.</i>
Replace all Acer tablet PCs in 2017-18 financial year.	31 March 2018.	Suspended or not required because of a failure to resume normal Assembly business. <i>Business case developed but procurement suspended by the Commission pending the return to normal Assembly business.</i>
Support the roll out of the Assembly's ePetitions system.	31 March 2018.	Suspended or not required because of a failure to resume normal Assembly business. <i>A change in approach by new Committee, followed by the failure of the Assembly to resume normal business has delayed implementation.</i>

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Directorate Activity	Directorate Target	Reason for non-achievement
Development of a Social Media for Professional Use Policy and Northern Ireland Assembly Social Media Style Guide.	31 March 2018.	Suspended or not required because of a failure to resume normal Assembly business. <i>A Social Media Style Guide has been created and materials gathered to deliver training sessions to staff. Policy not developed as deemed not appropriate to contract external support in the current political climate.</i>
Brand Development Project.	31 December 2018.	Suspended or not required because of a failure to resume normal Assembly business. <i>Not deemed appropriate to contract external support in the current political climate.</i>
Act as the Assembly secretariat to the North/South Inter-Parliamentary Association (NSIPA).	100% of meetings supported.	Suspended or not required because of a failure to resume normal Assembly business. <i>Party whips agreed in September 2017 not to reconstitute NSIPA until the Assembly resumes normal business.</i>
To implement the Assembly Commission's policy on historic anniversaries for the 2017-2022 mandate.	Agreement for key dates and events obtained from the Commission by December 2017.	Suspended or not required because of a failure to resume normal Assembly business. <i>Commission agreed in November 2017 not to initiate the policy until the Assembly resumes normal business.</i>

Strategic Aim 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 Aim 2 were achieved with the following exceptions:

Directorate Activity	Directorate Target	Reason for non-achievement
Legal advice on any institutional reform matter related to continuing activities.	100% by 31 March 2018.	Suspended or not required because of a failure to resume normal Assembly business. <i>No such reforms have been proposed.</i>
Develop and roll-out an induction programme for committee chairpersons.	31 May 2017.	Suspended or not required because of a failure to resume normal Assembly business. <i>Development complete; roll-out dependent on the resumption of normal Assembly business.</i>

Strategic Aim 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 Aim 3 were achieved with the following exceptions:

Directorate Activity	Directorate Target	Reason for non-achievement
Develop an organisational wide approach to benchmarking.	Methodology for benchmarking developed and disseminated to all Business Areas. 31 March 2018.	Not Achieved. <i>Work has commenced in conjunction with colleagues from Scotland and Wales but the benchmarking model has not yet been produced.</i>
Review of organisational systems and processes.	Initial market sounding and outline business case completed. 31 March 2018.	Not Achieved. <i>The assessment of the scale and complexity of the project has still to be undertaken before market sounding and project formation are completed.</i>

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Directorate Activity	Directorate Target	Reason for non-achievement
	Project Board and Project Manager appointed. 31 March 2018.	Not Achieved. <i>See above entry.</i>
Internal and External Audit Recommendations	Preparation and facilitation of Internal Audit activity. (As required)	Partially Achieved. <i>Generally complete but not with full compliance.</i>
Support the organisation's understanding of the importance of parliamentary culture, and develop an action plan to strengthen parliamentary culture within Clerking.	31 March 2018.	Partially Achieved. <i>Due to reprioritisation of work.</i>
Support the development and implementation of the Staff Survey Action Plan.	Implement agreed measures. (In line with Action Plan timetable).	Partially Achieved. <i>The majority of actions scheduled for 2017-18 have been completed but not all were within the target date.</i>

Organisation-wide Objectives

The Assembly Secretariat also has a number of objectives which are not specific to one Directorate but which underpin the achievement of those contained in the Corporate Strategy. During the year fifteen targets were set against those objectives. By 31 March 2018, eleven targets (73.3%) were achieved and four were partially achieved (26.7%). The analysis below sets out those targets which were not fully achieved as at 31 March 2018.

All of the targets in respect of the organisation-wide objectives were achieved with the following exceptions:

Organisation-wide Objectives	Directorate Activity	Directorate Target	Reason for non-achievement
Freedom of Information To comply with the Freedom of Information Act 2000 and all related policies and guidelines.	Compliance with the Freedom of Information Act 2000 and the Data Protection Act 1998 and related policies and guidelines.	As required.	Partially Achieved. <i>One out of 66 FOI responses has not been answered yet in full within the requisite timescale due to volume and complexity of material.</i>

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Organisation-wide Objectives	Directorate Activity	Directorate Target	Reason for non-achievement
			<i>All other requests have been dealt with in accordance with timescales.</i>
Performance Management To comply with the policies and procedures in relation to Performance Management.	All staff to have a Personal Performance Agreement. All staff Reviews for 2016/17 to be completed. All staff In-Year Reviews to be completed.	31 May 2017. 31 May 2017. 31 January 2018. (target extended from 31 October 2017 due to system problem).	Partially Achieved. <i>Majority completed but not all within the target dates.</i>

Review of Financial Performance

The Commission's budget for 2017-18 was agreed in October 2016 through the revised approach adopted during 2016-17. The Commission presented its draft budget proposal to the Assembly's Audit Committee. The Committee scrutinised the draft budget before informing the Department of Finance (DoF) of the resource requirements. This budget was based on a fully operational Assembly in the second year of the 2016-21 mandate. This budget gave a 5.15% reduction on the budget from the previous period and included reduced Members' costs following the implementation of the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 on 6 May 2016. It also recognised the impact on staffing costs following a reduction in staffing numbers as a result of the voluntary exit scheme which took place in October 2016.

The resource outturn for 2017-18 is shown in the table below:

	Outturn	Spring Supplementary Estimate (SSE)	Under/(over)	Under/(Over)
	£'000	£'000	£'000	%
Income	(152)	(152)	-	-
Gross Resource Requirement	36,882	38,589	1,707	4.42%
Net Resource Requirement	36,730	38,437	1,707	4.44%
Capital	341	404	63	15.59%
Total	37,071*	38,841**	1,770	4.56%
* Outturn includes non-budget notional costs (£37k) and AME (£1.8m)				
**SSE includes non-budget notional costs (£45k) and AME (£2.2m)				

Following the Assembly election on 2 March 2017, the non-appointment of an Executive

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meant that there was no return to normal Assembly business. This impacted greatly on the Commission’s opening budget position as the underlying planning assumptions for a fully operational Assembly were not fulfilled. There was also a reduction in elected representatives, with the numbers of Members falling from 108 to 90. Consequently, a surplus of £3.000m was identified and notified to DoF at the earliest opportunity, being ratified by the Secretary of State for Northern Ireland, when the written budget statement was presented to Parliament in July 2017. The continuing absence of an Executive and reduced activities being undertaken by the Commission meant further savings were identified in the December monitoring round, which informed the Spring Supplementary Estimate (SSE) position. The SSE was laid at Westminster on 26 March 2018. Following the completion of the SSE, in the context of continuing political talks, it had been assumed that there would be a return to normal Assembly business in the last quarter of the reporting period. However, this did not occur so these planning assumptions did not come to fruition and therefore an underspend of £1.707 million arose on Net Resource Requirement when compared to the SSE position.

The Commission’s budget, as reported in the SSE is not split by expenditure type. However, for internal budgetary purposes the overall budget is broken down into a number of broad expenditure categories. The breakdown of outturn by category is set out in the following table and for comparison purposes a breakdown of the SSE position is provided for each category.

FINANCIAL PERFORMANCE BY EXPENDITURE CATEGORY				
Expenditure Category	Spring Supplementary Estimate Position	Outturn	Performance Against SSE Under / (Over)	Performance Against SSE Under / (Over)
	£'000	£'000	£'000	%
Accruing Resources (Income)	(152)	(152)	-	0.00%
Secretariat Salaries	15,839	15,361	478	3.02%
Admin costs	4,415	4,245	170	3.85%
Members' Salaries	5,977	5,861	116	1.94%
Members' Other Costs	87	87	-	0.00%
Members' Travel	305	285	20	6.56%
Constituency Costs (incl staff)	5,589	5,505	84	1.50%
Party Allowance	744	699	45	6.05%
Depreciation & Impairment	3,395	3,002	393	11.58%
(Profit)/loss on disposal of fixed assets	-	-	-	0.00%
Total Resource DEL	36,199	34,893	1,306	3.61%
Members' Pension Finance Costs (AME)	2,200	1,800	400	18.18%
Notional Costs	38	37	1	2.63%
Total Estimate Resource	38,437	36,730	1,707	4.44%
Capital	404	341	63	15.59%

The Net Resource Requirement outturn was £36.730 million. The represented an underspend of £1.707 million (4.44%) when compared to the SSE position. This underspend arose across a number of expenditure categories, however in monetary terms the most significant item that contributed to the underspend was a reduction in Secretariat

Salaries of £478k (3.02%). This arose for a number of reasons. The SSE figure included a £20k accrual for the movement in the Employee Benefits which is included in the accounts to reflect the value of TOIL/flexi balances and annual leave accrued but not taken at the end of the year. Due to the ongoing reduced Assembly activities this accrual saw a reduction in year (£64k) due to most staff being able to take the appropriate leave and flexi in advance of year end. During the preparation of the SSE it had assumed that there would be a return to normal Assembly business during the last quarter of the year and therefore it was assumed that through internal manpower planning, vacant posts and long term absences would be filled or covered by recruitment activity and the use of agency workers. With the ongoing political uncertainty this did not come to fruition and these resources were not required. The pay award that was also settled after the SSE had been prepared and submitted.

