



Northern Ireland
Assembly

Northern Ireland Assembly Resource Accounts for the Year ended 31 March 2011

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

1 July 2011

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

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

Annual Report and Accounts for the year ended 31 March 2011

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Foreword by the Speaker

It gives me great pleasure to present the Annual Report and Accounts for the Northern Ireland Assembly Commission for the financial year 2010-2011. This report fulfils the Assembly Commission's requirement to prepare and present an annual report and accounts under the Government Resources and Accounts Act (Northern Ireland) 2001.

As with other years, 2010/11 has presented the Assembly with challenges and opportunities. Through both plenary sessions and committees, the approach to the end of mandate saw heavy volume of legislation progress through all its stages in the House before dissolution. I want to thank both former and returning Members and Secretariat staff for the time and effort it took to ensure that happened.

Against the backdrop of that continuing work, it is also clear that the Assembly Commission cannot sit apart from the tightening economic climate facing the public sector and Northern Ireland as a whole, and that need for efficiency will be a priority for the Assembly Commission in the time ahead.

This Annual Report and Accounts provides facts and figures about the Assembly Commission. As in previous years the Assembly Commission will also produce a report, dealing in greater detail with the work that the Assembly undertakes on behalf of the citizens of Northern Ireland.

I trust that these two documents will provide an insight into the work of the Assembly and the Assembly Commission and how it plans and manages its resources.

William Hay MLA

Annual Report for the year ended 31 March 2011

Executive Summary

The Northern Ireland Assembly Commission presents its Annual Report and Accounts for the financial year ended 31 March 2011.

History and statutory background of the Northern Ireland Assembly

The Northern Ireland Assembly was established as a result of the Belfast Agreement on Friday, 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, 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 remained the responsibility of the United Kingdom Parliament.

The Northern Ireland Assembly however was suspended from 14 Oct 2002. During this period of suspension the United Kingdom Government remained committed to trying to achieve a full restoration of devolution. The Northern Ireland Act 2006 established an interim Assembly on 15 May 2006. The Northern Ireland (St Andrews Agreement) Act 2006 established a Transitional Assembly on 24 November 2006 and set the date for elections to a new Northern Ireland Assembly. The Transitional Assembly's purpose was to take part in preparations for the restoration of devolved government in Northern Ireland in accordance with the St Andrews Agreement. The Northern Ireland (St Andrews Agreement) Act 2006 envisaged a restoration date for the Northern Ireland Assembly of 26 March 2007. Restoration occurred on 8 May 2007. Since that date the Northern Ireland Assembly has sought to make progress in securing the devolution of the final reserved matters – i.e. policing and criminal law. Significant progress was made on these matters and devolution occurred on 12 April 2010. The remaining excepted matters include:

- defence, taxation and foreign policy, i.e. matters that are considered as matters of national importance.

The Assembly Commission and the Accounting Officer

Under section 40 of the Northern Ireland Act 1998 the Assembly elects a Commission, which has responsibility for providing the Assembly with the property, staff and services to carry out its business. The Commission is chaired by the Presiding Officer (known under Standing Orders as the "Speaker") and has five other members who are tasked with representing the interest of the Assembly and its 108 elected Members. During suspension, the Assembly Commission was unable to meet and its responsibilities were assumed by the Secretary of State for Northern Ireland. On restoration of the Assembly on 8 May 2007, an Assembly Commission was elected under the chairmanship of the

Presiding Officer, William Hay MLA.

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

The Assembly Secretariat

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

The work of the Assembly Secretariat is organised and monitored by the Secretariat Management Group, which was established in August 2008. The Secretariat Management Group has responsibility for ensuring effective corporate governance of the Secretariat, ensuring the Secretariat is equipped to fulfil its role in supporting the Members in carrying out their Assembly duties. The Secretariat Management Group meets fortnightly to consider progress on key policy and management issues. The membership of the Secretariat Management Group can be found in the Management Commentary – Corporate Governance Report on page 9.

The Assembly Commission continues to guide and direct the strategic activities of the Assembly Secretariat through its Vision:

“An Assembly that strengthens democracy and engages the people in creating a better future for all”.

