



Northern Ireland  
Assembly

**Northern Ireland Assembly Commission  
Annual Report and Accounts  
For the year ended 31 March 2019**

*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*

***3 July 2019***



© Crown copyright 2019

This publication is licenced under the terms of the Open Government Licence v.3.0 except where otherwise stated. To view this licence visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/> .

Where we have identified any third party copyright information, you will need to obtain permission from the copyright holders concerned.

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

Any enquiries regarding this document/publication should be sent by e-mail to [info@niassembly.gov.uk](mailto:info@niassembly.gov.uk) , by telephone: (028 90 521137) or by post:

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

## **Report and Accounts for the year ended 31 March 2019**

Pages

### **The Performance Report**

Overview 1

Performance Analysis 7

### **The Accountability Report:**

#### Corporate Governance Report

Directors' Report 26

Statement of Accounting Officer's Responsibilities 30

Governance Statement 31

Remuneration and Staff Report 41

#### Assembly Accountability and Audit Report

Statement of Assembly Supply 57

Notes to the Statement of Assembly Supply 58

Other Assembly Accountability Disclosure notes 62

The Certificate and Report of the Comptroller and Auditor General 63

### **The Financial Statements:**

Statement of Comprehensive Net Expenditure 65

Statement of Financial Position 66

Statement of Cash Flows 67

Statement of Changes in Taxpayers' Equity 68

Notes to the accounts 69

**The Northern Ireland Assembly Commission presents its Annual Report and  
Accounts for the year ended 31 March 2019.**

**PERFORMANCE REPORT - Performance Overview**

The purpose of this overview is to provide a short summary of the Northern Ireland Assembly Commission's (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 the 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 responsible for 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 would not be undertaken until normal Assembly business is resumed, 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. In the absence of an Executive and a reduced level of Assembly business, these three principles continue to guide the work of the Secretariat.

#### *Key Aims and Objectives*

The new draft Corporate Strategy has been developed for 2018-23 based on a return to normal Assembly business. Formal approval of the draft Corporate Strategy will not be sought until the current Assembly elects a successor Commission; however, the draft Strategy has been approved by the current Commission to guide the direction of the Secretariat.

The new draft Corporate Strategy takes a strategic focus, seeking to set out an ambitious innovative approach to the developments that will be prioritised by the Commission as it supports the Assembly over the next five years. It outlines a package of aims and objectives that captures the wide variety of interdependent roles and responsibilities of the Secretariat and sets out how these will be progressed over the next five years. The new draft Corporate Strategy will assist in determining and allocating resources, whilst ensuring value for money.

The draft Corporate Strategy is influenced by four common elements:

- **People:** *Every business area relies upon the commitment, skills and expertise of our people;*
- **Culture:** *Every business area is influenced by the principles which underpin the support of a legislature, including accountability and political sensitivity;*
- **Engagement:** *Every business area is impacted by the fact that the Assembly is elected to represent the public; and*
- **Services:**  
*Every business area should continually seek better and more efficient ways to meet the needs of our customers while providing value for the public purse.*

It sets out the overarching vision of “Excellence expertise and innovation in support of the Northern Ireland Assembly as a legislature which is accessible to the public it represents.

This vision is distilled into four strategic aims:

1. **Investing** *in the development, expertise, and well-being of our people.*
2. **Building** *excellence and innovation in our services.*
3. **Strengthening** *engagement with the public.*

4. ***Developing a confident legislature with a strong parliamentary culture.***

The draft Corporate Strategy recognises that while staff in the Secretariat have different roles, they are working towards common goals. No matter what their individual responsibilities are, they will as one team demonstrate:

- ***Professionalism in everything we do;***
- ***Respect for each other, Members and the public; and***
- ***Impartiality and integrity in all our work.***

The draft Corporate Strategy seeks to deliver:

- ***High levels of satisfaction among Members, stakeholders and visitors;***
- ***Enhanced understanding of the role and the work of the Assembly; and***
- ***Skilled and motivated people.***

The corporate planning process translates the strategic aims of the draft Corporate Strategy into annual corporate plans with a series of actions and targets and milestones assigned to each action. Operational targets are managed and monitored at Business Area level, through individual plans.

*Principal risks and uncertainties*

Political uncertainty represents the principal risk to the work of the Commission. Over the years there have been a number of periods of political hiatus, the most recent arising from the resignation of the deputy First Minister in January 2017. Following the subsequent Assembly election in March 2017 there has been no return to normal Assembly business as no Executive has been appointed.

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. The three agreed principles and the existing Strategic Aims, as established in the draft Corporate Strategy, guide its work. 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 has an impact on the delivery of some of the corporate targets 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 Senior 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 is reviewed annually by SMG. Further details on the Secretariat's capacity to handle risk, the risk and control framework within which the Commission operates and a review of effectiveness of the system of internal control are provided in the Governance Statement on pages 31 to 40.

*Chief Executive's Performance Overview*

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

Previous commentary notes that the work of the Commission is significantly impacted by the complexities of the political environment that exist. During 2018-19, those political complexities again prevailed. 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 2018-19. In March 2018, the Secretary of State for Northern Ireland established the Commission's 2018-19 budget through Westminster. This budget made allowance for the fact that the Assembly had yet to return to normal business (£40.109 million for Resource and Capital DEL). This represented a reduction of 5.38% on the previous year (2017-18 £42.388 million for Resource and Capital DEL).

A further reduction of £5.037 million in Resource DEL was delivered over the course of the year, bringing the Commission's DEL final budget position to £35.072 million. This was possible for a number of reasons, including the continuing absence of normal Assembly business. However, the most substantial reduction was possible due to changes in Members' salaries under the provisions of the Assembly Members (Salaries and Expenses) (Present period when there is no Executive) Determination (Northern Ireland) 2018. This Determination was made under the powers conferred on the Secretary of State by the Northern Ireland Assembly Members (Pay) Act 2018.

As the Assembly did not return to normal business during the latter part of the year further savings were achieved and the final outturn of the Commission was £779k less for Resource DEL and £56k less for Capital DEL when compared to the Spring Supplementary Estimate (SSE) DEL position.

In terms of performance against the measures of success set out in the Corporate Plan 2018-19, 23 (70%) of the 33 targets were fully achieved and 7 (21%) were partially achieved. During the year, 3 of the targets (9%) were not achieved.

The significant uncertainty for the Commission and, in particular, for the Secretariat staff that arises during extended 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 level throughout the year, despite the political complexities and uncertainty that the Secretariat faced.

I would like to thank the Secretariat staff for their continued dedication, 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 Aims contained within the draft Corporate Strategy.

The Corporate Plan for 2018-19 translated these aims into 33 high level actions. A series of targets and milestones were established to monitor and control the delivery of these actions. 23 (70%) of the 33 targets were fully achieved and 7 (21%) were partially achieved. During the year, 3 of the targets (9%) were not achieved. Performance against these targets 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 targets within the context of financial performance against budget.

The final total outturn for the year was £35.975 million against an allocation of £36.912 million (total Spring Supplement Estimate (SSE) provision). The outturn for the Net Resource Requirement was £35.795 million, against an allocation of £ 36.676 million. The Capital outturn was £180k against an allocation of £236k. As in previous years, the budgeting process was undertaken within the context of continuing political uncertainty.

In preparing the SSE the full impact of the reduction in Members' salaries, introduced in November 2018 had been forecasted. As the Assembly did not return to normal business during the latter part of the year, additional savings were achieved and the final outturn of the Commission was £779k less for Resource DEL and £56k less for Capital DEL when compared to the SSE position. These underspends arose across a number of expenditure categories, particularly Secretariat Salaries due to a continuing reduced level of staffing activity, and also in Members' costs due to the under-utilisation by Members of their full allowances.

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 uncertainty arising from the prevailing political situation, which has existed from March 2017, has impacted on many areas of the Commission’s work including future Corporate planning. However, even within this context the Secretariat’s work continues, as it seeks to ensure that the three principles of the Commission are achieved, and that it is committed and ready to return to Assembly business when required.

A draft Corporate Strategy 2018-23 was produced in the spring of 2018 following comprehensive staff engagement. The draft Corporate Strategy is based on a return to normal Assembly business and takes a more strategic focus, by not seeking to encapsulate all the activities that continue to be required to ensure the smooth operation of the Assembly and running Parliament Buildings. Instead the draft Corporate Strategy sets out an ambitious approach to the developments which will be prioritised as the Commission supports the Assembly over the next five years.

Formal approval of the draft Corporate Strategy will not be sought until the current Assembly is able to elect a successor Commission. In the interim the Commission has agreed that the draft Corporate Strategy should guide the direction of the Secretariat. Annual corporate plans will take account of the impact of political circumstances on pursuing individual aims and objectives.

### *Key Performance Indicators – Strategic Aims and Measures of Success*

The Corporate Plan 2018-19 translated the strategic aims of the draft Corporate Strategy into 33 high level actions, with a number of targets and milestones assigned to each. 23 (70%) of targets were reported as being achieved, 7 (21%) were partially achieved and 3 (9%) were not been achieved. Of those targets partially achieved or not achieved, the main obstacles have been that one particular element may have caused a delay in the wider project, that the general level of activity in the business area was greater than was anticipated or that they are complex technical projects which are especially vulnerable to delays. A fuller account of the outcomes for 2018-19 is given below:

<b>Strategic Aim: Investing in the development, expertise and well-being of our people</b>			
<b>High Level Objective</b>	<b>Action</b>	<b>Target/Milestones</b>	<b>Outcome</b>
Maximising the potential of our people through a longer term focus on <b>learning and development</b> opportunities	<b>Performance Management:</b> Development and implementation of a new approach to performance management including procurement of supporting software, delivery of staff training, development of supporting guidance and review of related HR policies.	Agreement to a new approach by October 2018  Implementation of new approach by March 2019	<b>Achieved</b>

Northern Ireland Assembly Commission  
Performance Report – Performance Analysis

<b>Strategic Aim: Investing in the development, expertise and well-being of our people</b>			
<b>High Level Objective</b>	<b>Action</b>	<b>Target/Milestones</b>	<b>Outcome</b>
	<b><u>Learning and Development Action Plan:</u></b> Implementation of Corporate Learning and Development activities in line with the 2018-19 plan.	Implementation of 2018-19 plan by March 2019	<b>Achieved</b>
Focusing on the welfare of our people by supporting their <b>health, well-being and resilience</b>	<b><u>Health and Wellbeing Action Plan:</u></b> Implementation of the Health & Wellbeing Action Plan.	Implementation of 2018-19 agreed actions by March 2019	<b>Achieved</b>
	<b><u>Unacceptable Behaviour Working Group:</u></b> Commission further research on unacceptable behaviour and consider resulting actions to be taken in light of Staff Survey 2017.	Research received and actions considered by March 2019	<b>Achieved</b>
Developing and implementing a <b>skills and behaviour framework</b> which meets the needs of the Assembly	<b><u>Skills and Behaviours:</u></b> Development and implementation of new Assembly Skills and Behaviours to replace the Core Competency Framework.	Agreement to new approach by October 2018  Implementation of new approach by March 2019	<b>Achieved</b>
Creating opportunities to <b>come together as one team and to recognise our achievements</b>	<b><u>Maintaining Relationships:</u></b> Retain contacts and relationships between redeployed colleagues and those remaining in Parliament Buildings including by holding corporate return events for all Assembly staff.	At least one corporate event every six months (coordinated alongside continuing contacts in individual business areas)	<b>Achieved</b>
	<b><u>Internal Communication:</u></b> Internal Communication Group to develop an internal communications strategy and plan for SMG consideration in light of Staff Survey 2017.	Strategy and plan developed by March 2019	<b>Achieved</b>