General administrative costs show an underspend in expenditure of £170k (3.85%). This arose across a number of account codes and as a result of the continuing reduced Assembly activities. As with the other categories of expenditure the SSE had assumed a resumption of Assembly business in the latter quarter of the year. A further underspend arose due to a technical adjustment in the accounts, reclassifying the purchase of software correctly to recognise it as Capital.

In total, expenditure on costs associated with Members was £11.738 million which was £220k less than anticipated (1.84%). The reduction was mainly attributable to the ongoing political uncertainty. As noted above, the planning assumptions used for the preparation of the SSE anticipated that there would be a return to normal Assembly business during the last quarter of the year, heralded by the formation of an Executive. As this did not occur the amount of resources identified for officeholders' salaries (including salaries for Ministers and Committee Chairs) was underspent by £116k. Included within the Members' Travel category of expenditure is the Annual Assembly Travel Allowance. This allowance is payable for Members to travel to the Assembly, as long as the minimum requirement of 72 days' attendance is achieved. The SSE had assumed that all Members would achieve the minimum required attendance however, at the end of the reporting period, a number of Members did not achieve the minimum requirement. This led to the underspend in this category of expenditure of £20k (6.56%). The underspend in Members' Constituency Office costs of £84k (1.50%) arose as Members did not utilise the full allowance available to them, either for the office running costs or staffing.

The remaining underspend can be attributed to Members' Pension Costs and Depreciation. Following a change in accounting treatment in 2016-17 the amount provided for in the SSE for the Members' Pension Scheme was £2.2million, however the final cost was £1.8million. Early indications received during the SSE preparation were that the full amount of the provision would be required, however as the valuation is only completed annually the final figure is not known in advance. As the final stage of completing this change in policy the Commission will look at the accounting impact of changing the valuation date so that perhaps a true reflection of the pension costs will be known in time each year for the preparation of the SSE, instead of at 31 March.

The estimate for Depreciation and Impairment was based on prior year estimates as amended for in-year Capital acquisitions. The depreciation calculation for the SSE underestimated the scale of assets that were fully depreciated at year end. In addition, provision was made for Impairment of assets which did not materialise.

Capital expenditure shows a net outturn of £341k which is £63k less than anticipated. This net underspend arose from the non-delivery of equipment which had been anticipated to arrive before 31 March 2018.

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 the impact of the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016. It also shows the impact on expenditure of the continuing reduction in Assembly activities, during this period of political uncertainty.

Northern Ireland Assembly Commission
Performance Report – Performance Analysis

CHART 1

GROSS EXPENDITURE BY TYPE (£m): 2013-14 to 2017-18



“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.

Northern Ireland Assembly Commission
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Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	2017-18 £'000	2016-17 £'000
Net Resource Outturn (Estimates)	36,730	37,772
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	(104)	(34)
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)	36,626	37,738
Adjustments to remove:		
Voted expenditure outside the budget	(37)	(35)
Adjustments to additionally include:		
Other Consolidated Fund Extra Receipts	-	-
Resource Budget Outturn (Budget)	36,589	37,703
of which		
Departmental Expenditure Limits (DEL)	34,789	36,303
Annually Managed Expenditure (AME)	1,800	1,400

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 2017-18 the Commission paid 98.2% of bills, without queries, within this standard (2016-17; 97.2%).

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 2017-18, 88.0% of invoices were paid within 10 days of being received (2016-17; 91.2%).

The Commission made no payment of interest under the Late Payment of Commercial Debts (Interest) Act 1988 during the year ended 31 March 2018.

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 has also been developed which sets out how the aspirations detailed within the Policy will be achieved. In addition, a dedicated Sustainable Development Office (SDO) within the Secretariat seeks to embed responsible business practices throughout the Assembly.

The key responsibilities of the SDO include:

- Implementing the Commission's Sustainable Development Strategy; and
- Retaining accreditation to the International Standard for Environmental Management Systems (EMS), namely EN ISO 14001:2015.

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 as part of the measures to achieve continuous improvement and environmental considerations are embedded across the organisation through environmental awareness training.

The Commission has procedures in place to improve the process for evaluating prospective suppliers' environmental practices within procurement competitions and to reduce the direct and indirect environmental impacts of the supply chain. At a practical level, the SDO has worked closely with other business areas to reduce the paper use within the Assembly and this has resulted in a significant reduction and cost saving.

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 2017 was D which is very good for a building of its nature. Much of this achievement is due to building energy monitoring controls and the installation of renewables. Following the replacement of the antiquated external lighting with new LED lights at the end of 2017, further energy savings should be realised in the coming financial year.

Each year, the Commission participates in the Business in The Community-led (BiTCNI) Northern Ireland Environmental Benchmarking Survey. The Assembly received the Gold standard in 2017 and will be participating again this year. The Assembly, working in partnership with DoF, also achieved Platinum standard in BiTCNI Business and Biodiversity Award for the Stormont Estate. This is due to be reassessed in 2018.

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

In recent years, the introduction of new waste recycling streams including lights, cooking oil, batteries and food waste has been very successful and helped to improve recycling efforts. Waste management practices have been significantly improved with the average amount of waste that is recycled 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 is now working in partnership with EcoSchools and the Education Officers within the Assembly to help educate young people on sustainability at the Assembly and at home.

During 2017, the Commission signed up to be a Silver Status Career Member of BiTCNI. This ensures that Secretariat staff will participate in 3 specific challenges through the year as well as general volunteering days such as Environment Day. BiTCNI is a leading authority on Corporate Social Responsibility (CSR) and Sustainable Development throughout the UK and Ireland. The Human Resources Office, Outreach Office and Facilities Directorate have worked closely with BiTCNI over the past year on an action plan with several positive steps being taken. A new action plan has been developed for the coming year. In addition to this SDO are working with Outreach to encourage staff to participate in volunteering for the Assembly's Charity of the Year.

The Commission has continued to promote sustainable travel initiatives aimed at encouraging staff to avail of more sustainable modes of transport to travel to and from work. These initiatives are Translink's TaxSmart Scheme (an employer salary sacrifice scheme where the Commission purchases travel passes for employees and the employees then repay the Assembly from their gross salary) and Translink's Annual Commuter Travel cards (an interest free loan made to employees to allow them to purchase travel cards where repayments are made out of net salary).

The 'Cycle to Work scheme' continues to be available to staff and Members, allowing them to purchase bicycles and safety equipment in a tax efficient manner for travelling to work.

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

- Increasing the quantity of recycling and improving waste management;
- Working with partners to improve the biodiversity of Parliament Buildings and the Stormont Estate
- Maintaining ISO14001:2015 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: <http://www.niassembly.gov.uk/about-the-assembly/corporate-information/sustainability/>

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.

The Commission initiates a wide range of activities to engage with the community. These include a popular and successful education programme for schools and young people, and Assembly Community Connect – a specific initiative to engage with the Community and Voluntary Sector. These programmes increase awareness of the work of the Assembly and how to participate in the democratic process. They facilitate engagement with Members and Assembly Committees, including consultation exercises on legislation and inquiry issues.

The Northern Ireland Assembly Charity of the Year initiative demonstrates the Commission's commitment to harnessing the collective efforts of the employees and the organisation itself in supporting the voluntary and community sector. It also reflects the will of Secretariat staff to demonstrate their social responsibility by supporting charitable endeavours. It is staff led and activities are coordinated by the Northern Ireland Assembly Charity Fund Raising Group. The Charity of the Year is a non-lobbying initiative.

The Commission, in recognition of its corporate social responsibility, is committed to encouraging and supporting staff to make a positive impact to the wider community through Employer Supported Volunteering (ESV). The ESV policy has been designed to provide a framework to support staff who wish to undertake volunteering activities. The ESV policy aims to:

- Develop and strengthen links with the local community by sharing the knowledge, skills and abilities of staff with community activities, programmes and organisations;
- Have a demonstrable positive impact on the local community;
- Raise the profile of volunteering activities and support the Assembly's Charity of the Year;
- Enhance the personal development of Commission staff by helping to develop and build a range of skills and abilities they can use in the workplace;
- Raise morale and motivation amongst staff;

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

Northern Ireland Assembly Commission
Performance Report – Performance Analysis

- Provide support to those staff involved in volunteering activities through the provision of reasonable time off work to prepare and/or participate in such activities; and
- Provide reasonable access to Assembly Secretariat facilities.