The Strategic Priorities established by the Commission drive the work of the Assembly Secretariat and inform its Corporate Planning process. These are as follows:-

1. Supporting Assembly Business – undertaking the effective delivery of continuous improvement of support for Members in their work in Plenary sittings, Committees, constituencies and as Office Holders;
2. Engaging the Public – undertaking the implementation of a dynamic and responsive strategy for outreach and public engagement;
3. Supporting and developing our staff – having a dedicated, professional and motivated group of staff to meet the needs of the Assembly;
4. Ensuring the effective governance of the Secretariat;
5. Accommodating the Assembly – providing accommodation which meets the needs of the Assembly, its staff and visitors.

The Assembly Commission established three core values for the Assembly Secretariat, namely:

- 1 *Professionalism - reflected by a commitment to excellence; team-working; and a focus on meeting the needs of elected Members and the*

public whom the Assembly serves;

- 2 *Integrity - reflected by political impartiality; honesty, discretion and respect for diversity; and*
- 3 *Accountability - reflected by each member of staff taking responsibility for individual, team and corporate performance; and openness and transparency towards the public.*

These core values are fundamental for everything that the Secretariat undertakes to do and the Secretariat Management Group continues to strive to ensure that they are embedded throughout the whole organisation.

Reporting

The Assembly Commission is required to publish its Annual Report and Accounts, in respect of each financial year. The Annual Report and Accounts provides a comprehensive explanation of the work of the Commission and Assembly Secretariat and provides full details of all Assembly Commission's expenditure. As in previous years the Assembly Commission will also produce a report on the work of the Assembly, as a legislature. Once the report is published it will be accessible on the Northern Ireland Assembly website: <http://www.niassembly.gov.uk>.

This Annual Report and Accounts covers the work of the Assembly Commission and the Assembly Secretariat in support of the legislature and fulfils the requirements of the Government Resources and Accounts Act (Northern Ireland) 2001. The Assembly's accounts are published annually and once they have been audited and laid before the Assembly they are available from the Assembly's website: <http://www.niassembly.gov.uk>. They are also available from The Stationery Office. Details of all sums paid to Members and former Members are published quarterly on the Assembly's web site.

The Assembly Commission has participated fully in all public expenditure exercises during the year and details of the Assembly Commission's main and supplementary estimates are available from The Stationery Office.

Scope

The Northern Ireland Assembly Commission does not support any agencies, non-departmental public bodies (NDPBs) or trading funds.

Register of interests

The Assembly's corporate body is the Assembly Commission. Commission Members are elected by the Assembly from its membership. Northern Ireland Assembly Standing Order 69(1) requires that a Register of Members' interests be established, published and made available for public inspection. Following the restoration of the Northern Ireland Assembly on 8 May 2007, a Register of Members' Interests for the third mandate was established. This Register is continuously updated. The latest version of the Register can be viewed at:

<http://www.niassembly.gov.uk/members/expenses/register2.htm#>

Pensions liabilities

Notes 1.15 and 9 to the Accounts and the Remuneration Report on pages 18 to 25 provide details of the pensions liabilities of the Assembly Commission.

Auditors

The Assembly Commission's financial statements are audited by the Comptroller and Auditor General, whose certificate and report appears on page 32 of the Accounts. The notional cost of the work performed by the Northern Ireland Audit Office for 2010-2011 was £ 30,000 (2009-2010; £40,000, which had included costs for work undertaken on auditing the International Financial Reporting Standards Shadow Accounts) and related solely to audit services.

Disclosure to Auditors

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

Management Commentary

Key Aims and Objectives

The Strategic Priorities established, by the Assembly Commission, to drive the work of the Assembly Secretariat and inform its Corporate Planning process have already been outlined in detail in the Executive summary on pages 1 to 4 .

An outline of the work of the Assembly Secretariat may be found within the Corporate Plan. The Corporate Planning process implemented in 2008-2009 remained in place during the 2010-2011 year. While the plan remained largely unchanged during 2010-2011 the process allows for a rolling annual review to ensure that the objectives and targets remain relevant and achievable. The process establishes corporate objectives that are entirely in keeping with the Vision, Purpose and Values expressed by the Assembly Commission. While the Aims and Objectives of the organisation remained focused on the continuing delivery of a fully functioning legislature, supported by a fully resourced independent Assembly Secretariat, additional objectives were added. These focused on the dissolution of the Assembly on 24 March 2011 and preparations for a new mandate in May 2011. The process continues to link the strategic objectives with the lower-level, Business Unit objectives and informs the risk management process.