<b>Strategic Aim: Developing a confident legislature with a strong parliamentary culture</b>			
<b>High Level Objective</b>	<b>Action</b>	<b>Target/Milestone</b>	<b>Outcome</b>
Embedding the importance of our <b>parliamentary context</b> in all areas of the Secretariat's work	<b><u>Retaining Readiness:</u></b> In line with Commission priorities, regularly review plans and arrangements to remain prepared for the resumption of full Assembly business when required.	Reviews every 6 months	<b>Achieved</b> Business areas have kept plans and resources under regular review, however retaining readiness is increasingly difficult e.g. as some staff have been redeployed for two years, the number of vacant posts is steadily rising and particular challenges have been highlighted for some business areas.
	<b><u>Parliamentary Culture:</u></b> Develop a draft definition of parliamentary culture and an initial plan of actions to improve understanding of parliamentary context in all areas of the Secretariat's work.	Initial action plan developed by March 2019	<b>Achieved</b>
Developing the Assembly's <b>distinct purpose and identity</b> by supporting its <b>legislative, scrutiny and representative</b> roles	<b><u>Legal &amp; Procedural Capacity:</u></b> Maintain our legal and procedural knowledge and skills to be able to respond to constitutional, political or legislative developments.	By March 2019 legal and procedural developments impacting on the Assembly/ Commission have been effectively monitored and any requests for formal or procedural legal advice have been responded to.	<b>Achieved</b>
Creating <b>solutions to improve</b> the operation of the Assembly in response to constitutional and political	<b><u>Clerking IT Services:</u></b> Development of Members' Self-Services for procedural business including completion of AIMS Question Application.	Completion of AIMS Question Application by March 2019	<b>Achieved</b>

Northern Ireland Assembly Commission  
Performance Report – Performance Analysis

<b>Strategic Aim: Developing a confident legislature with a strong parliamentary culture</b>			
<b>High Level Objective</b>	<b>Action</b>	<b>Target/Milestone</b>	<b>Outcome</b>
change, or service and infrastructure requirements	<b><u>Brexit Preparations:</u></b> Prepare for the potential implications of the UK's withdrawal from the EU on Assembly procedures through the development and delivery of the Brexit Response Plan.	Delivery of 2018-19 actions by March 2019	<b>Achieved</b>
Investing in the continuing professional development of Assembly Members with a <b>focus on parliamentary and scrutiny skills</b>	<b><u>Member Development:</u></b> Identify strategic priorities for Member development initiatives to enable Politics Plus to develop an agreed 2019 delivery plan.	Priorities identified by January 2019	<b>Achieved</b>
Designing Assembly specific models of <b>legislative scrutiny and support</b> based on relevant international best practice	<b><u>Legislative Awareness:</u></b> Enhancing knowledge and awareness of Members and Assembly staff in relation to delegated powers and subordinate legislation in readiness for return to normal Assembly business.	Appropriate training developed by March 2019	<b>Achieved</b>
	<b><u>PMB Support:</u></b> Options to deliver increased support for Private Members' Bills prepared for consideration by a new Speaker on the resumption of normal Assembly business.	Options prepared by March 2019	<b>Achieved</b>

<b>Strategic Aim:</b> <b>Building excellence and innovation in our services</b>			
<b>High Level Objective</b>	<b>Action</b>	<b>Target/Milestone</b>	<b>Outcome</b>
Promoting <b>innovation in our systems</b> to improve services to our customers	<b><u>Corporate Systems:</u></b> Finalise the scoping, market sounding and initial design phases of the review of corporate systems that we use to consider expenditure proposals, procure goods and services, manage our finances and provide management information.	Scoping exercise completed by March 2019	<b>Partially Achieved</b> Market sounding was initiated in January 2019 with input from other interested public sector entities in March 2019.
	<b><u>Security Infrastructure:</u></b> Approval, planning and design of a new Parliament Buildings Security System (PBSS) that will encompass a range of technical components such as CCTV, buildings alarms and Visitor Management System.	Procurement, planning and design approved by Project Board by March 2019	<b>Not achieved</b> The procurement strategy has been delayed due to resourcing issues in the Procurement Office and this has also impacted further stages of the project.
	<b><u>Cyber Security:</u></b> Upgrading infrastructure to protect and strengthen Assembly IT systems and services from cyber-attacks and other threats.	Upgrade completed by December 2018	<b>Achieved</b>
	<b><u>Network Storage:</u></b> Upgrading end-of-life ICT network storage systems to ensure that critical Assembly information infrastructure is fully effective and supported.	Market sounding completed and business case developed by March 2019	<b>Not Achieved</b> Priority was given to the Cyber Security action above which was more involved than anticipated.
	<b><u>Telephone Network:</u></b> Modernisation of communication systems within Parliament Buildings through full implementation of VOIP (Voice Over Internet Protocol).	Tender published by January 2019 with responses received by March 2019	<b>Not Achieved</b> Publication of the tender has been delayed due to resourcing issues in the Procurement Office.
	<b><u>Financial Support Services:</u></b> Strategic review of processes and systems for the submission and assessment of Members' and Secretariat claims to	Review completed by March 2019	<b>Partially Achieved</b> Informal discussions have taken place with the other legislatures on their approach to

Northern Ireland Assembly Commission  
Performance Report – Performance Analysis

<b>Strategic Aim: Building excellence and innovation in our services</b>			
<b>High Level Objective</b>	<b>Action</b>	<b>Target/Milestone</b>	<b>Outcome</b>
	identify recommendations for service improvements.		processing payments to Members. These discussions highlighted potential areas of improvement on the processing and publication of Members' claims that will be further developed in 2019-20.
	<b><u>Information Management:</u></b> Strategic review of information management systems in order to consider options available for electronic document and records management.	Scoping exercise completed by March 2019	<b>Achieved</b>
Ensuring our people have the <b>support, policies and tools</b> required to adapt to changing demands	<b><u>Business Continuity Plans:</u></b> Strategic review of contingency arrangements in order to implement a revised approach to business continuity planning.	Plans revised by March 2019	<b>Partially Achieved</b> The approach to Business Continuity Plan has been revised to take account of different 'consequence scenarios' and development of this and other new elements is continuing.
	<b><u>Support to Members and Members' staff:</u></b> Development of policies to ensure support for MLAs and their staff in dealing with inappropriate behaviours in the workplace which can be incorporated into the Member training priorities by Politics Plus.	Policy developed by March 2019	<b>Partially Achieved</b> Following initial discussion, further work is being undertaken, with contributions required from Clerking.
	<b><u>Recruitment &amp; Selection and Induction Policies:</u></b> Review of recruitment, selection and induction policies and procedures including the creation of an implementation plan with training and support measures.	Review completed and plan developed by March 2019	<b>Achieved</b>

Northern Ireland Assembly Commission  
Performance Report – Performance Analysis

<b>Strategic Aim: Building excellence and innovation in our services</b>			
<b>High Level Objective</b>	<b>Action</b>	<b>Target/Milestone</b>	<b>Outcome</b>
Driving <b>improvement in our performance</b> by monitoring key service standards and benchmarking against relevant comparators	<b>Corporate Strategy:</b> Development of implementation structures for the draft Corporate Strategy leading to the production of a draft five-year corporate plan.	Implementation structures in place by January 2019  Draft content of the five-year corporate plan for the aims on people, excellence and innovation, and public engagement developed by March 2019	<b>Partially Achieved</b> Implementation model and structures agreed but development of the Corporate Plan was delayed due to other business pressures.
Ensuring high standards in <b>equality, governance and regulatory compliance</b> through effective and efficient processes	<b>Audit Assurance:</b> Delivery of the agreed annual audit plan in order to provide assurance for 2018-19 on the Commission’s framework of control, governance and risk management in the context of the current political circumstances and the scale of temporary voluntary staff redeployment.	Completion of all fieldwork in relation to the agreed audit plan by 31 March 2019	<b>Achieved</b>
	<b>Information Governance:</b> Development of related procedures and policies for the introduction of the GDPR and Data Protection Act 2018, and establishment of the Information Asset Forum to support business areas to comply with all statutory data obligations including GDPR and FOI.	Introduction of GDPR policies and procedures by May 2018 Establishment of Information Asset Forum by December 2018	<b>Achieved</b>

<b>Strategic Aim: Strengthening engagement with the Public</b>			
<b>High Level Objective</b>	<b>Action</b>	<b>Target/Milestone</b>	<b>Outcome</b>
Embedding <b>the value of public engagement, openness and transparency</b> across every area of the	<b>Digital Engagement:</b> Develop a RaISe Digital Engagement Strategy to increase the use of social media and other technology	Developed by March 2019	<b>Achieved</b>



Northern Ireland Assembly Commission  
Performance Report – Performance Analysis

Secretariat's work	to provide research products.		
Developing <b>new approaches to engagement</b> which enable the public to interact with the work of the Assembly	<b><u>Engagement Strategy:</u></b> Development of a draft public engagement strategy for consideration by the Commission in preparation for EQIA consultation on return to normal Assembly business.	Commission consideration by February 2019	<b>Partially achieved</b> The Commission discussed a draft engagement strategy in April 2019 and agreed further actions.
Building <b>connections with target groups</b> including for example, support for greater female participation and the delivery of a Youth Assembly	<b><u>Youth Assembly:</u></b> Development of potential options to deliver a Youth Assembly.	Potential options developed by December 2018	<b>Partially achieved</b> Extensive consultation with stakeholders has been completed and an options paper is in development.
Modernising the communication of Assembly business and proceedings through investment in <b>high quality broadcasting, digital technology and social media</b>	<b><u>Broadcasting Equipment:</u></b> Development of initial draft high level strategic options to upgrade the Assembly's broadcasting equipment.	Draft high level options developed by March 2019	<b>Achieved</b>
Improving the <b>visitor experience in Parliament Buildings</b> with a focus on customer service, public facilities and accessibility to Assembly business	<b><u>Events Policy:</u></b> Revise and update the current Events Policy in line with principles agreed by the Commission.	Initial review completed by March 2019	<b>Achieved</b>

*Review of Financial Performance*

During the on-going political hiatus, the 2018-19 budgets for Northern Ireland Departments and Non-Departmental bodies were allocated by the Secretary of State for Northern Ireland in a written Statement at Westminster in March 2018. The Budget for the Commission made allowance for the fact that the Assembly had not returned to normal business. The Budget allocated £39.309 million for Resource DEL and £800k for Capital DEL.

Further reductions of £4.473 million in Resource DEL and £564k Capital DEL were delivered throughout the year, bringing the Commission's final budget position to £34.836 million for Resource DEL and £236k for Capital DEL (a reduction of 12.56%) in the SSE which was laid at Westminster on 15 March 2019.

Northern Ireland Assembly Commission  
Performance Report – Performance Analysis

The resource outturn for 2018-19 is shown in the table below:

	<b>Outturn</b>	<b>Spring Supplementary Estimate (SSE)</b>	<b>Under/(over)</b>	<b>Under/(Over)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
Income	(308)	(308)	-	-
Gross Resource Requirement	36,103	36,984	881	2.38%
Net Resource Requirement	35,795	36,676	881	2.40%
Capital	180	236	56	23.73%
<b>Total</b>	<b>35,975*</b>	<b>36,912**</b>	<b>937</b>	<b>2.54%</b>
* Outturn includes non-budget notional costs (£38k) and AME (£1.7m)				
**SSE includes non-budget notional costs (£38k) and AME (£1.8m)				

Following the Assembly election on 2 March 2017, the non-appointment of an Executive meant there was no return to normal Assembly business. This prevailing political hiatus has impacted greatly on the Commission's budget position for 2018-19. While the opening budget position reflected some reduced level of Assembly business, further reductions were made during the year in Secretariat staff salaries and admin costs as the political hiatus continued.