Anti-Corruption and Anti-Bribery Issues

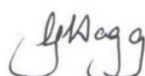
The Commission requires all staff, at all times to act honestly and with integrity to safeguard the public resources for which they are responsible. Fraud, bribery and corruption is an ever present threat to these resources and must be a concern for all staff. The Commission recognises there is a continuing need to raise staff awareness of their responsibility with regard to these matters.

The Commission has a long established policy on these matters, which seeks to provide a clear and coherent framework for all staff, enabling them to understand their responsibilities and to help them implement the necessary controls to ensure full compliance with legislation, minimising the risk of incidents occurring. A response plan also exists, which clearly defines the steps that must be taken when a suspicion of fraudulent or corrupt behaviour arises. Such behaviour is not tolerated at any level, consequently any case of suspected fraudulent or corrupt behaviour is thoroughly investigated and dealt with appropriately.

The policy and response plan are reviewed at least on a biennial basis to ensure they both continue to represent best practice and reflect all appropriate legislative changes. The Commission also participates in the biennial National Fraud Initiative, which is an effective data matching exercise which compares data from across a range of public sector organisations to identify potentially fraudulent claims. The next exercise will be completed in October 2018.

During the reporting period a number of additional assessments were completed on the risks associated with fraud, bribery, corruption and cyber security. These included the Northern Ireland Audit Office's Managing Fraud Risk Self-Assessment Checklist and the British Standards Institution's Anti-Bribery Self-Assessment Questionnaire. Consideration was also given to the Northern Ireland Audit Office's "Managing the Risk of Bribery and Corruption: A Good Practice Guide for the Northern Ireland Public Sector"; and the National Audit Office's good practice guide "Cyber Security and Information Risk Guidance for Audit Committees". Any issues arising from the self-assessments were discussed by SMG and action plans were devised to address the issues arising, as appropriate. The action plans were also presented to the Secretariat Audit & Risk Committee.

Signed:



Lesley Hogg
Accounting Officer
Clerk/Chief Executive
Date: 20 June 2018

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. Following the election of the Assembly on 2 March 2017, the Assembly failed to conduct the election of a Speaker and Deputy Speakers. The Speaker and the Assembly Commission members elected by the previous Assembly therefore continue to hold office until the new Assembly elects their successors, or they resign.

The Speaker Robin Newton MBE MLA continues as chair of the Commission. The membership of the Commission for the 2017-18 year and the percentage attendance at meetings is given below:

Role	Name	Percentage of Meetings attended
Chairperson	Mr Robin Newton MBE	100%
Member	Mr Jim Wells	100%
Member	Mr Alex Maskey	100%
Member	Mr Ross Hussey	100%
Member	Mr Alex Attwood	100%
Member	Mr Stewart Dickson	100%
Member	Mr Robin Swann	100%

Six meetings were held during the year.

The work of the Commission is detailed in the Governance Statement on pages 32 to 39.

As Clerk to the Assembly, Mrs Lesley Hogg 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

Northern Ireland Assembly Commission
Accountability Report - Corporate Governance Report

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 93.

The work of the Assembly Secretariat is organised and monitored by the Secretariat Management Group (SMG). SMG is chaired by the Clerk/Chief Executive and has responsibility for the delivery of the work of the Assembly Secretariat including responsibility for ensuring effective corporate governance of the Secretariat and ensuring the Secretariat is equipped to fulfil its role in supporting Members in carrying out their Assembly functions. SMG continues to meet monthly to consider progress on strategic and key management issues.

In addition to the Clerk/Chief Executive, SMG comprises the Director of Parliamentary Services, the Director of Corporate Services, and the Director of Legal, Governance and Research Services. Following the departure of the Director of Facilities on 1 September 2017, the Secretariat was restructured and a three Directorate structure was adopted.

Membership of SMG (11 meetings held):

Role	Name	Percentage of Meetings attended
Clerk/Chief Executive	Mrs Lesley Hogg	100%
Director of Parliamentary Services	Dr Gareth McGrath	100%
Director of Corporate Services	Mr Richard Stewart	100%
Director of Facilities	Mr Stephen Welch (up to 1 September 2017)	40% (2 out of 5 meetings)
Director of Legal Governance & Research Services	Ms Tara Caul	100%

For the purposes of this report, corporate governance arrangements have been applied to SMG, which is 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/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 Assembly election on 2 March 2017, a Register of Members' Interests for the sixth 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 is also maintained for SMG. This Register is continually updated by individuals and reviewed formally on an annual basis. The last review was undertaken in March 2018. 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 40 to 55 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 62 of the Accounts. The notional cost of the work performed by the Northern Ireland Audit Office for 2017-18 was £37,000 (2016-17; £35,000) and related solely to audit services.

The Commission participates in the biennial National Fraud Initiative. The Comptroller and Auditor General also has statutory powers to undertake the biennial data matching exercises for the National Fraud Initiative. The cost of this work performed by the Northern Ireland Audit Office for 2017-18 was £Nil (2016-17; £2,521). The next exercise is due for completion in October 2018.

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 was one (2016-17; Nil) personal data incident formally reported to the Information Commissioner's Office on 10 October 2017. The ICO considered that no further action

was required.

Communication with staff

During the reporting period, responsibility for internal communications remained with the Communications Office within the Parliamentary Services Directorate. Central to delivering the Commission's Vision of providing progressive, effective and efficient parliamentary services is effective internal communications, in an environment where communication is a two-way process between staff and management. The main channels of communication 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 a dedicated area to share news and organisational updates. Consideration is currently being given to how AssISt can be further developed to meet the needs of staff.

Staff are kept informed of all developments in relation to strategic and corporate issues. Prior to each month's SMG meeting the Clerk/Chief Executive informs staff of appropriate agenda items, which is followed by a summary of the discussions undertaken and decisions taken. Staff are also given prompt access to minutes of SMG meetings which are published on AssISt, along with copies of unrestricted papers. 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, particularly in relation to political developments and voluntary redeployment. The speaking notes for these sessions are published on AssISt. Articles and updates from business areas are also published on AssISt.

The Internal Communications Group (ICG) continued to represent staff by helping to ensure that internal communications are appropriate and consistent. During the reporting period this group continued to meet, reporting to SMG and advising on communication on a range of issues, including the development of the biennial Staff Survey which was issued in June 2017. Findings from the survey were circulated to all staff and presented to SMG on 26 October 2017. A number of recommendations were made such as the formation of an Unreasonable Behaviour Working Group, on which the Chair of ICG sits, and the presentation of a draft Internal Communications Strategy and Action Plan.

Charitable donations

The Commission did not make any charitable donations in the year.

Complaints

From 1 April 2016, the activities of the Commission fall within the remit of the Northern Ireland Public Services Ombudsman's Office. This legislative development initiated a review of the Commission's existing Complaints Procedure in close liaison with the Office of the Ombudsman, which 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 Complaints Procedure was further reviewed and updated in November 2017.

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. The Complaints Procedure therefore covers 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/complaints-procedure/>

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 working 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 2017-18, the Commission received two (2016-17; three) 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.

The Commission complies with all relevant requirements of the “*Corporate Governance in Central Government Departments: Code of Good Practice (NI)*” which was issued by the Department of Finance and Personnel (DFP) (now 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

The Commission customarily meets monthly while the Assembly is in session. However, following the Assembly election in March 2017 there was no return to normal Assembly business and the Commission has met on a slightly less frequent basis with six meetings during this period. 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 Commission in the absence of officials.

When the Assembly is in session 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). During this period of continuing political uncertainty, powers have been conferred on the Secretary of State to pass the Budget Act at Westminster for all Departments and public bodies funded from the Consolidated Fund.

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 (the Secretariat). The 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 Secretariat.

As the Clerk/Chief Executive I chair the monthly SMG meetings and am supported by the other Directors. Details of the Directors and the attendance at each meeting are given in the Directors' Report commencing at page 26. Following the departure of the Director of Facilities on 1 September 2017, an organisational restructure was undertaken and a three Directorate structure was adopted.

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.

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. The process is the same for both SMG and the Commission. A clearly defined approval process has also been established for the presentation of papers with Director approval of papers prior to submission adding a further level of scrutiny as to the relevance and quality of information being provided.

In preparing papers for SMG it is necessary to demonstrate that a number of key areas have been considered including Freedom of Information, legal, staffing, financial and equality implications of the material recommendations being presented. An indication as to whether a Data Protection Impact Assessment has been carried out is now also required. Papers

must clearly set out the context of the matter being discussed, including references to any previous papers that have been presented on the matter. They must include comprehensive and relevant evidence to inform the decision making process, concluding in a series of recommendations which are directly linked to the information provided in the paper. This process of communicating with SMG and the Commission is reviewed regularly and updated to ensure it continues to represent the information needs of SMG and the Commission.