Principal Activities

Unlike an Executive Department, the Northern Ireland Assembly Commission does not develop Public Service Agreement targets against its Key Objectives. The service delivery aspect of the Assembly Secretariat's work relates to the procedural support, resources and services that it provides to the legislature to enable it to function effectively. Consequently, the outputs reported on in this Management Commentary are those that were developed internally in the Assembly Secretariat to assist with the assessment of its performance during the year.

The Corporate Plan

The planning and delivery of all the services required for a fully functioning legislature, in the final year of a mandate, supported by a fully resourced independent Assembly Secretariat were the main determinants of the corporate objectives contained in the Corporate Plan for 2010-2011. The plan sets out objectives and targets and how the Secretariat will work to achieve the strategic priorities in support of the Assembly Commission's vision.

The corporate objectives were augmented by including, for each objective, a measure of success and where appropriate a series of actions/initiatives with responsibility for meeting the objective allocated to a specific individual.

Delivery of the Corporate Plan

Responsibility for delivery of the outputs agreed in the Corporate Plan fell to the Assembly's Secretariat Management Group. Regular updates on performance against each of the supporting targets in the Plan were received from managers across the organisation and presented to the Secretariat Management Group quarterly.

Within the Corporate plan there were 22 objectives, with 50 supporting actions/initiatives. During the year, 38 of the supporting actions/initiatives were fully achieved, 6 were partially achieved, 2 were not achieved and 4 were deferred to the following financial year. Table 1 (at Annex B on page 68) summarises each objective and each supporting action/initiative.

Future developments

The Vision, Strategic Priorities and Values of the Assembly Commission inform the corporate planning process which re-iterates the commitment to the provision of the highest possible standards of service to Members of the Assembly. It also provides a focus for the Assembly Secretariat's future intentions of preparing for the next Assembly mandate, building on the achievements and significant progress that has been made during the past four years; addressing the accommodation needs of an established Assembly and Secretariat while seeking to continue delivery of a high level of support to an effective legislature, with an increasing level of engagement and interaction between the legislature for Northern Ireland and the citizens it represents. It is not anticipated that future activities will require significant additional funding beyond the amounts already notified to the Department of Finance and Personnel.

Principal risks and uncertainties

Following the restoration of the Assembly on 8 May 2007, the principal risks and uncertainty relating to the work of the Assembly arose from the ongoing political environment. Although the Assembly is now reached the end of its first complete mandate, political uncertainty or instability still affords the greatest risk to the Assembly. This risk is increased again as we approach the forthcoming Assembly Election in May 2011.

Internally, the principal risks to the Assembly Commission and Secretariat are identified and managed through a risk management regime. The Secretariat Management Group are responsible for both the corporate planning process and Risk Management Policy. During 2010-2011 no significant changes were made to either of these and the Secretariat Management Group identified and managed the risks within the governance framework that was implemented in 2008-2009. The ongoing corporate planning process and the administration of the Risk Management Policy, provides a strong emphasis on the identification and management of risks. Further details on the Assembly Secretariat's capacity to handle risk, the risk and control framework within which the Assembly operates, and a review of effectiveness of the system of internal control are provided in the Statement on Internal Control on pages 27 to 31.

Events after the Reporting Period

There are no events occurring after the 31 March 2011 that require disclosure or amendment to the figures contained in the Resource Account.

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

The Northern Ireland Assembly Commission is an equal opportunities employer. It does

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

Sickness Absence

There was an average absence rate of 3.32% during 2010-2011 (3.4% 2009-2010). The absence rate is the percentage of available working days which were lost due to sickness absence. During the reporting period the Secretariat Management Group set a target benchmark of 7.5 days per annum, which has been met.

Personal Data Incidents

There have been no personal data related incidents during the year.

Consultation with employees

The Assembly Commission and senior management make every effort to ensure that all staff are kept informed of the organisation's plans and developments. The main channels of communication continue to include formal industrial relations processes (through the work of the Employee Relations Group and the Employee Relations Board), the intranet, office circulars, e-mail, regular team briefings and the Director Generals comments/questions boxes. While the overall responsibility for internal communications lies with the Corporate Policy Unit, the Internal Communications Working Group provides advice and guidance on internal communications in the Assembly Secretariat. This group aims to ensure that internal communications are of a high and appropriate standard. During the reporting period this group continued to meet regularly, reporting quarterly to the Secretariat Management Group. A number of initiatives including the introduction of a new Internal Communications Strategy for 2011 and a Staff Survey were undertaken. The action plan to address the issues raised in the Staff Survey is being implemented and monitored by the Corporate Policy Unit.