Reductions in Members' Constituency Office expenses, support staff costs and Members' salaries were also possible due to the underutilisation of the allowances by Members and following the implementation of the Assembly Members (Salaries and Expenses) (Present period when there is no Executive) Determination (Northern Ireland) 2018. This determination, made by the Secretary of State, using powers conferred on her by the Northern Ireland Assembly Members (Pay) Act 2018, reduced Members' salaries, during the reporting period from £49,500 to £35,888. It also introduced a number of administrative changes deferring any inflationary salary increases due until an Executive is next appointed, and limiting the appointment of Members' support staff to temporary positions.

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.

Northern Ireland Assembly Commission  
Performance Report – Performance Analysis

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)	(308)	(308)	-	0.00%
Secretariat Salaries	15,524	15,369	155	1.00%
Admin costs	4,461	4,271	190	4.26%
Members' Salaries	5,354	5,353	1	0.02%
Members' Other Costs	60	29	31	51.67%
Members' Travel	282	283	(1)	-0.35%
Constituency Costs (incl staff)	5,506	5,303	203	3.69%
Party Allowance	767	700	67	8.74%
Depreciation & Impairment	3,190	3,057	133	4.16%
<b>Total Resource DEL</b>	<b>34,836</b>	<b>34,057</b>	<b>779</b>	<b>2.24%</b>
Members' Pension Finance Costs (AME)	1,802	1,700	102	5.66%
Notional Costs	38	38	-	0.00%
<b>Total Estimate Resource</b>	<b>36,676</b>	<b>35,795</b>	<b>881</b>	<b>2.40%</b>
CAPTIAL	236	180	56	23.73%

The Net Resource Requirement outturn was £35.795 million. This represents an underspend of £0.881 million (2.40%) when compared to the SSE position.

As the Assembly did not return to normal business during the latter part of the year, additional savings were achieved and the final outturn of the Commission was £779k less for Resource DEL and £56k less for Capital DEL when compared to the SSE position. These underspends arose across a number of expenditure categories, particularly Secretariat Salaries due to a continuing reduced level of staffing activity, and also in Members' costs due to the under-utilisation by Members of their full allowances. In preparing the SSE the full impact of the reduction in Members' salaries, introduced in November 2018 was forecasted.

The most significant area of underspend was in Members' Constituency Office costs (including support staff costs) (£203k, 3.69%). As noted above Members continued to under-utilise the funding available to them. Following the introduction of the Secretary of State's Assembly Members (Salaries and Expenses) (Present period when there is no Executive) Determination (Northern Ireland) 2018 Members are currently not permitted to appoint staff on a permanent basis. Therefore, while some Members are appointing staff on a temporary basis, overall the support staff costs allowances are not being fully utilised (£81k, 1.47%). While Members continue to offer a full range of services to constituents through their Constituency Offices, the costs incurred remain lower than anticipated and running costs are also underspent (£104.7k, or 1.90%).

The full impact of the reduction in Members' salaries was considered and included in the SSE forecasts and therefore no further underspend was incurred in this category.

General administrative costs show an underspend in expenditure of £190k (4.26%). This

arose across a number of account codes as a direct result of the continuing reduced Assembly activities (£145.2k, 3.25%). A delay in the design and implementation of a number of Corporate Learning and Development training programmes resulted in a further underspend of £44.8k (1.00%).

For salaries an underspend of £155k (1.00%) is reported when outturn is compared against the SSE position. Following the preparation of the SSE forecasts, a number of manpower planning events occurred that had not been anticipated. This included a number of vacancies that arose through natural staff turnover events, some staff took extended periods of unpaid leave and further career breaks were agreed. In addition, there were a number of continuing long-term sick absences and further applications for a change to working patterns under the provision of the Flexible Working and Partial Retirement Procedures. It had also been anticipated that a number of additional posts would be required in the latter part of the year to assist with an internal project, however the project did not progress as planned and these posts were not required.

The remaining underspend can be attributed to Party Allowance (£67k, 8.74%), Depreciation and Impairment (£133k, 4.16%) and Member's Pension Scheme Finance costs (£102k, 5.66%).

Funding is available to political parties under the Financial Assistance For Political Parties Scheme 2016 (the Scheme). This Scheme provides funding to parties, for the purpose of assisting Members of the Assembly, who are connected with each eligible party, to perform their Assembly duties. The Scheme also provides assistance for the administration of a Whip's office. Funding is based on the number of eligible Members connected to each party. This is an annual allowance, however for administration purposes it is paid monthly. The continuation of reduced Assembly business for the full reporting period meant that parties did not utilise the full funding allowances available.

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, assumed the full capital budget would be utilised, however this did not occur. The SSE forecast under-estimated the scale of assets that were fully depreciated at year end. In addition, provision was made for Impairment of assets which did not materialise.

Following a change in accounting treatment in 2016-17 the amount provided for in the SSE for the Members' Pension Scheme was £1.8 million, however the final cost was £1.7 million. Early indications received during the SSE preparation suggested that an additional amount of provision may be required, however as the valuation is only completed annually the final figure was not known with certainty. The change in accounting policy has significantly improved the forecasting for this category of expenditure and this is the first year the underspend has been less than 1% of the total underspend. The Commission will continue to keep this under review and, should it be necessary, the date of the valuation will be amended to ensure the most up to date valuation is used in both the SSE preparation and the Annual Resource Accounts.

Capital expenditure shows a net outturn of £180k, which is £56k less than anticipated. This net underspend arose through slippage on a small number of projects and the decision to upgrade some existing broadcasting equipment instead of purchasing a full replacement as originally planned.

*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. It also shows the impact of the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 (as amended) and the Assembly Members (Salaries and Expenses) (Present period when there is no Executive) Determination (Northern Ireland) 2018. The impact of the continuing reduction in Assembly activities, during this period of political hiatus, on Secretariat Salaries and Admin costs is also clearly demonstrated.

Northern Ireland Assembly Commission  
Performance Report – Performance Analysis

CHART 1

GROSS EXPENDITURE BY TYPE (£m): 2014-15 to 2018-19



“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  
Performance Report – Performance Analysis

*Reconciliation of resource expenditure between Estimates, Accounts and Budgets*

	2018-19 £'000	2017-18 £'000
<b>Net Resource Outturn (Estimates)</b>	<b>35,795</b>	<b>36,730</b>
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	(31)	(104)
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)	-	-
<b>Net Operating Cost (Accounts)</b>	<b>35,764</b>	<b>36,626</b>
Adjustments to remove:		
Voted expenditure outside the budget	(38)	(37)
Adjustments to additionally include:		
Other Consolidated Fund Extra Receipts	-	-
<b>Resource Budget Outturn (Budget)</b>	<b>35,726</b>	<b>36,589</b>
<b>of which</b>		
Departmental Expenditure Limits (DEL)	34,026	34,789
Annually Managed Expenditure (AME)	1,700	1,800

*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 2018-19 the Commission paid 97.9% of bills, without queries, within this standard (2017-18; 98.2%).

In addition to this the Commission has sought to comply with Department of Finance's initiative to pay all supplier invoices within a suggested target of 10 days. During 2018-19, 94.3% of invoices were paid within 10 days of being received (2017-18; 88.0%).

The Commission made no payment of interest under the Late Payment of Commercial Debts (Interest) Act 1988 during the year ended 31 March 2019.

*Sustainability Report*

The Assembly Commission has a long-standing commitment to being an exemplar organisation in respect of Sustainable Development and a dedicated Sustainable Development Office (SDO) within the Secretariat seeks to embed responsible business practices throughout the Assembly.

An Environmental Policy was introduced in December 2009 which sets out the Commission's aspirations to operate in a sustainable manner.

The key responsibilities of the SDO include:

- Implementing the Commission’s Environmental Policy; 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 help reduce the direct and indirect environmental impacts of the supply chain. At a practical level, the SDO has continued to work closely with other business areas to reduce the paper use within the Assembly and this has resulted in a significant reduction and associated 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 2018 was D which is very good for a building of its age and 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 in 2018-2019, further energy savings should be realised in the coming financial year.

Each year, the Commission participates in the Business in The Community (BiTCNI) Northern Ireland Environmental Benchmarking Survey. The Assembly received the Gold standard in 2018 and will be participating again this year. The Commission, working in partnership with Department of Finance also achieved Platinum standard in BiTCNI Business and Biodiversity Award for the Stormont Estate in 2018.

The Commission continues to work closely with external bodies including the Energy Unit within the Department of Finance, the Support Services contractor, Soil Association, Belfast Food Network, Sustainable NI, 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 compostable packaging, and staff being issued with thermal cups have proved to be successful in helping to improve recycling efforts. Waste management practices have been significantly improved with the average amount of waste that is recycled continuing to increase. 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 to help educate young people on sustainability at the Assembly and at home. In 2018 SDO staff, along with the Education Officers, attended the EcoSchool conference to encourage more EcoSchools to visit Parliament Buildings.

The Commission has continued with Silver Status Career Membership of BiTCNI. This ensures that Secretariat staff will participate in 3 specific environmental challenges (such as a beach clean) throughout the year as well as general volunteering days. 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 SDO have worked closely with BiTCNI over the past year on an action plan with several positive steps being taken such as including the provision of relevant training. A new action plan is being developed for the coming 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:

- Improving waste management and reducing the amount of waste produced;
- Working with partners to improve the biodiversity of Parliament Buildings and the Stormont Estate. This will include installing bee hives at Parliament Buildings;
- 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 usage figures and associated 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*<sup>1</sup> of £9.00 per hour.

The Commission delivered a range of measures to engage with the community, including a popular and successful education programme for schools and young people, engagement and outreach activities and a programme of tours and events at Parliament Buildings, all of which helped increase awareness and understanding of the Assembly and indeed the wider democratic process.

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 term of the previous Assembly charity of the year expired in April 2018. Due to the ongoing political situation and the fact that the Assembly is not sitting, no successor charity of the year has been appointed. However, the Assembly has continued to host events for a variety of charitable purposes.

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;
- 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;

---

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

- 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 last review was undertaken in March 2018, with the revised policy and response plan being considered and agreed by SMG in April 2018. These revisions introduced a number of administrative changes, including the creation of a central fraud log, to be updated and monitored by the Head of Finance. As part of this review a mandatory training programme was designed and undertaken by all staff during August/September 2018.

One incident of suspected fraud was reported under the response plan during 2018-19. This involved the attempted use of the Travel Desk Government Procurement Card, by an external third party. Fraud detection measures already in place at the relevant banking institution meant that no financial loss was incurred. However, a review of procedures and controls was undertaken following this attempt and a number of minor administrative and procedural changes were implemented.

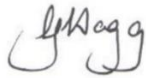
The Commission also participates in the biennial National Fraud Initiative (NFI), which is an effective data matching exercise to compare data from across a range of public sector organisations to identify potentially fraudulent claims. This exercise was completed in October 2018. For this last exercise new tools have been introduced to assist organisations better estimate their exposure to fraud. Rather than reviewing matches that relate to an individual in isolation for each organisation, an overall view of matches for that individual across the whole of the NFI exercise are provided. This Fraud Risk analysis seeks to categorise individuals as high, medium, low or nil risk depending on their overall risk score, based on a matrix or risk logic and footprint score. For the 2018-19 exercise, the Commission reported 347 matches across all of the datasets uploaded (for payroll and creditors). Five individuals were identified as being potentially high or medium risk, within the payroll to pension matches. However, on further investigation it

Northern Ireland Assembly Commission  
Performance Report – Performance Analysis

was revealed these, payroll to pension matches were genuine and no further action has been required.

As in previous years, a number of additional assessments were completed to consider the risks associated with fraud, bribery, corruption and cyber security. These included a review of the NIAO's Managing Fraud Risk Self-Assessment Checklist and the British Standards Institution's Anti-Bribery Self-Assessment Questionnaire. No additional issues arose from the review of these assessments, however a small number of additional recommendations have been agreed and added to the action plans. These revised action plans were also presented to the Secretariat Audit and Risk Committee.