SMG undertakes an annual self-assessment of its effectiveness. The last assessment was carried out by SMG in April 2018. Any issues arising from this or through the governance arrangements and business planning processes are discussed by SMG and an action plan is devised to address the issues 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

The Commission established SARC to support me in my role as Accounting Officer, the Assembly Commission and Secretariat Management Group in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the organisation's assurance needs and reviewing the reliability and integrity of these assurances. Up to 30 March 2018 SARC operated in accordance with H.M. Treasury's Audit Committee Handbook. However, on 30 March 2018 DoF published its Audit and Risk Assurance Committee Handbook (NI) 2018. While the contents significantly mirrored the H.M Treasury's Handbook there were some differences. An analysis of the DoF handbook was carried out to ascertain the SARC's level of compliance. Areas of minor non-compliance have been satisfactorily explained by the alternative governance arrangements that are currently in place and no further actions have been required.

SARC advises on the strategic processes for risk, control and governance and the Governance Statement, 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. SARC also reviews 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 2017-18 were:

Role	Name	Percentage of Meetings attended
Independent Chairperson	Mr James Brooks	100%
Independent Member	Mr Derek Martin	100%
Commission Member	Mr Jim Wells MLA	75%

As Accounting Officer, I attend all SARC meetings, along with all Directors and Mr Brian Moreland (Head of Internal Audit) and/or Mr Edmund Kelly (Audit Manager), Mrs Paula McClintock (Head of Finance) and a Northern Ireland Audit Office representative. The Terms of Reference and Annual Reports of SARC are published on the Assembly’s website.

Internal Audit

The Internal Audit unit 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 organisation’s 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.”

The Internal Audit unit continues to use 4 assurance rating classifications: Substantial, Satisfactory, Limited, and Unacceptable. The decision to retain the Substantial assurance rating, rather than adopt only the ratings outlined in DAO (DoF) 07/16, was taken by SARC in 2016.

The 2017-18 risk-based Internal Audit plan was informed by the detailed risk analysis carried out by Internal Audit in 2015-16, the corporate and Directorate risk registers, the results of previous audits, and detailed discussions with the Clerk/Chief Executive and Directors. The plan was approved by SARC and SMG.

Progress against the plan was monitored throughout the year and progress reported to SARC. Amendments to the plan were made in-year to reflect the lack of procedural business, given the continuing political situation, and resource pressures faced by the Internal Audit unit during the course of the year.

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 comprised areas from each Directorate of the Secretariat, and included a review of procedural business concluded

in May 2017. As per the requirements of the PSIAS, this enabled the acting 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 ten final reports issued since 1 April 2017, two received a substantial level of assurance and seven were satisfactory. The remaining report concerned a scoping review of cyber-security and was not an assurance engagement. As with previous years, the levels of acceptance of recommendations remained high and improvement was noted through follow-up activity. Of the four follow-up reports issued in the period, the assurance rating increased to substantial in each case.

Based on the results of the above programme of internal audits and follow-up activity, the acting Head of Internal Audit reported an overall satisfactory level of assurance for 2017-18.

During 2017-18, there were no instances of limited or unacceptable levels of assurance.

Members Expenses

Following the publication of the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 on 23 March 2016 by the Independent Financial Review Panel, a productive working relationship between the Panel and the Secretariat saw the effective implementation of this new Determination. This collaborative approach meant that operational issues were addressed up to the end of the Panel's tenure in July 2016. This provided a solid basis for the advice and support which continues to be offered to Members on matters arising about the financial support framework in the absence of a Panel.

During 2016-17 the Commission received briefings and considered a number of options to strengthen and enhance the role of a new panel, however this work was not completed prior to the Assembly election in March 2017. In the absence of normal Assembly business this work has been paused and will be taken forward as a matter of urgency once there is a return to normal Assembly business.

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 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 2017-18 are set out in the *Key Performance Indicators – Delivery of the Corporate Strategy* section of the Performance Report commencing at page 7.

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 2018. Risks and internal controls are reviewed routinely by management and are tested as part of the ongoing Internal Audit programme.

Personal Data Related Incidents

There was one (2016-17; Nil) personal data incident formally reported to the Information Commissioner's Office on 10 October 2017. The ICO considered that no further action was required.

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 which resulted in a revised Risk Management Strategy being agreed and adopted in April 2017. This new Strategy included a more detailed analysis of risk appetite. 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 the reporting date, seven corporate risks were identified. These are:

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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. *Non-compliance with standards of practice in ethics, equality, governance and regulatory requirements;*
5. *Suitably skilled, experience and motivated staff complement not maintained;*
6. *Inadequate preparation for the out-workings of the EU Referendum vote and the EU (Withdrawal) Bill; and*
7. *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. Risks are identified and assessed using a 5 x 5 matrix of impact and probability with appropriate colour coding (using a variation of the Red, Amber, Green methodology) applied to each risk. 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 2017 and the end of March 2018. For the reporting period April 2017 to March 2018 all of the Directors have confirmed that they were satisfied that controls were in place and that these controls were appropriate.

During the reporting period a number of additional assessments were completed on the risks associated with fraud, bribery, corruption and cyber security. These included the Northern Ireland Audit Office's Managing Fraud Risk Self-Assessment Checklist and the British Standards Institution's Anti-Bribery Self-Assessment Questionnaire. Consideration was also given to the Northern Ireland Audit Office's "Managing the Risk of Bribery and Corruption: A Good Practice Guide for the Northern Ireland Public Sector"; and the National Audit Office's good practice guide "Cyber Security and Information Risk Guidance for Audit Committees". Any issues arising from these assessments were discussed by SMG and action plans were devised to address the issues arising as appropriate. The action plans were also presented to SARC.

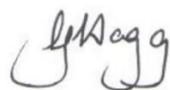
Budget Position and Authority

The Northern Ireland Assembly was dissolved from 26 January 2017 with an election taking place on 2 March 2017, on which date Ministers ceased to hold office. An Executive was not formed following the 2 March 2017 election. As a consequence, the Northern Ireland Budget Act 2017 was progressed through Westminster, receiving Royal Assent on 16 November 2017, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2018 which received Royal Assent on 28 March 2018. The authorisations, appropriations and limits in these Acts provide the authority for the 2017-18 financial year and a vote on account for the early months of the 2018-19 financial year as if they were Acts of the Northern Ireland Assembly.

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) (now DoF) 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: 20 June 2018

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 2017-18 financial year, were set by the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 and the Assembly Members (Pensions) Determination (Northern Ireland) 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. SARC 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 2017 which included the following distinct elements:

- A consolidated 2% increase was applied to all spine points on all pay scales;
- All eligible staff whose performance met the stated requirements received a one-step progression to the next spine point on the relevant pay scale;

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- All pay scales were reduced to three spine points. This reduction was implemented by removing the bottom spine point from the AG7 pay scale and removing the bottom two spines points for the pay scales for AG6 to AG1; and
- The level of paid paternity leave per birth (or adoption) increased from 5 working days to 10 working days for periods of paternity leave commencing on or after 1 August 2017.

Service Contracts

Assembly Secretariat staff are appointed on merit on the basis of a fair and open competition. Staff are normally appointed on a permanent basis. 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	2017-18				2016-17			
	Salary £	Benefits in kind (to nearest £100)	Pension Benefits* (to nearest £1000)	Total (to nearest £1000)	Salary £	Benefits in kind (to nearest £100)	Pension Benefits * (to nearest £1000)	Total (to nearest £1000)
Robin Newton MBE MLA (from 9 May 2016)	38,409	-	11,000	49,000	34,269 (38,000 FYE)	-	11,000	45,000
Jim Wells MLA (from 31 May 2016)	6,000	-	1,000	7,000	5,016 (6,000 FYE)	-	2,000	7,000
Alex Maskey (from 31 May 2016)	6,000	-	1,000	7,000	5,016 (6,000 FYE)	-	2,000	7,000
Alex Attwood MLA (from 31 May 2016)	6,000	-	1,000	7,000	5,016 (6,000 FYE)	-	2,000	7,000
Stewart Dickson MLA (from 31 May 2016)	6,000	-	2,000	8,000	5,016 (6,000 FYE)	-	2,000	7,000
Robin Swann MLA (from 25 Jan 2017)	6,000	-	1,000	7,000	1,097 (6,000 FYE)	-	-	1,000

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*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes increases 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)

SARC	2017-18			2016-17		
	Fees £	Benefits in kind (to nearest £100)	Total (to nearest £1000)	Fees £	Benefits in kind (to nearest £100)	Total (to nearest £1000)
James Brooks – Chairperson (from 1 Dec 2016)	2,206	-	2	-*	-	-
Derek Martin – Independent Member (from 1 Dec 2016)	1,011	-	1	674	-	1
*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.						