The Core Brief is an established communication tool within the Secretariat and is delivered, by the Secretariat Management Group, to all employees five times a year. This outlines developments and issues across the whole organisation. Delivery of the Core Brief is a formal and systematic process that ensures communication takes place between management and staff. Delivery of the Core Brief, if used well, is an effective tool for two way communication throughout the organisation. It is delivered to all staff within 72 hours of being published and a framework for formal feedback and addressing questions that arise from the delivery has been implemented. Staff are also kept informed of all developments in relation to strategic and corporate issues through the Clerk/Director General's quarterly report to the Assembly Commission, the minutes of Secretariat Management Group meetings, which are published on the internal intranet, AssISt and staff briefing sessions, which are undertaken by the Clerk/Director General. These

sessions provide a forum for all staff to ask questions regarding crucial staffing matters and to hear about relevant issues as they have arisen or as decisions have been made.

The quarterly magazine called "Life on the Hill" continues to be produced, providing a light hearted look at the work and achievements of the Secretariat. This is now produced electronically.

Policy on payment of suppliers

The Northern Ireland Assembly 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 payment is due within 30 days after delivery of the invoice or the goods or services, whichever is latest.

During 2010-2011 the Assembly Commission paid 98.6% of bills, without queries, within this standard (2009-2010, 98.7%).

In addition to this the Assembly Commission has sought to comply with the initiative that was introduced in 2008-2009 by the Department of Finance and Personnel to pay all supplier payments within a suggested target of 10 days. During the year 96.0% of invoices were paid within 10 days of being received (2009-2010, 96.1%).

The Assembly Commission made no payment of interest under the Late Payment of Commercial Debts (Interest) Act 1988 during the year ended 31 March 2011.

Charitable donations

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

Corporate Governance Report

In September 2005, the Department of Finance and Personnel issued HM Treasury's publication "Corporate governance in central government departments: Code of good practice". Even though the Northern Ireland Assembly Commission is not a government department, many of the provisions contained in the guidance are relevant to, and could readily be applied to, the Assembly Commission. In December 2006, further explanatory guidance on corporate governance reporting was issued by the Department of Finance and Personnel. This Corporate Governance Report has been prepared in accordance with this guidance.

The Management Board

The Northern Ireland Assembly Commission has a two-tier management arrangement. The Assembly Commission has the legislative authority to provide the Assembly with the wide range of services needed by a modern legislature, but the day to day delivery of those services is achieved through delegation to the Clerk/Director General to the Assembly, with further delegations from him, to an executive management team. For the purposes of this Report, the corporate governance arrangements have been applied to the management team charged with the delivery of the services on behalf of the Assembly Commission with relevant disclosures made regarding the delegated authority given to that management team.

The Secretariat Management Group is chaired by the Clerk/Director General to the Assembly and has responsibility for the delivery of the work of the Assembly Secretariat. In addition to the Clerk/Director General to the Assembly, the group comprises the Director Clerking and Reporting, the Director of Resources, the Director of Engagement and the Director of Facilities.

The Secretariat Management Group meets bi-weekly and has responsibility for determining the strategic direction of the Assembly Secretariat, including responsibility for the following:

- reviews progress on important organisational issues including performance management and Finance and HR matters,
- audit and accountability,
- review and administration of the Risk Management Policy.

The Secretariat Management Group members are:

Mr Trevor Reaney	Clerk/Director General to the Assembly
Mr John Stewart	Director of Clerking & Reporting
Mr Richard Stewart	Director of Resources
Mr Gareth McGrath	Director of Engagement
Mr Stephen Welch	Director of Facilities

The Director of Legal Services, Mr Hugh Widdis, while not formally appointed to the Secretariat Management Group attends the bi-weekly meetings.

All the Secretariat Management Group members were full-time employees of the Northern Ireland Assembly Commission.

A letter, delegating authority to the Clerk/Director General to the Assembly from the Commission was given on his appointment, 19 August 2008. This formalised relationship between the Commission and Secretariat. This was reviewed and amended in 2009-2010 as part of the ongoing and proactive corporate governance arrangements of the Secretariat. This revised letter remained in place during 2010-2011 and is attached as Annex A at page 65. Further letters of sub-delegation have been issued to all Secretariat Management Group members.