**Signed:**



**Lesley Hogg**  
**Accounting Officer**  
**Clerk/Chief Executive**  
**Date: 21 June 2019**

## 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 starting 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 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 2018-19 year and the percentage attendance at meetings is given below:

<b>Role</b>	<b>Name</b>	<b>Percentage of Meetings attended</b>
Chairperson	Mr Robin Newton MBE MLA	83%
Member	Mr Jim Wells MLA	100%
Member	Mr Alex Maskey MLA	100%
Member	Mr Alex Attwood	100%
Member	Mr Stewart Dickson MLA	83%
Member	Mr Robin Swann MLA	100%

Customarily when the Assembly is in session the Commission meets monthly, however during this present period of political hiatus, it has not been required to meet as frequently. Six meetings were held during the year.

The work of the Commission is detailed in the Governance Statement on pages 31 to 40.

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 92.

The work of the 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 Secretariat, including responsibility for ensuring effective corporate governance of the Secretariat and ensuring that 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.

*Membership of SMG (11 meetings held):*

<b>Role</b>	<b>Name</b>	<b>Percentage of Meetings attended</b>
Clerk/Chief Executive	Mrs Lesley Hogg	100%
Director of Parliamentary Services	Dr Gareth McGrath	Nil*
Director of Corporate Services	Mr Richard Stewart	100%
Director of Legal Governance & Research Services	Ms Tara Caul	91%
* The Director of Parliamentary Services was on secondment from 1 April 2018 for the full reporting period. In his absence, a Head of Business from the Directorate attended each meeting on a rotational basis.		

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

Northern Ireland Assembly Commission  
Accountability Report - Corporate Governance Report

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 2019. 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 1.13 to the Accounts and the Remuneration and Staff Report on pages 41 to 56 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 63 of the Accounts. The notional cost of the work performed by the Northern Ireland Audit Office for 2018-19 was £38,000 (Commission Audit, £32,000 and Assembly Members' Pension Scheme, £6,000) (2017-18; £37,000 – Commission Audit, £32,000 and Assembly Members' Pension Scheme, £5,000) 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 2018-19 was £2,312 (2017-18; £Nil).

*Disclosure to Auditors*

So far as the Accounting Officer is aware, there is no relevant audit information of which the Commission's auditors are unaware and she has taken all reasonable steps to make herself aware of any relevant audit information and to establish that the Commission's auditors are aware of that information.

*Personal Data Related Incidents*

There were no (2017-18; One) personal data incidents formally reported to the Information Commissioner's Office.

*Communication with staff*

During the year, a variety of actions were undertaken to ensure good internal communications, including through the work of the Employee Relations Group and the Employee Relations Board, the further development of the intranet (AssISt), postmaster notices via email, briefing sessions by the Clerk/Chief Executive and regular team meetings. In addition, the Internal Communications Group (ICG) continued to provide advice and guidance on internal communications matters and also helped take forward actions stemming from the 2017 staff survey, including the development of an internal communications strategy and action plan and communicating the recommendations of the Unacceptable Behaviour Working Group.

*Charitable donations*

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

*Complaints*

The Commission has an established Complaints Procedure and 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 by email, post or 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 2018-19, the Commission received no (2017-18; Two) complaints.

*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 Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity 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;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that is fair, balanced and understandable.

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*.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Commission's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

## ***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 Department of Finance) 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. The Commission is the corporate body, which under section 40 of the Northern Ireland Act 1998 has the statutory authority to provide the Assembly with the wide range of services needed by a modern legislature. Members are elected to the Commission by the Assembly. The day-to-day delivery of these 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. Commission Members are not deemed to be Non-Executive Members.

### *The Corporate Governance Role of the Commission*

When the Assembly is in session, the Commission customarily meets monthly. However, as there was no return to normal Assembly business following the Assembly election in March 2017 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 hiatus, 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.

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 targets established in the draft 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, 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. There are no Non-Executive Directors appointed to SMG.

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, data protection and the equality implications of the material recommendations being presented. 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 risk is set out in the Performance Report at page 3 with corporate risks included in the Governance Statement at page 37.

#### *The Secretariat Audit and Risk Committee*

SARC was established to support me, in my role as Accounting Officer, the Commission and SMG in the responsibilities for risk management, control and corporate governance. SARC provides this support by reviewing the comprehensiveness of assurances and reviewing the reliability and integrity of these assurances. SARC operates in accordance with the Department of Finance's Audit and Risk Assurance Committee Handbook (NI) 2018.

SARC advises on the strategic processes for risk, control and governance and the content of the Governance Statement. It also reviews and advises on the planned activity of the Internal Audit Office and the results of its work. It considers the planned activity of the Northern Ireland Audit Office (NIAO) and the results of its work, reviewing 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. In addition, SARC reviews the Commission's Annual Report and Resource Accounts.

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 provides for a robust challenge to the corporate governance regime within the Secretariat.

Northern Ireland Assembly Commission  
Accountability Report - Corporate Governance Report

The members of SARC during 2018-19 were:

<b>Role</b>	<b>Name</b>	<b>Percentage of Meetings attended (4 meetings)</b>
Independent Chairperson	Mr James Brooks	100%
Independent Member	Mr Derek Martin	100%
Commission Member	Mr Jim Wells MLA	50%

As Accounting Officer, I attend all SARC meetings, along with all Directors, the acting Head of Internal Audit, the Head of Finance and a representative from the NIAO.

In October 2018, SARC agreed to amend its Terms of Reference to allow another Commission Member to attend on behalf of the nominated Member, if and when required.

The Minutes, Terms of Reference and Annual Reports of SARC are published on the Assembly's website along with a Register of Interests of the independent members.

#### *Internal Audit*

The Commission's Internal Audit Office complies 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 Office continues to use four 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 (Department of Finance) 07/16, was considered and agreed by SARC in 2016.

The 2018-19 risk-based Internal Audit Plan was informed by Internal Audit's detailed risk analysis, 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 SMG and ratified by SARC.

The scope of planned Internal Audit coverage was necessarily limited by the fact that there was no procedural Assembly business during the course of the year; however, the range of areas included within the risk-based Internal Audit Plan ensured sufficient coverage to still provide a meaningful level of assurance. Internal Audit's resources have been temporarily decreased reflecting the reduced level of activity.

Progress against the plan was monitored throughout the year and reported to SMG and SARC. The plan was reviewed in-year to ensure that allocated resources were adequate to deliver a meaningful level of assurance and the revised plan was approved by SMG and ratified by SARC.

Detailed reports on the findings from individual audits, together with associated recommendations for control enhancement, were prepared and presented to senior management and SARC for consideration. The audits completed comprised areas from each Directorate of the Secretariat. 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.

Since 1 April 2018, six final reports have been issued. Five reviews resulted in a satisfactory level of assurance and one received a substantial level of assurance. The level of acceptance of recommendations remained high and improvement was noted through follow-up activity. Of the five follow-up reports issued during the reporting period, the assurance rating of three increased to substantial while the other two remained satisfactory. Fieldwork has been completed on the remaining reviews in the 2018-19 Internal Audit Plan and the report has been drafted. Although the final assurance rating is yet to be confirmed, this review has not found any weaknesses in internal control that will have an adverse impact on the overall level of assurance.

Based on the results of the above programme of Internal Audits and associated follow-up activity, the acting Head of Internal Audit reported an overall satisfactory level of assurance for 2018-19.

During 2018-19, there were no instances of limited or unacceptable levels of assurance.

### *Members Expenses*

Members' salaries and expenses continue to be provided for under the provisions of the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 (as amended). The tenure of the Independent Financial Review Panel (the Panel) ended in July 2016 and as a consequence of the prevailing political situation, the Commission has not yet appointed a new Panel. The Commission's Finance Office administers the determinations and provides advice and support to Members on matters arising from the financial support framework.

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.

During 2018-19 powers were conferred on the Secretary of State for Northern Ireland to determine salaries and other benefits for Members of the Assembly in respect of periods when there is no Executive, through the enactment of the Northern Ireland Assembly

Members (Pay) Act 2018. To date three determinations have been issued, amending the provisions of the 2016 determination in terms of Members' salaries, expenses and allowances. These changes will cease to have effect once an Executive is appointed. The most substantial amendment has been to Members' salaries, reducing from £49,500 to £35,888, with all inflationary increases to salaries now deferred until an Executive is appointed. A number of other administrative amendments have been introduced relating to leases, appointment of staff and the minimum attendance required to qualify for full entitlement of the Annual Assembly Travel Allowance.

Full details of these changes can be found in the detail of the determinations, published on the Assembly's website:

<http://www.niassembly.gov.uk/your-mlas/members-salaries-and-expenses/>

Under the current governance framework, payments made to Members under the provisions of the determinations are subject to regular reviews for compliance, either by the on-going compliance testing carried out by the Finance Office, or through the annual review by Internal Audit. During the reporting period any issues of non-compliance or inadmissible expenditure that are highlighted as a result of these reviews are dealt with through the established administrative processes as prescribed in the determinations.

These principles are also applied to payments made to political parties under the provisions of the Financial Assistance for Political Parties Scheme 2016 (FAPP), which are reviewed by an independent external auditor each year.

#### *External Audit*

The Comptroller and Auditor General for Northern Ireland is responsible for auditing the Commission's Annual Report and Resource Accounts. The purpose of the external audit is to form an opinion on the truth and fairness and regularity of the figures disclosed in the accounts.

As part of the external audit process weaknesses in the effectiveness of the system of internal control may be identified in the NIAO's Report to those Charged with Governance. The report also provides a commentary on the observations for each significant risk as recognised by the NIAO 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 of performance against the strategic aims and targets set in the draft Corporate Strategy 2018-23 and Corporate Plan for 2018-19 are set out in the *Key Performance Indicators – Delivery of the draft 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 2019. 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 were no (2017-18; one) personal data incidents formally reported to the Information Commissioner's Office.

#### *Risk Management*

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

A Risk Management Strategy and associated policies and procedures were in place across the Secretariat during the reporting period. A detailed review of the Risk Management Framework was undertaken which resulted in a revised Risk Management Strategy being agreed and adopted in April 2017. This Strategy includes a detailed analysis of risk appetite and continues to define the Secretariat's approach to risk management. The Strategy is now reviewed annually by SMG to ensure that it remains adequate and appropriate. The Risk Management Strategy was reviewed in April 2019, when SMG agreed that the Risk Appetite as stated in the Strategy remained appropriate. A Risk Management Self-Assessment will now be added to the Framework to be carried out annually.

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 Risk Management 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 quarterly basis. As at the reporting date, five corporate risks were identified. These are:

- 1. Insufficient budget approved by the Assembly to enable delivery of the Assembly Commission's Corporate Strategy 2018-23;*
- 2. Major Incident / Breakdown (including security incident);*
- 3. Errors or omissions in equality, governance or regulatory requirements;*
- 4. Loss of staff, skills and knowledge and / or staff engagement; and*



5. *Obligations arising from the United Kingdom leaving the EU are placed on the Assembly.*

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 quarterly 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 and Heads of Business. These monthly review meetings are attended by the Governance Officer.

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.

During the reporting period the Director of Parliamentary Services was seconded another organisation; in his absence Stewardship Statements were prepared for each business area within his Directorate, and these have been reviewed by me in my role as Accounting Officer.

The Stewardship Statements were prepared as at the end of September 2018 and the end of March 2019. For the reporting period April 2018 to March 2019 all of the Directors and Heads of Business, within the Parliamentary Services Directorate, have confirmed that they were satisfied that controls were in place and that these controls were appropriate.

As in previous years, a number of additional assessments were completed to consider the risks associated with fraud, bribery, corruption and cyber security. These included a review of the NIAO's Managing Fraud Risk Self-Assessment Checklist and the British Standards Institution's Anti-Bribery Self-Assessment Questionnaire. No additional issues arose from the review of these assessments, however a small number of additional recommendations have been agreed and added to the action plans. These revised action plans were also presented to SARC.