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

	2017-18				2016-17			
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
Lesley Hogg Clerk/Chief Executive (from 27 Jun 2016)	120-125	-	48	170-175	90-95 (115-120 full year equivalent)	-	1	90-95
Gareth McGrath Director of Parliamentary Services	85-90	-	27	110-115	80-85	-	29	110-115
Richard Stewart Director of Corporate Services	85-90	-	26	110-115	80-85	-	32	115-120
Stephen Welch Director of Facilities (to 1 Sept 2017)	35-40 (85-90 full year equivalent)	-	19	50-55	80-85	-	32	115-120
Tara Caul Director of Legal, Governance & Research Services	75-80	-	31	110-115	75-80	-	30	105-110
Band of Highest Paid Director's Total Remuneration	120-125				115-120			
Median Total Remuneration	£29,557				£28,186			
Ratio	4.2				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 increases exclude increases 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

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the Hutton Fair Pay Review Disclosure was 4.2 times (2016-17; 4.2) the median remuneration of the workforce, which was £29,557 (2016-17; £28,186). The increase in the median salary is due to the pay-rise awarded during the year. In 2017-18, 0 (2016-17; 0) employees received remuneration in excess of the highest-paid Director. The remuneration range for 2017-18 was £17,352 to £124,929 (2016-17; £16,300-£118,707).

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 ex gratia payments.

This report is based on payments made by the Commission and thus recorded in these accounts. In respect of Members of the Commission (including the Speaker), ‘salary’ represents the *additional* salary payable for being a Member of the Commission or the Speaker over and above the salary payable as a Member. Table 1 of the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 provides for salaries to be paid in respect of certain offices within the Assembly where the salary is higher than the salary payable to Members of the Assembly generally. The Determination sets out the total salary payable to Members generally and for each officeholder. A separate, distinct salary is not payable for any officeholder role. For the purposes of the remuneration report, the *additional* salary payable for the role of Commission Member and Speaker is reported.

From 6 May 2016, the additional amount paid for holding the office of Commission Member was £6,000 (2016-17: £6,000) and, for Speaker, the additional amount paid for holding office was £38,000 (2016-17; £38,000). Therefore, the salary figures do not include the salary for a Member generally of £49,500 (2016-17; £49,000).

During 2017-18, the Speaker also received a small amount of backdated remuneration relating to the 2016-17 financial year. The election of the Speaker had been due to take place on 27 March 2017 and, when processing the March 2017 salaries, it was decided to abate the salary for the remaining days in March pending the outcome of the election process. The election did not take place so the current Speaker remained in office. This arrears of salary was paid in April 2017.

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.

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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 31/03/18 (or end date)	CETV at 31/03/17 (or end date)	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Robin Newton MBE MLA (from 9 May 2016)	0-5	0-2.5	38	27	7
Jim Wells MLA (from 31 May 2016)	0-5	0-2.5	43	39	1
Alex Maskey MLA (from 31 May 2016)	0-5	0-2.5	26	24	1
Alex Attwood MLA (from 31 May 2016)	0-5	0-2.5	43	40	-
Stewart Dickson MLA (from 31 May 2016)	0-5	0-2.5	5	2	2
Robin Swann MLA (from 25 Jan 2017)	0-5	0-2.5	10	7	-

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 (1/50th or 1/40th) 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 in the Final Salary

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section can pay contributions of either 9% or 12.5% of their officeholder's salary, depending on their accrual rate. Commission Members in the CARE section 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 section 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.

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Pension Benefits for Secretariat Staff (audited)

Secretariat Officials	Accrued pension at pension age as at 31/03/18 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/18	CETV at 31/03/17	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Lesley Hogg Clerk/Chief Executive (from 27 June 16)	5-10	0-2.5	90	57	21	-
Gareth McGrath Director of Parliamentary Services	25-30	0-2.5	338	305	12	-
Richard Stewart Director of Corporate Services	35-40 plus lump sum 90-95	0-2.5	644	595	16	-
Stephen Welch Director of Facilities (to 1 September 2017)	25-30	0-2.5	449	427	-	-
Tara Caul Director of Legal, Governance & Research Services	10-15	0-2.5	163	138	14	-

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP). The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did 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 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 is 2.32%.

New entrants joining can choose between membership of alpha 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 also a 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%.

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). From April 2011, pensions payable under classic, premium, and classic plus are reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2017 was 3% and HM Treasury has announced that public service pensions will be increased accordingly from April 2018.

Employee contribution rates for all members for the period covering 1 April 2018 – 31 March 2019 are as follows:

Scheme Year 1 April 2018 to 31 March 2019

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 2018 to 31 March 2019	From 1 April 2018 to 31 March 2019
£0	£15,000.99	4.6%	4.6%
£15,001.00	£21,636.99	4.6%	4.6%
£21,637.00	£51,515.99	5.45%	5.45%
£51,516.00	£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 their scheme 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 scheme 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 schemes 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 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

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

Objective	Permanent employed staff	Agency, Temporary and contract workers	Members	2017-18	2016-17
				Number	Number
				Total	Total
1	326	3	90	419	449
Total	326	3	90	419	449

During 2017-18, an average of 65.5 members of staff (2016-17; 0.6) were out-posted to other legislatures and public sector employers.

The Commission does not employ any staff exclusively for capital projects (2016-17; nil).

Directors, Senior Managers and Employees (audited)

As at 31 March 2018, the number of permanent employed directors, senior managers and employees split by gender was as follows:

Role	Female	Male
Director	1	-
Senior managers	1	2
Employees (not including Directors)	145	185
Total	147	187

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.

Northern Ireland Assembly Commission
Accountability Report – Remuneration and Staff Report

Staff costs (audited) comprise:

				2017-18	2016-17
				£'000	£'000
	Permanently employed staff	Agency, Temporary and contract workers	Members	Total	Total
Wages and salaries	11,447	109	4,631	16,187	17,393
Social security costs	1,181	-	574	1,755	1,875
Other pension costs	2,624	-	656	3,280	3,428
Sub Total	15,252	109	5,861	21,222	22,696
Less recoveries in respect of outward secondments	(137)	-	-	(137)	(50)
Total net costs *	15,115	109	5,861	21,085	22,646

* Of the total, £0 has been charged to capital (2016-17: £0).

All staff costs are charged to programme costs.

Temporary Staff

The Commission made payments of £108,912 (2016-17; £427,983) in relation to temporary workers during the year.

Pension Arrangements

The Northern Ireland Civil Service main 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 Annual Report and Accounts as at 31 March 2018.

For 2017-18, employers' contributions of £2,617,169 were payable to the NICS pension arrangements (2016-17: £2,606,586) 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 2018-19, the rates will range from 20.8% to 26.3% however the salary bands differ. The contribution rates are set to meet the cost of the benefits accruing during 2017-18 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 £6,695 (2016-17; £6,967) were paid

to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2016-17; 8% to 14.75%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £266, 0.5% (2016-17; £362, 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 in the final salary section pay contributions of 12.5% of pensionable salary accruing benefits at 1/40th of final salary for each year of service, or 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, join 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 the 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 2017-18, contributions of £0.7m (2016-17; £0.8m) were paid to the Assembly Members' Pension Scheme. From 6 May 2016 contributions were at a rate of 14.4% (2016-17; 14.4%) 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 (2016-17; Nil) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2016-17; £Nil).

Ill Health Retirement – Members

During the year, no Members retired due to ill health (2016-17; 1). 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 (2016-17; £Nil).

Northern Ireland Assembly Commission
 Accountability Report – Remuneration and Staff Report

Compensation Schemes – exit packages (audited)

There were no compensation payments made in 2017-18.

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	2017-18/ (2016-17)	2017-18/ (2016-17)	2017-18/ (2016-17)
< £10,000	-/(-)	-/(-)	-/(-)
£10,000 - £25,000	-/(-)	-/(-)	-/(-)
£25,000 - £50,000	-/(-)	-/(-)	-/(-)
£50,000 - £100,000	-/(-)	-/(-)	-/(-)
£100,000 - £150,000	-/(-)	-/(-)	-/(-)
£150,000 - £200,000	-/(-)	-/(-)	-/(-)
Total number of exit packages	-/(-)	-/(-)	-/(-)
Total resource cost/ £000	-/(-)	-/(-)	-/(-)

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 (audited)

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 (audited)

The Commission made payments of £18,292 (2016-17; £14,169) 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. The Commission is committed to creating a culture in which individual differences

are valued and respected and where no one is disadvantaged. This position is reflected in the Commission’s Recruitment Policy and Procedures and in the Staff Handbook.

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.

Other Employee Matters

The Commission provides employees with a competitive reward package which includes salary and up to 30 days annual leave plus up to 12 public and privilege holidays each year. All permanent employees are enrolled into the Civil Service Pension Scheme from their first day of employment. Personal and professional learning and development opportunities are available to employees through a range of formal and informal learning. The Commission also has a range of family friendly policies in place to enable staff to balance work with other aspects of their lives.