Audit Committee Structure

The Secretariat Audit and Risk Committee met on a quarterly basis to monitor progress against the audit plan, to consider issues raised by both internal and external audit and advise the Accounting Officer on matters which may impact the overall level of assurance. The current committee was formed in March 2009 and the presence of an independent chair and independent member forms a robust challenge to the corporate governance regime within the Assembly Secretariat.

The members of the Secretariat Audit and Risk Committee during 2010-2011 were:

Mr. Alan McQuillan	Independent Chairperson
Mr. Colm McKenna	Independent Member
Mr. Stephen Moutray	MLA (To 30 September 2010)
Mr. Pat Ramsey	MLA (From 30 September 2010)

Brian Moreland (Head of Internal Audit) and a Northern Ireland Audit Office representative were regular attendees at the Committee's meetings. Trevor Reaney (as Accounting Officer /Clerk to the Assembly), Richard Stewart (Director of Resources) and Paula McClintock (Head of Finance) also attended the meetings.

During the year, the Committee considered a wide range of issues relating to governance, internal control and accountability. These included the review of internal audit reports and plans, consideration of the assurance provided to the Accounting Officer through the Statement on Internal Control, consideration on an exception basis of issues (including risk management issues) arising from stewardship statements, review of the audit strategy for the external audit of the annual accounts and consideration of the Report to those Charged With Governance following the external audit of the accounts.

Financial Review

The Assembly Commission's budget for 2010-2011 was originally allocated in the 2007 spending review (SR2007), and updated by a number of budget initiatives undertaken by the Department of Finance and Personnel during 2009-10. It was confirmed in the Main Estimates for the 2010-2011 financial year. Through participation in the quarterly monitoring rounds and the internal management reporting cycle the Assembly Commission closely monitored its resource and cash requirements.

The final resource outturn may be seen in the table below:

	Outturn	Budget	Under/(over)	Under/(Over)
	£'000	£'000	£'000	%
Income	(44)	(45)	(1)	2.0%
Gross Resource Requirement	42,110	47,635	5,525	12.0%
Net Resource Requirement	42,066	47,590	5,524	12.0%
Capital	1,609	2,425	816	34.0%
Total	43,675	50,015	6,340	13.0%

The actual Request for Resources decreased during the year by £3.8 million to £47.6 million in the Spring Supplementary Estimates (which can be split £46.4 million Departmental Expenditure Limit (DEL) and £1.2 million Annually Managed Expenditure (AME)) and the Net Cash Requirement decreased by £2.3 million to £45.7 million.

Note 4 of the accounts shows a surplus Net Resource Outturn of £5.5 million and a surplus Net Cash Requirement of £3.1 million against the Spring Supplementary Estimate position. The total Net Resource underspend of £5.5 million represents 11.6% of the total Spring Supplementary Estimate position. Further analysis shows that the overall total underspend in Non-Cash items alone is £5.1 million representing 10.7% of the Spring Supplementary Estimate (£3.9 million of it relates to AME and £1.2 million relates to DEL). The remaining £0.4 million (0.9%) is across a number of expenditure categories, within DEL Cash.

The main determinant of the Non-Cash underspend was an AME underspend of £3.9 million arising from the recent valuation of the Members Pension Scheme. This underspend alone represents 8.2% of the Spring Supplementary Estimate position. The Northern Ireland Assembly Commission must provide for the excess of the scheme's liabilities over its assets on an annual basis. A significant increase in the fair value of the scheme assets and a change to the underlying discount rate has meant that the excess of scheme's liabilities over assets has decreased from previous years estimates. Not only has this resulted in non-utilisation of this year's Spring Supplementary Estimate provision (£1.0 million), it has also resulted in a release of previous year's provisions (£2.9 million).