*Anti-fraud and Anti-Bribery Issues*

The Fraud Prevention and Anti-Bribery Policy and associated response plan were also reviewed and updated during the reporting period, in order to ensure they both continue to represent best practice and reflect all appropriate legislative changes. These revisions introduced a number of minor administrative changes, including the creation of a central fraud log, to be updated and monitored by the Head of Finance. As part of this review a mandatory training programme was designed and undertaken by all staff during August/September 2018. One incident of suspected fraud was reported under the response plan during 2018-19. This involved the attempted use of the Travel Desk Government Procurement Card, by an external third party. Fraud detection measures already in place at the relevant banking institution meant that no financial loss was incurred. However, a review of procedures and controls was undertaken following this attempt and a number of minor administrative and procedural changes were implemented.

The Commission also participates in the biennial National Fraud Initiative (NFI), which is an effective data matching exercise to compare data from across a range of public sector organisations to identify potentially fraudulent claims. This exercise was completed in October 2018. For this last exercise new tools have been introduced to assist organisations better estimate their exposure to fraud. Rather than reviewing matches that relate to an individual in isolation for each organisation, an overall view of matches for that individual across the whole of the NFI exercise are provided. This Fraud Risk analysis seeks to categorise individuals as high, medium, low or nil risk depending on their overall risk score, based on a matrix or risk logic and footprint score. For the 2018-19 exercise, the Commission reported 347 matches across all of the datasets uploaded (for payroll and creditors). Five individuals were identified as being potentially high or medium risk, within the payroll to pension matches. However, on further investigation it was revealed these, payroll to pension matches were genuine and no further action has been required.

*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. Consequently, from that date the annual Budget Acts have been passed through Westminster. The Northern Ireland Budget Act 2018 was progressed through Westminster, receiving Royal Assent on 19 July 2018, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2019, which received Royal Assent on 15 March 2019. The authorisations, appropriations and limits in these Acts provide the authority for the 2018-19 financial year and a vote on account for the early months of the 2019-20 financial year as if they were Acts of the Northern Ireland Assembly.

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. On 11 April 2019, the government agreed with the EU to extend the departure date until 31 October 2019 at the latest. The planned departure from the EU will have little or no impact on the budgetary position of the Commission as the Commission does not have any EU funded programmes.

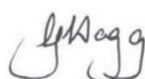
*General*

Over the last year, the reduction in Assembly activity, due to the political hiatus, has continued to have a significant impact on all areas of the Secretariat. Activities are reviewed on a regular basis to identify what staffing resources are required for on-going continuing activities and to identify those activities, which have been discontinued. The Commission continues to seek redeployment opportunities for staff with other organisations or public sector bodies.

During the reporting period due to a shortage of professional procurement staff the Procurement Office was closed from 28 February 2019 to 30 May 2019. While the continuing reduced Assembly business, lead to a reduction in projects requiring procurement advice and support, it was necessary for two major projects to be paused, during this time. Additionally, no further procurement exercises for contracts over £30,000 were undertaken and a lawyer assisted the clerical officer in the Procurement Office to monitor all existing contracts over £30,000, in order to ensure that all necessary contract extensions or variations were dealt with properly and in a timely manner. A temporary Procurement Manager has now been appointed and allowing the Office to reopen. However, it remains the case that there is only a limited professional staff resource available and work will therefore, be taken forward in a prioritised and structured way.

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 Department of Finance and Personnel under the DAO (DFP) (now Department of Finance) 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: 21 June 2019**

## **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 2018-19 financial year, were set by the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 (as amended) and the Assembly Members (Pensions) Determination (Northern Ireland) 2016. These determinations were made by the Independent Financial Review Panel (IFRP), which was established by the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011, to make determinations in relation to salaries, allowances and pensions payable to Members.

However, during this period of on-going political hiatus, powers were conferred on the Secretary of State for Northern Ireland under the provisions of The Northern Ireland Assembly Members (Pay) Act 2018 to determine salaries and other benefits for Members of the Assembly in respect of periods when there is no Executive. The provisions of the 2016 IFRP determination were subsequently amended following the introduction of two determinations: (i) The Assembly Members (Inflationary increase to salary) (Period when there is no Executive) Determination (Northern Ireland) 2018 and (ii) The Assembly Members (Salaries and Expenses) (Present period when there is no Executive) Determination (Northern Ireland) 2018. The second of these determinations revoked the first, and its introduction meant that salaries payable to Members and officeholders were reduced in two phases from 1 November 2018 and any inflationary increases due are now deferred. The 2018 Determination remains valid, unless revoked, however, its provisions will no longer be effective once an Executive is appointed and salaries for Members and officeholders will return to the levels prescribed in the 2016 Determination.

#### *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*

Northern Ireland Assembly Commission  
Accountability Report – Remuneration and Staff Report

*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 2018 which included the following distinct elements:

- A consolidated 2.7% 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; and
- All pay scales were reduced to two spine points. This reduction was implemented by removing the bottom spine point from all scales.

*Service Contracts*

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.

Northern Ireland Assembly Commission  
 Accountability Report – Remuneration and Staff Report

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

Assembly Commission Members	2018-19				2017-18			
	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	30,483	-	11,000	41,000	38,409	-	11,000	49,000
Jim Wells MLA	5,500	-	1,000	7,000	6,000	-	1,000	7,000
Alex Maskey MLA	5,500	-	1,000	7,000	6,000	-	1,000	7,000
Alex Attwood	5,500	-	1,000	7,000	6,000	-	1,000	7,000
Stewart Dickson MLA	5,500	-	2,000	8,000	6,000	-	2,000	8,000
Robin Swann MLA	5,500	-	1,000	7,000	6,000	-	1,000	7,000

\*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes 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	2018-19			2017-18		
	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	2,823	-	3	2,206	-	2
Derek Martin – Independent Member	846	-	1	1,011	-	1

Northern Ireland Assembly Commission  
 Accountability Report – Remuneration and Staff Report

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

	2018-19				2017-18			
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	125-130	-	94	220-225	120-125	-	48	170-175
Gareth McGrath Director of Parliamentary Services	85-90	-	29	115-120	85-90	-	27	110-115
Richard Stewart Director of Corporate Services	85-90	-	32	120-125	85-90	-	26	110-115
Stephen Welch Director of Facilities (to 1 Sept 2017)	-	-	-	-	35-40 (85-90 full year equivalent)	-	19	50-55
Tara Caul Director of Legal, Governance & Research Services	80-85		40	120-125	75-80	-	31	110-115
<b>Band of Highest Paid Director's Total Remuneration</b>	<b>130-135</b>				<b>120-125</b>			
<b>Median Total Remuneration</b>	<b>£29,917</b>				<b>£29,557</b>			
<b>Ratio</b>	<b>4.35</b>				<b>4.20</b>			

\*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 the Hutton Fair Pay Review Disclosure was 4.35 times (2017-18; 4.2) the median

Northern Ireland Assembly Commission  
Accountability Report – Remuneration and Staff Report

remuneration of the workforce, which was £29,917 (2017-18; £29,557). The increase in the median salary is due to the pay-rise awarded during the year. In 2018-19, no (2017-18; 0) employees received remuneration in excess of the highest-paid Director. The remuneration range for 2018-19 was £17,526 to £130,278 (2017-18; £17,352-£124,929).

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 (as amended) 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. These amounts were amended following the introduction of The Assembly Members (Salaries and Expenses) (Present period when there is no Executive) Determination (Northern Ireland) 2018. Table 1 A provides for the salaries payable to certain officeholders and Members generally during this period of no Executive. For the purposes of the remuneration report, it is only the *additional* salary payable for the role of Commission Member and Speaker that is reported.

From 6 May 2016, the additional amount paid for holding the office of Commission Member was £6,000 (2017-18: £6,000). However, following the introduction of the 2018 Determination this was reduced to £4,800 from 1 November 2018. For the Speaker, the additional amount paid for holding office was £38,000 (2017-18; £38,000). From the 1 November 2018, this was reduced to £19,960. Therefore, the salary figures do not include the salary for a Member generally of £49,500 (2017-18; £49,500), which was also reduced from 1 November 2018 to £42,075 and further reduced to £35,888 from 1 January 2019.

### *Benefits in kind*

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



*Pensions Benefits for Assembly Commission Members (audited)*

Assembly Commission Members	Accrued pension at age 65 as at 31/03/18	Real increase in pension at age 65	CETV at 31/03/19 (or end date)	CETV at 31/03/18 (or end date)	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Robin Newton MBE MLA	0-5	0-2.5	49	39	7
Jim Wells MLA	0-5	0-2.5	54	49	1
Alex Maskey MLA	0-5	0-2.5	29	28	1
Alex Attwood	0-5	0-2.5	54	50	1
Stewart Dickson MLA	0-5	0-2.5	7	5	2
Robin Swann MLA	0-5	0-2.5	15	13	1

*\*The calculation of the starting pension for the 2018/2019 CETV was based on the pensionable salary used in the 2018/19 annual benefit statement and was therefore greater than the closing pension for the 31/03/2018 CETV.*

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

As Commission Members are Assembly Members, they accrue a Members' pension under the AMPS (details of which are not included in this report). Pension benefits for Commission Members under transitional protection arrangements are provided on a "contribution factor" basis which takes account of service as a Commission Member. The contribution factor is the relationship between the salary as a Commission Member and salary as an Assembly Member for each year of service as a Commission Member. Pension benefits as a Commission Member are based on the accrual rate (1/50<sup>th</sup> or 1/40<sup>th</sup>) 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 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. Under the Northern Ireland Assembly Members (Pay) Act 2018 while the provisions of the Assembly Members (Salaries and Expenses) (Present period when there is no Executive) Determination (Northern Ireland) 2018 are in force and Members and officeholders salaries are reduced, Members are treated as having whatever salary they would generally have, apart from this Determination. That means for pension purposes benefits continue to accrue on the salaries that would generally be payable under Table 1 of the 2016 Determination.

#### *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.

Northern Ireland Assembly Commission  
Accountability Report – Remuneration and Staff Report

*Pension Benefits for Secretariat Staff (audited)*

Secretariat Officials	Accrued pension at pension age as at 31/03/19 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/19	CETV at 31/03/18	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Lesley Hogg <b>Clerk/Chief Executive</b>	10-15	5-7.5	161	90	51	-
Gareth McGrath <b>Director of Parliamentary Services</b>	25-30	0-2.5	404	338	12	-
Richard Stewart <b>Director of Corporate Services</b>	35-40 plus a lump sum of 90-95	0-2.5	735	644	16	-
Tara Caul <b>Director of Legal, Governance &amp; Research Services</b>	15-20	0-2.5	208	163	20	-

*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 '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,

Northern Ireland Assembly Commission  
 Accountability Report – Remuneration and Staff Report

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 2018 was 2.4% and HM Treasury has announced that public service pensions will be increased accordingly from April 2019.

Employee contribution rates for all members for the period covering 1 April 2019 – 31 March 2020 are as follows:

Scheme Year 1 April 2019 to 31 March 2020

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	To	From 1 April 2018 to 31 March 2019
£0	£23,500.99	4.60%
£23,501.00	£54,500.99	5.45%
£54,501.00	£150,000.99	7.35%
£150,001.00 and above		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	2018-19	2017-18
				Number	Number
1	315	2	90	407	419
<b>Total</b>	<b>315</b>	<b>2</b>	<b>90</b>	<b>407</b>	<b>419</b>

During 2018-19, an average of 87 members of staff (2017-18; 65.5) were redeployed externally to other legislatures and public sector employers. A further average of 42 members of staff were assisting other legislatures and working with public sector employers on a range of duties, while still located in Parliament Buildings.