The Commission recognises the Northern Ireland Public Service Alliance (NIPSA) for the purpose of negotiation and consultation and the relationship between Management and NIPSA is managed in accordance with a formal Joint Agreement. Negotiations on policy and pay matters are undertaken by Management and NIPSA. From August 2017, all grades within the Assembly Secretariat have 3 spine points in their pay scales.

The Commission seeks the views of staff on a range of workplace issues through a Staff Survey which is issued every two years. Following completion of each Staff Survey, an action plan is developed to address the key findings. Staff are also consulted directly on policy issues, recent examples include the Corporate Strategy, Organisational Development Strategy and the review of the Performance Management System and Competence Framework. This consultation is carried out through a range of mechanisms including staff focus groups and through the online policy consultation portal.

The Commission recognises the importance of employee health and wellbeing and has in place a strategy and action plan to promote and deliver a variety of initiatives to enable staff to make informed choices about their own health and wellbeing; to target areas of concern identified through sickness absence information; providing external expert advice through our employee assistance programme; and promoting the importance of good mental health. In addition, we have a Health and Safety Branch whose role it is to create a positive health and safety culture within the Assembly. This is achieved for example, by reporting and investigating accidents; carrying out building inspections; organising training for staff and displaying health and safety information; completing risk assessments and taking correction action as necessary.

Sickness Absence (audited)

There was an average absence rate of 4.7% during 2017-18 (2016-17; 4.1%). 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 2017-18 was 10.5 days (2016-17; 9.2 days). Investment was made in health and well-being initiatives to specifically address the root causes of sickness absence.

Statement of Assembly Supply (*audited*)

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FRm) 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 2017-18

		Estimate			Outturn			2017-18 £'000	2016-17 £'000
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	38,589	(152)	38,437	36,882	(152)	36,730	1,707	37,772
Total Resources	SOAS 2	38,589	(152)	38,437	36,882	(152)	36,730	1,707	37,772
Non-operating cost ARs		-	-	-	-	-	-	-	-

Net Cash Requirement 2017-18

	Note	Estimate	Outturn	2017-18 £'000	2016-17 £'000
Net Cash Requirement	SOAS 3	33,508	32,934	574	37,591

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*)

	Note	Forecast 2017-18 £'000		Outturn 2017-18 £'000	
		Income	Receipts	Income	Receipts
Total	SOAS 4	89	89	104	95

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

							2017-18 £'000	2016-17 £'000		
							Estimate			
							Net total outturn compared with Estimate for virements	Net total outturn compared with Estimate for virements		Prior Year Outturn
Admin	Other Current	Grants	Gross resource expenditure	ARs	Net Total	Net Total	Net total outturn compared with Estimate	Estimate for virements		
Request for Resources 1 – Members’ salaries, expenses and administration costs										
-	36,822	60	36,882	(152)	36,730	38,437	1,707	1,707	37,772	
Departmental Expenditure in DEL:										
A-1 Administration										
-	34,985	60	35,045	(152)	34,893	36,199	1,306	1,306	39,637	
Annually Managed Expenditure (AME):										
A-2 Administration Provisions & Members’ Pension Finance Costs										
-	1,800	-	1,800	-	1,800	2,200	400	400	1,400	
Non-Budget:										
A-3 Notional Charges										
-	37	-	37	-	37	38	1	1	35	
A-4 Prior Period adjustment										
-	-	-	-	-	-	-	-	-	(3,300)*	
Resource Outturn	-	36,822	60	36,882	(152)	36,730	38,437	1,707	1,707	37,772

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

Detailed analysis of expenditure variances is given in the Performance Analysis commencing at page 16. Following the Assembly Election on 2 March 2017 no Executive was formed and there was no return to normal Assembly Business. This meant that the Commission faced a year of reduced activities. In the absence of an Executive powers were conferred on the Secretary of State for Northern Ireland to pass the necessary Budget Act and lay the Spring Supplementary Estimate (SSE) at Westminster on 26 March 2018. The final was £36.730 million for Resource DEL and £341k for Capital DEL, giving a total

outturn for the year was £37.071 million when compared to the SSE allocation of £38.841 million, representing an underspend of £1.770 million or 4.56%. The outturn for the Net Resource Requirement was £36.730 million, against an allocation of £ 38.437 million, or an underspend of £1.707 million (4.44%). The Capital outturn was £0.341 million against an allocation of £0.404 million, an underspend of £63k or 15.59%. The significant levels of underspend reflect the fact that, unlike previous years, the budgeting process was undertaken within the context of the continuing political uncertainty. In preparing the Spring Supplementary Estimate it had been assumed that an Executive would be appointed and there would be restoration of the devolved administration. This did not occur and a significant underspend arose in outturn of Members costs and Secretariat Salaries due to the continued reduced level of activity and the non-payment of officeholders' salaries for Members

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

				2017-18	2016-17
				£'000	£'000
	Note	Outturn	Supply Estimate	Outturn Compared With Estimate	Outturn
Net Resource Outturn	SOAS 1	36,730	38,437	1,707	37,772
Prior Period Adjustment		-	-	-	3,300
Non-supply income (CFERs)	SOAS 4	(104)	(89)	15	(34)
Net operating cost in Statement of Comprehensive Net Expenditure		36,626	38,348	1,722	41,038

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

		Estimate	Outturn	Net Total outturn compared with Estimate: savings/ (excess)
		£'000	£'000	£'000
Resource Outturn	Note SOAS1	38,437	36,730	1,707
Capital:				
Acquisition of property, plant and equipment	7	404	321	83
Acquisition of heritage assets	7	-	6	(6)
Acquisition of intangible assets	8	-	14	(14)
Investments		-	-	-
Net book value of asset disposals		-	-	-
Accruals to cash adjustments:				
<i>Adjustments to remove non-cash items:</i>				
Depreciation	5	(3,395)	(3,002)	(393)
Members' Pension finance costs	3.2	(2,200)	(1,800)	(400)
New provisions and adjustments to previous provisions	17	-	-	-
Prior period Adjustments	17.2	-	-	-
Other non-cash items		(38)	(37)	(1)
<i>Adjustments to reflect movement in working balances:</i>				
Increase/(decrease) in inventories		-	-	-
Increase/(decrease) in receivables		(100)	(65)	(35)
(Increase)/decrease in payables falling due within one year		400	767	(367)
Changes in payables falling due after more than one year				
Use of provision	17	-	-	-
Excess cash receipts surrenderable to the Consolidated Fund	SOAS4	-	-	-
Net Cash Requirement		33,508	32,934	574

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*).

	Note	Forecast 2017-18 £'000		Outturn 2017-18 £'000	
		Income	Receipts	Income	Receipts
Operating income and receipts - excess AR		-	-	-	-
Other operating income and receipts not classified as AR		89	89	104	95
Non-operating income and receipts – excess Accruing Resources	SOAS6	-	-	-	-
Total income payable to the Consolidated Fund		89	89	104	95

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

	Note	2017-18 £'000	2016-17 £'000
Operating income	6	256	80
Adjustments for transactions between RfRs		-	-
Gross Income		256	80
Income authorised to be Accruing Resources		(152)	(46)
Operating income payable to the Consolidated Fund	SOAS4.1	104	34

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

	Note	2017-18 £'000	2016-17 £'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

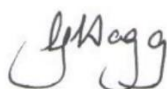
A detailed analysis of fees and charges information is not provided as the income and full cost of each service are immaterial.

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 2018.

Signed:



Lesley Hogg
Accounting Officer
Clerk/Chief Executive
Date: 20 June 2018

NORTHERN IRELAND ASSEMBLY COMMISSION

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

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Assembly Commission for the year ended 31st March 2018 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 Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Assembly Commission's affairs as at 31st March 2018 and of its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

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 31st March 2018 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.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Northern Ireland Assembly Commission in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Other Information

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

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

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

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer 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.

Auditor's responsibilities for the audit of the financial statements

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

I am required to obtain 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the Statement of 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.

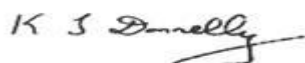
Matters on which I report by exception

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 Accountability 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 the Department of Finance's guidance.

Report

I have no observations to make on these financial statements.



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

Date: 26 June 2018

The Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2018

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.

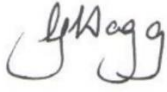
		2017-18	2016-17
	Note	£'000	£'000
Income from sale of goods and services	6	-	-
Other operating income	6	(256)	(80)
Total Operating Income		(256)	(80)
Staff Costs	3	21,222	22,696
Purchase of goods and services	5	10,821	13,639
Depreciation and impairment charges	5	3,002	3,076
Members' Pension finance cost	3	1,800	1,400
Provision Expense	5	-	-
Other Operating Expenditure	5	37	307
Total operating Expenditure		36,882	41,118
Finance Income		-	-
Finance Expense		-	-
Net expenditure for the year		36,626	41,038
Other comprehensive net expenditure			
Net (gain)/loss on revaluation of Heritage assets, Property, Plant and Equipment	7	(5,633)	(4,886)
Net (gain)/loss on revaluation of Intangibles	8	(3)	(43)
Actuarial (gain)/loss on pension scheme	17	(4,300)	4,900
Items that may be reclassified to net operating costs:			
Net (gain)/loss on revaluation of investments		-	-
Comprehensive net expenditure for the year		26,690	41,009

Statement of Financial Position as at 31 March 2018

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.