Other DEL Non-Cash differences netted to a further underspend of £1.2 million

(2.5%). This was due mainly to the change in classification of Ormiston House to a Non-Current Asset Held for sale and the corresponding change of basis for valuation meant an upward revaluation occurred. The reclassification of Ormiston House occurred as a result of the Assembly Commission's decision to adopt a twin track approach to the disposal of the property. The Assembly Commission is continuing to work with the Planning Department and other agencies to achieve full planning permission for the property, while actively marketing it for sale. In accordance with FrEM, IFRS 5, IAS 16 and IAS 36 the revaluation gain was taken directly to the Statement of Comprehensive Net Expenditure (SOCNE) (£0.7m, 1.5%) as a reversal of a previous revaluation loss taken in an earlier period. Ormiston House is a Grade 2 listed property, and as such the Assembly Commission has an obligation to ensure that the property is appropriately secured and maintained. The costs incurred in fulfilling these obligations have been included in the General and Administrative Expenditure (GAE) costs recorded in the SOCNE each year, from the date of acquisition in 2001. In 2010/11 the costs incurred for security were £102,629 (2009/10 £112,904), repairs & maintenance, £43,716 (2009/10 £47,407) and professional fees, £10,785 (2009/10 £15,230). Although these costs are necessary to ensure the property is not at risk, as the property has not been occupied these costs could be deemed as losses once the disposal is complete. When the disposal of Ormiston House is complete, the Assembly Commission will ensure that the full impact of these annual costs is appropriately disclosed. The remaining underspend on DEL Non-Cash relates to depreciation, impairment and general provisions (£0.5 million). These can be attributed to slippage in capital projects during the period, the lower than anticipated value of net assets and the release of unused provisions for legal costs.

The remaining underspend, within DEL Cash (£0.4 million (0.9%)) arose across a number of different cost categories.

Members' Office Cost Expenditure (OCE) totalling £7.8 million was paid during 2010-2011. The equivalent figure for 2009-2010 was £7.5 million. The current provision for OCE is made under the Northern Ireland Assembly (Members' Expenditure) Determination 2010. The Determination provides for the maximum amount available to each Member to be uplifted annually in line with the average annual percentage increase in RPI. During 2010-2011 the annual uplift was applied, increasing the maximum amount that may be claimed from £72,660 per Member to £75,585. OCE is intended to meet the expenses incurred on secretarial, clerical and administrative assistance (including the provision of any equipment, facilities or services) required by a Member in connection with the carrying out of his or her Assembly duties. As the Determination allows for a maximum amount that can be claimed in relation to such expenditure the Northern Ireland Assembly Commission has to allow for the full amount of budget cover in the Estimate. The impact of this is that in any given year if Members do not utilise the entirety of the allowance an underspend may occur. This year the underspend in this area was £0.2 million.

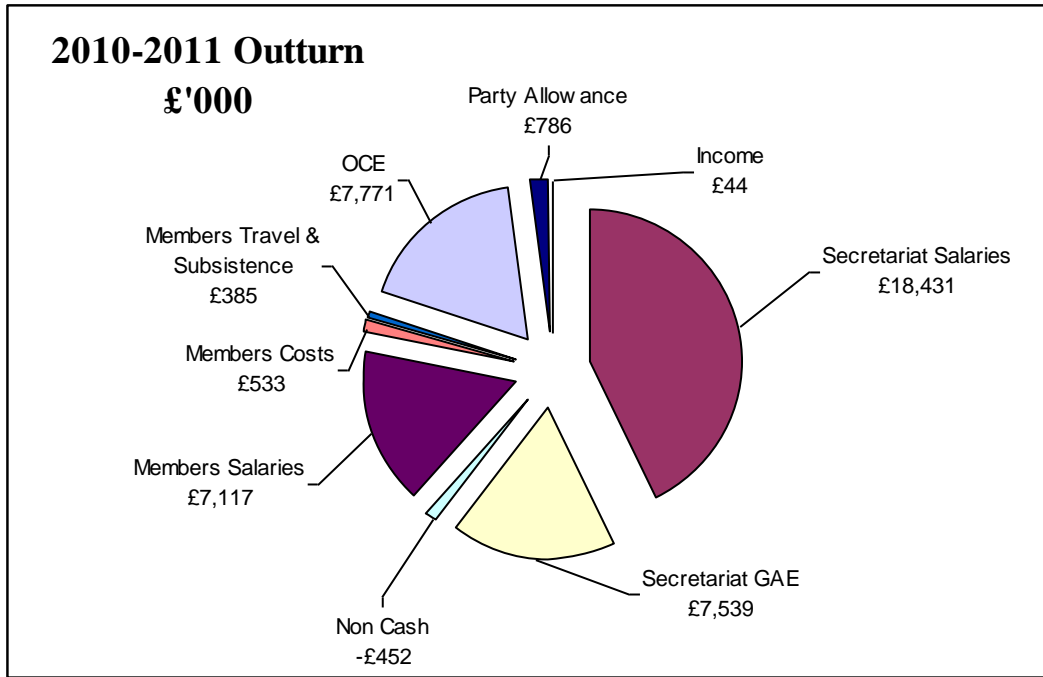
As discussed above, OCE showed an underspend of £0.2 million and a further £0.1 million underspend occurred on Members' Payroll costs and Party Allowance.