The Commission does not employ any staff exclusively for capital projects (2017-18; nil).

*Directors, Senior Managers and Employees (audited)*

As at 31 March 2019, 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)	142	178
<b>Total</b>	<b>144</b>	<b>180</b>

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:*

				2018-19	2017-18
				£'000	£'000
	Permanently employed staff*	Agency, Temporary and contract workers	Members	Total	Total
Wages and salaries	11,463	83	4,135	15,674	16,187
Social security costs	1,210	-	501	1,718	1,755
Other pension costs	2,613	-	717	3,330	3,280
<b>Sub Total</b>	<b>15,286</b>	<b>83</b>	<b>5,353</b>	<b>20,722</b>	<b>21,222</b>
Less recoveries in respect of outward secondments	(294)	-	-	(294)	(137)
<b>Total net costs **</b>	<b>14,992</b>	<b>83</b>	<b>5,353</b>	<b>20,428</b>	<b>21,085</b>

\* There were no staff costs incurred in respect of Special Advisers in 2018-19 and 2017-18.

\*\* Of the total, £0 has been charged to capital (2017-18: £0).

All staff costs are charged to programme costs.

#### *Temporary Staff*

The Commission made payments of £83,215 (2017-18; £108,912) 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 Government Actuary's Department (GAD) is responsible for carrying out the scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2012 scheme valuation was completed by GAD in February 2015. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2015 to 31 March 2019.

For 2018-19, employers' contributions of £2,607,437 were payable to the NICS pension arrangements (2017-18: £2,617,169) at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands.

Work was completed on the 2016 valuation, based on the position as at 31 March 2016. The outcome of this scheme valuation informed employer contribution rates for 2019-20. Employer contribution rates payable will range from 28.7% to 34.2% of pensionable pay, based on salary bands. This change is primarily due to the reduction in the SCAPE discount rate (as announced at Budget 2018) to 2.4% pa above CPI. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the employee retires, and not the benefits paid during this period to existing pensioners.

Northern Ireland Assembly Commission  
Accountability Report – Remuneration and Staff Report

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 2019-20, the rates will range from 28.7% to 34.2% and the salary bands differ. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the employee 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 £5,316 (2017-18; £6,695) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2017-18; 8% to 14.75%) of pensionable pay.

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

Employer contributions of £242, 0.5% (2017-18; £266, 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 2018-19, contributions of £0.7m (2017-18; £0.7m) were paid to the Assembly Members' Pension Scheme. From 6 May 2016 contributions were at a rate of 14.4% (2017-18; 14.4%) of pensionable pay, as determined by the Government Actuary and advised by the Treasury. Further disclosures can be found in Note 5 "Members' and Staff related Costs".



*Ill Health Retirement – Staff*

1 member of staff (2017-18; Nil) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £7,955 (2017-18; £Nil).

*Ill Health Retirement – Members*

During the year, no Members retired due to ill health (2017-18; Nil). Members retiring early 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 (2017-18; £Nil).

*Compensation Schemes – exit packages (audited)*

There were no compensation payments made in 2018-19.

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)*

All Off-Payroll arrangements were assessed in line with IR35 requirements. The Commission had no Off-Payroll Engagements which cost more than £245 per day, lasted longer than six months, and were in place at any time during 2018-19.

*Consultancy (audited)*

The Commission made payments of £8,974 (2017-18; £18,292) 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 day's 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 2018, all grades within the Secretariat have 2 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 new Skills and Behaviours 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 a strategy and action plan are in place to promote and deliver a variety of initiatives to staff. These initiatives are aimed at facilitating employees 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, the Commission has a Health and Safety Branch whose role it is to create a positive health and safety culture within the Secretariat. 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 4.0% during 2018-19 (2017-18; 4.7%). 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 2018-19 was 8.9 days (2017-18; 10.5 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 2018-19

Request for Resources	Note	Estimate			Outturn			2018-19 £'000	2017-18 £'000
		Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total	Net total outturn compared with estimate: saving / (excess)	Outturn
1	SOAS 1	36,984	(308)	36,676	36,103	(308)	35,795	881	36,730
<b>Total Resources</b>	SOAS 2	<b>36,984</b>	<b>(308)</b>	<b>36,676</b>	<b>36,103</b>	<b>(308)</b>	<b>35,795</b>	<b>881</b>	<b>36,730</b>
Non-operating cost Accruing Resources		-	-	-	-	-	-	-	-

### Net Cash Requirement 2018-19

	Note	Estimate	Outturn	2018-19 £'000	2017-18 £'000
				Net total outturn compared with estimate: saving / (excess)	Outturn
Net Cash Requirement	SOAS 3	32,032	31,635	397	32,934

### 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 2018-19 £'000		Outturn 2018-19 £'000	
		Income	Receipts	Income	Receipts
<b>Total</b>	<b>SOAS 4</b>	10	<i>10</i>	31	<i>16</i>

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

## Notes to the Statement of Assembly Supply

### SOAS 1 Analysis of net resource outturn by function

							2018-19	2017-18		
							£'000			
<b>Outturn</b>							<b>Estimate</b>			
Admin	Other Current	Grants	Gross resource expenditure	Accruing Resources	Net Total	Net Total	Net total outturn compared with Estimate	Net total outturn compared with Estimate adjusted for virements	Prior Year Outturn	
<b>Request for Resources A</b>										
Members' salaries, expenses and administration costs										
-	36,038	65	36,103	(308)	35,795	36,676	881	881	38,437	
<b>Departmental Expenditure in DEL:</b>										
A-1 Administration										
-	34,300	65	34,365	(308)	34,057	34,836	779	779	36,199	
<b>Annually Managed Expenditure (AME):</b>										
A-2 Administration Provisions & Members' Pension Finance Costs										
-	1,700	-	1,700	-	1,700	1,802	102	102	2,200	
<b>Non-Budget:</b>										
A-3 Notional Charges										
-	38	-	38	-	38	38	-	-	38	
<b>Resource Outturn</b>	<b>- 36,038</b>	<b>65</b>	<b>36,103</b>	<b>(308)</b>	<b>35,795</b>	<b>36,676</b>	<b>881</b>	<b>881</b>	<b>38,437</b>	

Detailed analysis of expenditure variances is given in the Performance Report commencing at page 14. In the absence of an Executive the Secretary of State for Northern Ireland once again used the powers conferred on her to pass the necessary Budget Act and lay the Spring Supplementary Estimate (SSE) at Westminster on 15 March 2019.

The SSE for the Commission allocated £34.836 million for Resource DEL and £236k for Capital DEL. Total Outturn for the year was £35.975 million compared to the SSE allocation of £36.912 million, representing an underspend of £937k or 2.54%. The outturn for the Net Resource Requirement was £35.795 million, against an allocation of £36.676 million, or an underspend of £881k (2.40%). The Capital outturn was £180k against an allocation of £236k, an underspend of £56k or 23.73%.

Following the Assembly election on 2 March 2017, the non-appointment of an Executive meant there was no return to normal Assembly business. This prevailing political hiatus has impacted greatly on the Commission's budget position for 2018-19. While the opening budget position reflected some reduced level of Assembly business, further reductions were made during the year as the political hiatus continued.

The final outturn of the Commission was £779k less for Resource DEL and £56k less for Capital DEL when compared to the SSE position. These underspends arose across a number of expenditure categories, particularly Secretariat Salaries due to a continuing reduced level of staffing activity, and also in Members' costs due to the under-utilisation by Members of their full allowances. In preparing the SSE the full impact of the reduction in Members' salaries, introduced in November 2018 was forecasted.

### Key to Request for Resources and Functions

Request for resources A – 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 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 Expenditure

		2018-19			2017-18
		£'000			£'000
	Note	Outturn	Supply Estimate	Outturn Compared With Estimate	Outturn
Net Resource Outturn	SOAS 1	35,795	36,676	881	36,730
Non-supply income (CFERs)	SOAS 4	(31)	(10)	21	(104)
<b>Net Operating Expenditure in Statement of Comprehensive Net Expenditure</b>		<b>35,764</b>	<b>36,666</b>	<b>902</b>	<b>36,626</b>

**SOAS 3 Reconciliation of net resource outturn to net cash requirement**

		Estimate	Outturn	Net Total outturn compared with Estimate: savings/ (excess)
		£'000	£'000	£'000
<b>Resource Outturn</b>	<b>Note SOAS1</b>	36,676	35,795	881
<b>Capital</b>				
Acquisition of property, plant and equipment	<b>7</b>	236	177	59
Acquisition of heritage assets	<b>7</b>	-	-	-
Acquisition of intangible assets	<b>8</b>	-	3	(3)
Investments		-		
<b>Non-operating Accruing Resources</b>				
Net book value of asset disposals		-	-	-
<b>Accruals to cash adjustments:</b>				
<i>Adjustments to remove non-cash items:</i>	<b>3,4</b>			
Depreciation		(3,190)	(3,057)	(133)
Members' Pension finance costs		(1,802)	(1,700)	(102)
New provisions, and adjustments to previous provisions		-	-	-
Prior period Adjustments		-	-	-
Other non-cash items		(38)	(38)	-
<i>Adjustments to reflect movement in working balances:</i>				
Increase/(decrease) in inventories		-	-	-
Increase/(decrease) in receivables		50	47	3
(Increase)/decrease in payables falling due within one year		100	408	(308)
Changes in payables falling due after more than one year				
Use of provision	<b>17</b>	-	-	-
Excess cash receipts surrenderable to the Consolidated Fund	<b>SOAS4</b>	-	-	-
<b>Net Cash Requirement</b>		<b>32,032</b>	<b>31,635</b>	<b>397</b>

**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 2018-19 £'000		Outturn 2018-19 £'000	
		Income	Receipts	Income	Receipts
Operating income and receipts - excess AR		10	<i>10</i>	31	<i>16</i>
Other operating income and receipts not classified as AR		-	-	-	-
<b>Total income payable to the Consolidated Fund</b>		<b>10</b>	<b><i>10</i></b>	<b>31</b>	<b><i>16</i></b>

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

	Note	2018-19 £'000	2017-18 £'000
Operating income	<b>6</b>	339	256
Adjustments for transactions between RfRs		-	-
Gross Income		339	256
Income authorised to be Accruing Resources		(308)	(152)
<b>Operating income payable to the Consolidated Fund</b>	<b>SOAS4.1</b>	<b>31</b>	<b>104</b>



**Other Assembly Accountability Disclosures** (*audited*)

**i. Losses and special payments**

There were four Losses or Special Payments identified during 2018-19. However, none of these exceeded £250,000 either individually or cumulatively during the year.

**ii. Fees and Charges**

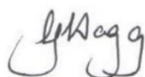
A detailed analysis of fees and charges information is not provided as the income and full cost of each service are immaterial.

**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. No remote contingent liabilities exist at the reporting date.

I hereby approve the Commission's Resource Accounts for the year ended 31 March 2019.

**Signed:**



**Lesley Hogg**  
**Accounting Officer**  
**Clerk/Chief Executive**  
**Date: 21 June 2019**

**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 31 March 2019 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. 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 Department's affairs as at 31 March 2019 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

**Opinion on regularity**

In my opinion, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2019 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. 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's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### **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.

My objectives are 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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](http://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 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 2019*

## The Financial Statements

### Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

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.