		2017-18	2016-17
		£'000	£'000
	Note		
Non-current assets:			
Property, plant and equipment	7	137,097	134,099
Intangible assets	8	45	63
Financial Assets	10	-	-
Total non-current assets		137,142	134,162
Current assets:			
Assets classified as held for sale	12	-	-
Inventories	13	-	-
Trade and other receivables	15	412	469
Other current assets	15	-	-
Financial Assets	10	-	-
Cash and cash equivalents	14	660	441
Total current assets		1,072	910
Total assets		138,214	135,072
Current liabilities			
Trade and other payables	16	(2,850)	(3,391)
Provisions	17	-	-
Other liabilities		-	-
Cash and cash equivalents	14	-	-
Total current liabilities		(2,850)	(3,391)
Total assets less current liabilities		135,364	131,681
Non-current liabilities			
Provisions	17	(16,600)	(19,100)
Other payables	16	-	-
Financial Liabilities	10	-	-
Total non-current liabilities		(16,600)	(19,100)
Total assets less liabilities		118,764	112,581
Taxpayers' equity & other reserves			
General fund		79,474	81,408
Pension reserve		(16,600)	(19,100)
Revaluation reserve		55,890	50,273
Total equity		118,764	112,581

Signed:

A handwritten signature in black ink, appearing to read 'L Hogg', written in a cursive style.

Lesley Hogg
Accounting Officer
Clerk/Chief Executive
Date: 20 June 2018

Statement of Cash Flows for the year ended 31 March 2018

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.

		2017-18	2016-17
		£'000	£'000
	Note		
Cash flows from operating activities			
Net operating cost		(36,626)	(41,038)
Adjustments for non-cash transactions	5	4,839	4,783
(Increase)/Decrease in trade and other receivables		57	(70)
<i>less movements in receivables relating to items not passing through the SOCNE</i>		-	(190)
(Increase)/Decrease in Inventories		-	-
Increase/(Decrease) in trade payables		(541)	818
<i>less movements in payables relating to items not passing through the SOCNE</i>		61	(948)
Use of provisions	17	-	-
Net cash outflow from operating activities		(32,210)	(36,645)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(623)	(881)
Purchase of intangible assets	8	-	(29)
Purchase of heritage assets	7	(6)	-
Proceeds less cost of disposal of property, plant and equipment		-	(3)
Proceeds of disposal of intangibles		-	-
Net cash outflow from investing activities		(629)	(913)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		33,092	38,000
From the Consolidated Fund (Supply) - prior year		-	190
From the Consolidated Fund (non-Supply)		-	-
Capital element of payments in respect of finance leases and on-balance sheet (SoFP) PFI contracts		-	-
Net financing		33,092	38,190
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		253	632
Payments of amounts due to the Consolidated Fund		(34)	(10)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		219	622
Cash and cash equivalents at the beginning of the period	14	441	(181)
Cash and cash equivalents at the end of the period	14	660	441

Statement of Changes in Taxpayers’ Equity for the year ended 31 March 2018

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 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 Year		(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		-	5	-	5
Transfers between reserves		1,496	(96)	(1,400)	-
Balance at 31 March 2017		81,408	50,273	(19,100)	112,581
Net Assembly Funding – drawn down		33,092	-	-	33,092
Net Assembly Funding – prior year		408	-	-	408
Supply (payable)/receivable adjustment		(565)	-	-	(565)
Comprehensive Net Expenditure for the period		(36,626)	5,636	4,300	(26,690)
CFERs payable to the Consolidated Fund		(104)	-	-	(104)
Non-cash charges - auditors remuneration	5	37	-	-	37
Non-cash charges - other	5	-	5	-	5
Transfers between reserves		1,824	(24)	(1,800)	-
Balance at 31 March 2018		79,474	55,890	(16,600)	118,764

The Northern Ireland Assembly Commission (the Commission) Annual Report and Accounts 2017-18

Notes to the Resource Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2017-18 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 2017-18 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 Commission is the beneficial owner of Parliament Buildings and as such recognises the property as an asset on 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 a LPS 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 are recognised as income in the Statement of Comprehensive Net Expenditure when received 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 is deferred and released when the conditions are met.

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 Art and Antiquities (Heritage Assets) 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;
- mobile phone – recovery of cost;
- 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% (2016-17 12.5%) of pensionable salary, including officeholder’s salary or 9% (2016-17 9%) of pensionable salary, including officeholder’s salary. Members in the CARE scheme pay 9% of 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 2016-17 the Commission 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 2.55% p.a. reflecting the real yields experienced in the bond markets (see Note 17.1).

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 issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014.

Accounting boundary IFRS are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2020-21, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. Arm's Length Bodies (ALBs) apply IFRS in full and their consolidation boundary may have changed as a result of the new Standards. This will have no impact on the Commission as it has no ALBs.

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 2016-17 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 17.2 on page 89.

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 three 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:

	2017-18	2016-17
	£'000	£'000
	Total	Total
Wages and salaries	16,187	17,393
Social security costs	1,755	1,875
Other pension costs	3,280	3,428
Sub Total	21,222	22,696
Less recoveries in respect of outward secondments	(137)	(50)
Total net costs *	21,085	22,646

* 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:

		2017-18	2016-17
		£'000	£'000
Present value of scheme liabilities	Note	(52,400)	(54,200)
Fair value of scheme assets		35,800	35,100
Net liability	17	(16,600)	(19,100)

Amount in the Statement of Financial Position:

		2017-18	2016-17
		£'000	£'000
	Note		
Liabilities		(16,600)	(19,100)
Assets		-	-
Net liability	17	(16,600)	(19,100)

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

		2017-18	2016-17
		£'000	£'000
	Note		
Current Service cost		1,900	1,700
Interest on pension liability		1,500	1,500
Interest on scheme assets		(900)	(1,000)
		2,500	2,200

Allocated in the account as:

		2017-18	2016-17
		£'000	£'000
	Note		
Other pension costs (contribution by employer)		700	800
Members' Pension Finance cost (Net)	5	1,800	1,400
		2,500	2,200

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

		2017-18	2016-17
		£'000	£'000
	Note		
Actual return less interest on scheme assets		(200)	5,900
Experience gains and (losses) arising on pension liabilities		2,800	200
Changes in assumptions		1,700	(11,000)
Net actuarial gain/(losses) recognised in SCITE		4,300	(4,900)

Movements in liabilities during the year:

	2017-18	2016-17
	£'000	£'000
Note		
Liabilities at 1 April	54,200	41,100
Current service cost (net of member contributions)	1,900	1,700
Member contributions (including net transfers-in)	400	500
Benefits paid during the year	(1,100)	(1,400)
Interest on pension liability	1,500	1,500
Actuarial (gains)/losses	(4,500)	10,800
Liabilities at 31 March 2018	52,400	54,200

Movements in assets during the year:

	2017-18	2016-17
	£'000	£'000
Note		
Assets at 1 April	35,100	28,300
Interest on scheme assets	900	1,000
Actual return less interest on scheme assets	(200)	5,900
Contributions by Commission	700	800
Contributions by Members (including net transfers-in)	400	500
Benefits paid and expenses	(1,100)	(1,400)
Closing fair value of scheme assets 31 March 2018	35,800	35,100

The Commission expects to contribute £0.7m to the Members' Pension scheme in 2018-19.

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

	2017-18	2016-17
	£'000	£'000
Equities	19,700	23,100
Alternative investments	5,400	1,100
Fixed interest and cash	10,700	10,900

Principal actuarial assumptions at the Statement of Financial Position date:

	2017-18	2016-17
	£'000	£'000
Discount rate	2.55%	2.65%
Future salary increases	4.30%	4.35%
Future pension increases (CPI)	2.30%	2.35%

Expectation of life at age 65 (years)

Men	24.4	25.3
Women	25.8	26.9

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 1.0% and the change in total liabilities by circa £0.5m.

If the real rate of return in excess of pension changes by 0.5% the total actuarial liability would change by about 11% and the change in total liabilities by circa £5.8m.

If longevity at retirement were assumed to be 2 years greater, this would increase the total actuarial liability by about 7% and would increase total liability by circa £3.7m.

Further information on the Assembly Members' Pension Scheme can be found in the annual report and accounts for the scheme ending 31 March 2017 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

	2017-18	2016-17
	£'000	£'000
Note		
Payments to Members		
Constituency costs (incl staff)	5,505	5,750
Members' winding-up costs	60	1,548
Members' Other costs (incl Travel)	312	770
Party Allowance	699	752
Other Costs		
Premises	1,104	1,092
Office running costs	221	136
Contracted services	1,604	1,718
Repairs & maintenance	852	1,318
Staff travel, subsistence and training	209	165
Miscellaneous expenses	255	390
Rentals under operating leases	-	-
Total cash items	10,821	13,639
Non-cash items		
Depreciation	2,997	3,071
Pension Finance costs	1,800	1,400
Permanent diminution of assets	6	6
Reversal of previous impairment loss	(1)	(1)
Miscellaneous notional charges	-	-
Auditor's remuneration and expenses (notional)	37	35
Release of provisions	-	-
Provisions: provided in year	-	-
(Profit)/Loss on disposal of assets	-	272
Total non-cash items	4,839	4,783
Total	15,660	18,422

6 Income

	2017-18	2016-17
	£'000	£'000
Note		
Recoupment of salaries	137	50
Other Income	119	30
Total	256	80

7 Property, plant and equipment

2017-18

	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 2017	6,000	126,268	1,931	3,116	1,280	2,713	615	141,923
Additions	-	129	104	57	16	12	9	327
Donations	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	-	3,038	13	(6)	(2)	6	-	3,049
At 31 March 2018	6,000	129,435	2,048	3,167	1,294	2,731	624	145,299
Depreciation								
At 1 April 2017	-	-	1,446	2,975	1,194	2,209	-	7,824
Charged in year	-	2,589	194	48	23	108	-	2,962
Disposals	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	-	(2,589)	2	-	-	3	-	(2,584)
At 31 March 2018	-	-	1,642	3,023	1,217	2,320	-	8,202
Carrying amount								
At 31 March 2018	6,000	129,435	406	144	77	411	624	137,097
At 31 March 2017	6,000	126,268	485	141	86	504	615	134,099
Asset financing								
Owned	6,000	129,435	406	144	77	411	624	137,097
Financed leased	-	-	-	-	-	-	-	-
On-balance sheet (SoFP) PFI and other service concession arrangements	-	-	-	-	-	-	-	-
At 31 March 2018	6,000	129,435	406	144	77	411	624	137,097

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 12 December 2017 and an updated valuation undertaken on 31 March 2018. All assets valued as part of the asset valuation exercise undertaken by LPS are valued using the Level 2 observable inputs. 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 used in the 31 March 2018 valuation was 310 (31 March 2017; 288), an increase of 7.6%. 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 immediate outlook for the local property market is still largely positive, given how it performed in a year of continued upheaval and uncertainty. There remains value to be had in NI when compared to some other UK regions and sound fundamentals put the local property market on a relatively strong footing”. 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 antiquities. 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. Additions of £8,820 were made in 2017-18. The 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.

Northern Ireland Assembly Commission – Notes to the Resource Accounts

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 (restated)	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

8 Intangible Assets**2017-18**

	Information Technology £'000	Software Licences £'000	Total £'000
Cost or valuation			
At 1 April 2017	613	130	743
Additions	14	-	14
Donations	-	-	-
Disposals	-	-	-
Impairments	-	-	-
Revaluations	3	1	4
At 31 March 2018	630	131	761
Amortisation			
At 1 April 2017	575	105	680
Charged in year	27	8	35
Disposals	-	-	-
Impairments	-	-	-
Revaluations	1	-	1
At 31 March 2018	603	113	716
Carrying amount at 31 March 2018	27	18	45
Carrying amount at 31 March 2017	38	25	63
Asset financing			
Owned	27	18	45
Leased	-	-	-
At 31 March 2018	27	18	45

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

9 Capital and Other Commitments

9.1 Capital Commitments

Capital expenditure authorised at 31 March 2018 was as follows:

	2017-18 £'000	2016-17 £'000
Contracted capital commitments at 31 March not otherwise included in these financial statements:		
Property, plant and equipment:	77	-
Intangible assets:	-	213
As at 31 March 2018	77	213

9.2 Commitments under leases

9.2.1 Operating Leases

There are no obligations under operating leases.

9.2.2 Finance Leases

There are no obligations under finance leases.

9.3 Commitments under PFI and other service concession arrangements

There were no such commitments at 31 March 2018.

9.4 Other financial commitments

The Assembly has entered into 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:

	2017-18 £'000	2016-17 £'000
Not later than one year	4,178	3,418
Later than one year but not later than five years	7,644	8,457
Later than five years	1,301	1,428
	13,123	13,303

10 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.

11 Investments and loans in other public sector bodies

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

12 Assets classified as Held for Sale

There are no assets classified as Held for Sale.

13 Inventories

The Assembly does not hold any inventories.

14 Cash and cash equivalents

	2017-18 £'000	2016-17 £'000
Balance at 1 April	441	(181)
Net change in cash and cash equivalent balances	219	622
Balance at 31 March	660	441
The balances at 31 March were held at:		
Commercial banks and cash in hand	660	441

15 Trade receivables and other current assets

	2017-18 £'000	2016-17 £'000
Amounts falling due within one year:		
VAT	83	181
Prepayments and accrued income	249	211
Other receivables	80	77
Amounts due from the Consolidated Fund in respect of supply	-	-
	412	469
Amounts falling due after more than one year:		
	-	-

16 Trade payables and other current liabilities

	2017-18 £'000	2016-17 £'000
Amounts falling due within one year:		
Other taxation and social security	960	812
Other payables	17	-
Accruals and deferred income	1,204	2,137
Amounts issued from the Consolidated Fund for supply but not spent at year end	565	408
Consolidated Fund extra receipts due to be paid to the Consolidated Fund:		
Received	95	34
Receivable	9	-
	2,850	3,391
Amounts falling due after more than one year:	-	-

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

17 Provisions for liabilities and charges

Under International Accounting Standard 19, a liability of £16.6m 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 40 to 55.

	2017-18 £'000	2016-17 £'000
Balance at 1 April	19,100	12,800
(Decrease)/increase	(2,500)	6,300
Utilised in-year	-	-
Balance at 31 March	16,600	19,100

This includes the pension finance cost of £1.8m (2016-17; £1.4m) and the net actuarial gain/(loss) £4.3m (2016-17; (£4.9m)).

17.1 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% (2016-17 12.5%) of pensionable salary, including officeholder's salary or 9% (2016-17 9%) 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 £16.6 million and, in accordance with FReM and IAS 19 at 31 March 2018, even though the Commission is not the employer, this has been provided for in the 2017-18 financial statements.

The value of £16.6 million was estimated by the Government Actuary's Department (GAD) and represents the excess of the scheme liabilities (£52.4 million) over its assets (£35.8 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 2.55% (2016-17; 2.65%) (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 0.25% (2016-17; 0.3%) and notional investment return less than earnings increases of -1.65% (2016-17; -1.6%). 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.

17.2 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 in 2016-17 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) did not materially affect the financial statements as the value of total assets, liabilities and equity does not change. The Commission therefore decided that the PPA was to be based on the four years’ information that was provided only up to an including 2015-16. Both 2016-17 and 2017-18 Pension Finance Costs are based on the Commission’s revised pension policy which is explained in note 1.14.

18 Contingent liabilities

A Contingent liability exists in respect of holiday pay for certain staff. Recent case law has ruled that staff should be paid their full pay (including overtime) when on annual leave. As yet no claims have been made by staff of the Commission, however there are a number of strategic litigation cases that have been lodged in relation to Northern Ireland Civil Service employees. Management has proposed a methodology for calculating any arrears that might be due however a considerable number of details have still to be discussed and then agreed with the Trade Union. These include the number of days of paid holidays, the period used to calculate pay and the number of years to be paid. The amount of the liability is unquantifiable at present.

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.

19 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. A recent decision has been taken to wind up the work of the trust.

There have been no transactions during the 2017-18 year.

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 2017-18, 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 £60,256 by way of a grant (2016-17; £50,000). In addition, the Assembly Secretariat facilitated the payment of some travel expenses on behalf of the Politics Plus during 2017-18 with Politics Plus refunding the Assembly for these costs. In total £5,405 (2016-17; £10,945) has been paid by the Assembly Secretariat on behalf of Politics Plus in this period and of this amount £5,405 (2016-17; £10,945) has been reimbursed and £Nil (2016-17; £Nil) 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.

20 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.

21 Entities within the Assembly boundary

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

22 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 26 June 2018.



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Mrs Lesley Hogg
Clerk to the Assembly/Chief Executive
Northern Ireland Assembly
Parliament Buildings
Belfast
BT4 3XX

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;

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- (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.

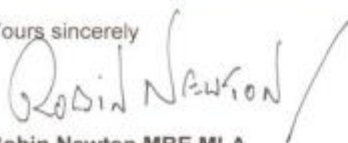
You may sub-delegate functions mentioned above but this does not prevent the exercise of those functions by the Commission.

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