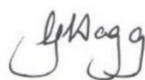
		2018-19	2017-18
	Note	£'000	£'000
Revenue from contracts with customers	6	-	-
Other operating income	6	(339)	(256)
<b>Total Operating Income</b>		(339)	(256)
Staff Costs	4	20,722	21,222
Purchase of goods and services	4	10,586	10,821
Depreciation and impairment charges	4	3,057	3,002
Members' Pension finance cost	4	1,700	1,800
Other Operating Expenditure	4	38	37
<b>Total operating Expenditure</b>		36,103	36,882
<b>Net Operating Expenditure</b>		35,764	36,626
Finance Income		-	-
Finance Expense		-	-
<b>Net expenditure for the period</b>		35,764	36,626
<b>Other comprehensive net expenditure</b>			
Items that will not be reclassified to net operating expenditure:			
Net (gain)/loss on revaluation of Heritage assets, Property, Plant and Equipment	7	(7,822)	(5,633)
Net (gain)/loss on revaluation of Intangibles	8	-	(3)
Net Actuarial (gain)/loss on pension scheme liabilities	17	300	(4,300)
Items that may be reclassified to net operating expenditure:			
Net (gain)/loss on revaluation of investments		-	-
<b>Comprehensive net expenditure for the period</b>		<b>28,242</b>	<b>26,690</b>

## Statement of Financial Position as at 31 March 2019

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.

		2018-19	2017-18
		£'000	£'000
	<b>Note</b>		
<b>Non-current assets:</b>			
Property, plant and equipment, Heritage Assets	7	142,062	137,097
Intangible assets	8	25	45
Financial Assets	10	-	-
<b>Total non-current assets</b>		<b>142,087</b>	<b>137,142</b>
<b>Current assets:</b>			
Trade and other receivables	15	475	412
Cash and cash equivalents	14	194	660
<b>Total current assets</b>		<b>669</b>	<b>1,072</b>
<b>Total assets</b>		<b>142,756</b>	<b>138,214</b>
<b>Current liabilities</b>			
Trade and other payables	16	(1,991)	(2,850)
Other liabilities		-	-
<b>Total current liabilities</b>		<b>(1,991)</b>	<b>(2,850)</b>
<b>Total assets less current liabilities</b>		<b>140,765</b>	<b>135,364</b>
<b>Non-current liabilities</b>			
Provisions	17	(18,600)	(16,600)
Financial Liabilities	10	-	-
<b>Total non-current liabilities</b>		<b>(18,600)</b>	<b>(16,600)</b>
<b>Total assets less total liabilities</b>		<b>122,165</b>	<b>118,764</b>
<b>Taxpayers' equity &amp; other reserves</b>			
General fund		77,068	79,474
Pension reserve		(18,600)	(16,600)
Revaluation reserve		63,697	55,890
<b>Total equity</b>		<b>122,165</b>	<b>118,764</b>

**Signed:**



**Lesley Hogg**  
Accounting Officer  
Clerk/Chief Executive  
Date: 21 June 2019

## Statement of Cash Flows for the year ended 31 March 2019

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.

		2018-19	2017-18
		£'000	£'000
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Net operating expenditure		(35,764)	(36,626)
Adjustments for non-cash transactions	<b>4</b>	4,795	4,839
(Increase)/Decrease in trade and other receivables		(63)	57
<i>less movements in receivables relating to items not passing through the SOCNE</i>		-	-
Increase/(Decrease) in trade payables		(859)	(541)
<i>less movements in payables relating to items not passing through the SOCNE</i>		676	61
Use of provisions	<b>17</b>	-	-
<b>Net cash outflow from operating activities</b>		<b>(31,215)</b>	<b>(32,210)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	<b>7</b>	(384)	(623)
Purchase of intangible assets	<b>8</b>	(17)	-
Purchase of heritage assets	<b>7</b>	(3)	(6)
<b>Net cash outflow from investing activities</b>		<b>(404)</b>	<b>(629)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) - current year		31,250	33,092
From the Consolidated Fund (Supply) - prior year		-	-
<b>Net financing</b>		<b>31,250</b>	<b>33,092</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>(369)</b>	<b>253</b>
Payments of amounts due to the Consolidated Fund		(97)	(34)
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>(466)</b>	<b>219</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>14</b>	<b>660</b>	<b>441</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>14</b>	<b>194</b>	<b>660</b>

## Statement of Changes in Taxpayers’ Equity for the year ended 31 March 2019

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
<b>Balance at 31 March 2017</b>		81,408	50,273	(19,100)	112,581
Net Assembly Funding – drawn down		33,092	-	-	33,092
Net Assembly Funding – deemed supply		408	-	-	408
Supply (payable)/receivable adjustment		(565)	-	-	(565)
Comprehensive Net Expenditure for the Year		(36,626)	5,636	4,300	(26,690)
CFERs payable to the Consolidated Fund		(104)	-	-	(104)
Non- cash charges - auditors remuneration	4	37	-	-	37
Non-cash charges – other		-	5	-	5
Transfers between reserves		1,824	(24)	(1,800)	-
<b>Balance at 31 March 2018</b>		<b>79,474</b>	<b>55,890</b>	<b>(16,600)</b>	<b>118,764</b>
Net Assembly Funding – drawn down		31,250	-	-	31,250
Net Assembly Funding – deemed supply		565	-	-	565
Supply (payable)/receivable adjustment		(180)	-	-	(180)
Comprehensive Net Expenditure for the period		(35,764)	7,822	(300)	(28,242)
CFERs payable to the Consolidated Fund		(31)	-	-	(31)
Non-cash charges - auditors remuneration	4	38	-	-	38
Other		1	-	-	1
Transfers between reserves		1,715	(15)	(1,700)	-
<b>Balance at 31 March 2019</b>		<b>77,068</b>	<b>63,697</b>	<b>(18,600)</b>	<b>122,165</b>

## **The Northern Ireland Assembly Commission Annual Report and Accounts 2018-19**

### **Notes to the Resource Accounts**

#### **1. Statement of accounting policies**

These financial statements have been prepared in accordance with the 2018-19 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 2018-19 have been prepared on the going concern basis.

##### **1.3 Property, Plant and Equipment**

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

While the Department of Finance holds legal title to Parliament Buildings, the 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 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.

## **1.10 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.

## **1.11 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.

## **1.12 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.

## **1.13 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% (2017-18 12.5%) of pensionable salary, including officeholder’s salary or 9% (2017-18 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.

#### **1.14 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 2.45% p.a. reflecting the real yields experienced in the bond markets (see Note 17.1).

#### **1.15 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 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.

### **1.16 Value added tax**

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

### **1.17 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.

### **1.18 Impending application of newly issued accounting standards not yet effective**

There is no material impact on the Commission from the adoption of IFRS 15 Revenue from Contracts with Customers. IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2020.

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. ALBs apply IFRS in full and their consolidation boundary may have changed as a result of the new Standards.

## **2 Statement of Operating Expenditure 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 Other Administration Expenditure**

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

**4 Programme Expenditure**

		2018-19	2017-18
		£'000	£'000
	<b>Note</b>		
<b>Staff Costs</b>			
Wages and Salaries	5	15,674	16,187
Social Security Costs	5	1,718	1,755
Other Pension Costs	5	3,330	3,280
<b>Payments to Members</b>			
Constituency costs (incl staff)		5,303	5,505
Members' winding-up costs		2	60
Members' Other costs (incl Travel)		311	312
Party Allowance		700	699
<b>Other Costs</b>			
Premises		1,145	1,104
Office running costs		211	221
Contracted services		1,550	1,604
Repairs & maintenance		1,009	852
Staff travel, subsistence and training		174	209
Miscellaneous expenses		181	255
Rentals under operating leases		-	-
<b>Total cash items</b>		<b>31,308</b>	<b>32,043</b>
<b>Non-cash items</b>			
Depreciation		3,057	2,997
Pension Finance costs		1,700	1,800
Permanent diminution of assets		-	6
Reversal of previous impairment loss		-	(1)
Miscellaneous notional charges		-	-
Auditor's remuneration and expenses (notional)		38	37
Release of provisions		-	-
Provisions: provided in year	<b>17</b>	-	-
(Profit)/Loss on disposal of assets		-	-
<b>Total non-cash items</b>		<b>4,795</b>	<b>4,839</b>
<b>Total</b>		<b>36,103</b>	<b>36,882</b>

## 5 Member and Staff Related costs

### 5.1 Staff numbers and related costs

Staff costs comprise:

	2018-19 £'000	2017-18 £'000
	<b>Total</b>	<b>Total</b>
Wages and salaries	15,674	16,187
Social security costs	1,718	1,755
Other pension costs	3,330	3,280
<b>Sub Total</b>	<b>20,722</b>	<b>21,222</b>
Less recoveries in respect of outward secondments	(294)	(137)
<b>Total net costs *</b>	<b>20,428</b>	<b>21,085</b>

\* 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.

### 5.2 Assembly Members' Pension Scheme

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

		2018-19 £'000	2017-18 £'000
	<b>Note</b>		
Present value of scheme liabilities		(56,100)	(52,400)
Fair value of scheme assets		37,500	35,800
Net liability	<b>17</b>	(18,600)	(16,600)

Amount in the Statement of Financial Position:

		2018-19 £'000	2017-18 £'000
	<b>Note</b>		
Liabilities		(18,600)	(16,600)
Assets		-	-
Net liability	<b>17</b>	(18,600)	(16,600)



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

		<b>2018-19</b>	<b>2017-18</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Note</b>		
Current Service cost		1,900	1,900
Interest on pension liability		1,400	1,500
Interest on scheme assets		(900)	(900)
		<b>2,400</b>	<b>2,500</b>

Allocated in the account as:

		<b>2018-19</b>	<b>2017-18</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Note</b>		
Other pension costs (contribution by employer)		700	700
Members' Pension Finance cost (Net)	<b>5</b>	1,700	1,800
		<b>2,400</b>	<b>2,500</b>

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

		<b>2018-19</b>	<b>2017-18</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Note</b>		
Actual return less interest on scheme assets		800	(200)
Experience gains and (losses) arising on pension liabilities		800	2,800
Changes in assumptions		(1,900)	1,700
Net actuarial gain/(losses) recognised in SCITE		<b>(300)</b>	<b>4,300</b>

**Movements in liabilities during the year:**

		<b>2018-19</b>	<b>2017-18</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Note</b>		
Liabilities at 1 April		52,400	54,200
Current service cost (net of member contributions)		1,900	1,900
Member contributions (including net transfers-in)		400	400
Benefits paid during the year		(1,100)	(1,100)
Interest on pension liability		1,400	1,500
Changes in assumptions		1,900	(1,700)
Actuarial (gains)/losses		(800)	(2,800)
<b>Liabilities at 31 March 2019</b>		<b>56,100</b>	<b>52,400</b>

**Movements in assets during the year:**

	<b>2018-19</b>	<b>2017-18</b>
	<b>£'000</b>	<b>£'000</b>
<b>Note</b>		
Assets at 1 April	35,800	35,100
Interest on scheme assets	900	900
Actual return less interest on scheme assets	800	(200)
Contributions by Commission	700	700
Contributions by Members (including net transfers-in)	400	400
Benefits paid and expenses	(1,100)	(1,100)
<b>Closing fair value of scheme assets 31 March 2019</b>	<b>37,500</b>	<b>35,800</b>

The Commission expects to contribute £0.7m to the Members' Pension scheme in 2019-20.

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

	<b>2018-19</b>	<b>2017-18</b>
	<b>£'000</b>	<b>£'000</b>
Equities	22,900	19,700
Alternative investments	5,400	5,400
Fixed interest and cash	9,200	10,700

**Principal actuarial assumptions at the Statement of Financial Position date:**

	<b>2018-19</b>	<b>2017-18</b>
	<b>£'000</b>	<b>£'000</b>
Discount rate	2.45%	2.55%
Future salary increases	4.35%	4.30%
Future pension increases (CPI)	2.35%	2.30%
Expectation of life at age 65 (years)		
Men	24.5	24.4
Women	25.9	25.8

**Sensitivity to main assumptions**

If the assumed rate of return in excess of earnings changes by 0.5% a year, the total actuarial liability would change by 1.0% and the change in total liabilities by circa £0.6m.

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 £6.2m.

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 £3.9m.

Further information on the Assembly Members’ Pension Scheme can be found in the annual report and accounts for the scheme ending 31 March 2018 which are published and can be found at:

[http://www.niassembly.gov.uk/your-mlas/members-pension-scheme/reports/.](http://www.niassembly.gov.uk/your-mlas/members-pension-scheme/reports/)

**6 Income – Other Operating Income**

	<b>2018-19</b>	<b>2017-18</b>
	<b>£’000</b>	<b>£’000</b>
	Note	
Recoupment of salaries	294	137
Other Income	45	119
<b>Total</b>	<b>339</b>	<b>256</b>

Consideration has been given to IFRS 15 – Revenue from Contracts with Customers. There is no material impact on the Commission’s income. The Commission will continue to assess future income streams to determine whether they may subsequently meet the conditions for disclosure under the standard.

**7 Property, plant and equipment**

**2018-19**

	Land	Buildings	Information technology	Office equipment	Security equipment	Furniture & fittings	Art and antiquities (Heritage)	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>								
At 1 April 2018	6,000	129,435	2,048	3,167	1,294	2,731	624	145,299
Additions	-	22	32	5	76	42	-	177
Donations	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	-	5,125	4	4	3	(7)	-	5,129
<b>At 31 March 2019</b>	<b>6,000</b>	<b>134,582</b>	<b>2,084</b>	<b>3,176</b>	<b>1,373</b>	<b>2,766</b>	<b>624</b>	<b>150,605</b>
<b>Depreciation</b>								
At 1 April 2018	-	-	1,642	3,023	1,217	2,320	-	8,202
Charged in year	-	2,692	170	45	39	88	-	3,034
Disposals	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	-	(2,692)	1	1	-	(3)	-	(2,693)
<b>At 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>1,813</b>	<b>3,069</b>	<b>1,256</b>	<b>2,405</b>	<b>-</b>	<b>8,543</b>
<b>Carrying amount</b>								
<b>At 31 March 2019</b>	<b>6,000</b>	<b>134,582</b>	<b>271</b>	<b>107</b>	<b>117</b>	<b>361</b>	<b>624</b>	<b>142,062</b>
<b>At 31 March 2018</b>	<b>6,000</b>	<b>129,435</b>	<b>406</b>	<b>144</b>	<b>77</b>	<b>411</b>	<b>624</b>	<b>137,097</b>
<b>Asset financing</b>								
Owned	<b>6,000</b>	<b>134,582</b>	<b>271</b>	<b>107</b>	<b>117</b>	<b>361</b>	<b>624</b>	<b>142,062</b>
Financed leased	-	-	-	-	-	-	-	-
On-balance sheet (SoFP) PFI and other service concession arrangements	-	-	-	-	-	-	-	-
<b>At 31 March 2019</b>	<b>6,000</b>	<b>134,582</b>	<b>271</b>	<b>107</b>	<b>117</b>	<b>361</b>	<b>624</b>	<b>142,062</b>

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) on 31 March 2019. Parliament Buildings is categorised as an in use specialised asset and has been valued to Current Value in existing use by the Depreciated Replacement Cost approach (i.e. there is no market-based evidence to support the use of Existing Use Value (EUUV) to arrive at Current Value). Land valued to DRC has been assessed to 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. The increase in the valuation between 31/03/2018 and 31/03/2019 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 Gross Replacement Cost of an asset. An increase in this index arises when it is deemed more expensive to build. The index used in the 31 March 2019 valuation was 319 (31 March 2018; 310), an increase of 2.9%. LPS noted in their report that: "the immediate outlook for the local property market is still largely positive, given how it has performed in another 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. Tourist numbers are up, drawn in by new attractions and an under supply of hotel rooms coupled with increases in leisure tourism and corporate activity is likely to lead to increase demand for land on which to build new projects".

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 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 with a further £566 in 2018-19. 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

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
<b>Cost or valuation</b>								
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
<b>At 31 March 2018</b>	<b>6,000</b>	<b>129,435</b>	<b>2,048</b>	<b>3,167</b>	<b>1,294</b>	<b>2,731</b>	<b>624</b>	<b>145,299</b>
<b>Depreciation</b>								
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)
<b>At 31 March 2018</b>	<b>-</b>	<b>-</b>	<b>1,642</b>	<b>3,023</b>	<b>1,217</b>	<b>2,320</b>	<b>-</b>	<b>8,202</b>
<b>Carrying amount</b>								
<b>At 31 March 2018</b>	<b>6,000</b>	<b>129,435</b>	<b>406</b>	<b>144</b>	<b>77</b>	<b>411</b>	<b>624</b>	<b>137,097</b>
<b>At 31 March 2017</b> (restated)	<b>6,000</b>	<b>126,268</b>	<b>485</b>	<b>141</b>	<b>86</b>	<b>504</b>	<b>615</b>	<b>134,099</b>
<b>Asset financing</b>								
Owned	6,000	129,435	406	144	77	411	624	137,097
Financed leased	-	-	-	-	-	-	-	-
On-balance sheet (SoFP) PFI and other service concession arrangements	-	-	-	-	-	-	-	-
<b>At 31 March 2018</b>	<b>6,000</b>	<b>129,435</b>	<b>406</b>	<b>144</b>	<b>77</b>	<b>411</b>	<b>624</b>	<b>137,097</b>

**8 Intangible Assets****2018-19**

	<b>Information Technology £'000</b>	<b>Software Licences £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>			
At 1 April 2018	630	131	761
Additions	3	-	3
Donations	-	-	-
Disposals	-	-	-
Impairments	-	-	-
Revaluations	-	-	-
<b>At 31 March 2019</b>	<b>633</b>	<b>131</b>	<b>764</b>
<b>Amortisation</b>			
At 1 April 2017	603	113	716
Charged in year	15	8	23
Disposals	-	-	-
Impairments	-	-	-
Revaluations	-	-	-
<b>At 31 March 2018</b>	<b>618</b>	<b>121</b>	<b>739</b>
<b>Carrying amount at 31 March 2019</b>	<b>15</b>	<b>10</b>	<b>25</b>
<b>Carrying amount at 31 March 2018</b>	<b>27</b>	<b>18</b>	<b>45</b>
<b>Asset financing</b>			
Owned	15	10	25
Leased	-	-	-
<b>At 31 March 2019</b>	<b>15</b>	<b>10</b>	<b>25</b>

**2017-18**

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



## 9 Capital and Other Commitments

### 9.1 Capital Commitments

Capital expenditure authorised at 31 March 2019 was as follows:

	2018-19 £'000	2017-18 £'000
Contracted capital commitments at 31 March not otherwise included in these financial statements:		
Property, plant and equipment:	-	77
Intangible assets:	-	-
<b>As at 31 March 2019</b>	<b>-</b>	<b>77</b>

### 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 Other financial commitments

The Commission has not entered into any non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements). Therefore, the Commission has no material financial commitments as at the 31 March 2019. Contracts are awarded under a standard set of terms and conditions which provide the Commission with a termination clause, where the contract may be appropriately terminated by giving the contractor not less than 30 days' notice. Previously, the Commission disclosed an estimate of future expenditure anticipated to be incurred under all contracts over £30,000, however the Commission was not contractually committed to incurring this expenditure. On review the decision has been taken to only disclose the material financial commitments of non-cancellable contracts, which is not presented elsewhere in the financial statements, in keeping with the disclosure requirements of IAS 1.

	2018-19 £'000	2017-18 £'000
Not later than one year	-	4,178
Later than one year but not later than five years	-	7,644
Later than five years	-	1,301
	<b>-</b>	<b>13,123</b>

## 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**

	2018-19 £'000	2017-18 £'000
Balance at 1 April	660	441
Net change in cash and cash equivalent balances	(466)	219
<b>Balance at 31 March</b>	<b>194</b>	<b>660</b>
The balances at 31 March were held at:		
Commercial banks and cash in hand	194	660

**14.1 Reconciliation of liabilities arising from financing activities**

The Net Assembly Funding drawn down from the Consolidated Fund during the year, including prior year, was £31.25m (2017-18: £33.50m). The amounts issued from the Consolidated Fund for supply but not spent at year end was £0.18m (2017-18: £0.565m).

There are no other liabilities arising from financial activities that need to be disclosed.

**15 Trade receivables and other current assets**

	2018-19 £'000	2017-18 £'000
<b>Amounts falling due within one year:</b>		
VAT	75	83
Prepayments and accrued income	298	249
Other receivables	102	80
Amounts due from the Consolidated Fund in respect of supply	-	-
	<b>475</b>	<b>412</b>
<b>Amounts falling due after more than one year:</b>		
	-	-

Included within “Other receivables” is £23,588 (2017-18: £8,755) that will be due to the Consolidated Fund in respect of excess accruing resources, once the debts are collected.

## 16 Trade payables and other liabilities

	2018-19 £'000	2017-18 £'000
<b>Amounts falling due within one year:</b>		
Other taxation and social security	796	960
Other payables	93	17
Accruals and deferred income	884	1,204
Amounts issued from the Consolidated Fund for supply but not spent at year end	180	565
Consolidated Fund extra receipts due to be paid to the Consolidated Fund:		
Received	14	95
Receivable	24	9
	<b>1,991</b>	<b>2,850</b>
<b>Amounts falling due after more than one year:</b>	-	-

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 £18.6m 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 41 to 56.

	2018-19 £'000	2017-18 £'000
Balance at 1 April	16,600	19,100
(Decrease)/increase	2,000	(2,500)
Utilised in-year	-	-
<b>Balance at 31 March</b>	<b>18,600</b>	<b>16,600</b>

*This includes the pension finance cost of £1.7m (2017-18; £1.8m) and the net actuarial (loss)/gain (£0.3m) (2017-18; £4.3m).*

### 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% (2017-18 12.5%) of pensionable salary, including officeholder’s salary or 9% (2017-18 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 £18.6 million and, in accordance with FReM and IAS 19 at 31 March 2019, even though the Commission is not the employer, this has been provided for in the 2018-19 financial statements.

The value of £18.6 million was estimated by the Government Actuary’s Department (GAD) and represents the excess of the scheme liabilities (£56.1 million) over its assets (£37.5 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 2.45% (2017-18; 2.55%) (this rate reflects the real yields experienced in the bond markets for high quality corporate bonds rated AA or higher and equivalent in currency and term to the scheme liabilities), the rate of notional investment return in excess of pension increases (CPI) of 0.1% (2017-18; 0.25%) and notional investment return less than earnings increases of 1.15% (2017-18; -1.65%). Demographic assumptions impacting the incidence of benefit outflow have also been applied including factors such as mortality and withdrawal from service.

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

## **18 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. No remote contingent liabilities exist at the reporting date.

## **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 Department of Finance.

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

The Commission supports the work of the Northern Ireland Assembly and Business Trust (NIABT). The NIABT is an independent educational charity which serves to provide Assembly Members with a better insight into how the local business sector operates and to improve the business community's understanding of how the Assembly and devolution works. The NIABT's board of Trustees includes MLAs, representatives of the business community and two senior Secretariat staff. The NIABT agreed at its AGM in December 2017 to dissolve the Trust but this action is on hold pending a resolution of the ongoing political situation, a position ratified at the NIABT'S AGM in March 2019.

There have been no transactions during the 2018-19 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 Draft Corporate Strategy higher level objective of "investing in the continuing professional development of Assembly Members with a focus on parliamentary and scrutiny skills." During 2018-19, the 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 £65,104 by way of a grant (2017-18; £60,256). There were no further transactions during the year.

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 2019.



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

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

**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;

SP240\_16

## Northern Ireland Assembly

- (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.

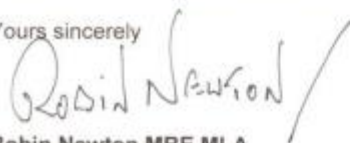
You may sub-delegate functions mentioned above but this does not prevent the exercise of those functions by the Commission.

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**