The most significant item of expenditure, totalling £18.4 million, related to Assembly Secretariat staffing costs. During the year, the Assembly Secretariat employed on

average 416 members of staff (including agency staff) which increased from 391 in 2009-2010. The increase in expenditure can be attributed to a number of things, including this increase in numbers of permanently recruited staff. During 2009-2010 the NICS reached an Equal Pay settlement and while this settlement did not directly apply to the Northern Ireland Assembly Commission, in seeking to act in an equitable manner the Northern Ireland Assembly Commission decided to apply the principles of the settlement, where appropriate, to Assembly Secretariat staff. The full terms, agreed by the Northern Ireland Assembly Commission, were implemented during 2010-2011 along with all the related obligations for tax and national insurance. At the latter stage of the year the Northern Ireland Assembly Commission agreed a number of recommendations brought forward by PriceWaterhouseCoopers, who had facilitated a pay benchmarking and grading review. The full retrospective impact of the agreed recommendations has also been included in the expenditure for 2010-2011.

As discussed above, there was a large increase in Secretariat Salary expenditure during the period and this pressure was able to be met by the early realigning of the budget provisions within the Secretariat GAE and Consultancy costs. The overall underspend from the opening budget position for GAE was £0.8 million (1.68%). This arose from a variety of factors including slippage in a number of projects such as the website development and less than anticipated expenditure on building repairs and maintenance during the financial year. The Assembly Commission is endeavouring to find the most prudent solution to the ongoing accommodation needs of the entire Secretariat. As these considerations continue there has been a delay in some of the repairs and maintenance programmes. There has also been less expenditure on the costs associated with the work of the Assembly's Committees (for example, on the use of specialist advisers to Committees) and consultancy costs on projects. A number of efficiency measures were implemented in the latter part of the year as a result of the Spending Review 2010 exercise which were designed to drive down costs in a number of cost categories. As these were only implemented in the later stages of the year, the full impact of these will not be seen until 2011-2012.

Members' salaries continued to be paid at the level that existed immediately following the restoration of the Assembly in 2007. The full range of Officeholders' salaries also remained unchanged. These included salaries, social security and pension costs for Executive Ministers. The total wage bill for Members and Officeholders was £7.1 million, up from £6.9 million in 2010-2011. A number of new Members joined the Assembly during the year, as a number of political parties moved to bring an end to dual mandates. This resulted in an increase to expenditure as full salaries became payable, where previously abated salaries had been paid to those Members who were also serving as MP's at Westminster.



Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	2010-11	2009-10
	£'000	£'000
Net Resource Outturn (Estimates)	42,066	50,841
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	(1)	(27)
Other adjustments		
IFRS adjustments		-
Net Operating Cost (Accounts)	42,065	50,814
Adjustments to remove:		
Voted expenditure outside the budget	31	40
Adjustments to additionally include:		
Other Consolidated Fund Extra Receipts	1	27
Resource Budget Outturn (Budget)	42,035	50,801
of which		
Departmental Expenditure Limits (DEL)	46,176	45,251
Annually Managed Expenditure (AME)	-4,141	5,550

Environmental & Sustainability Report

The Northern Ireland Assembly Commission is committed to becoming an exemplar organisation in respect of Sustainable Development. The role of the Sustainable Development Office (SDO) within the Assembly Secretariat is to embed responsible business practice throughout the Assembly.

The key responsibilities of the SDO are to:

- Fully implement the Sustainable Development Strategy for the Northern Ireland Assembly Commission
- Achieve accreditation to the International Standard for Environmental Management Systems (EMS) namely EN ISO 14001.

A Sustainable Development Policy Statement was introduced in December 2009, which sets out the Commission's aspirations to operate more sustainably.

To support the Policy Statement, a Sustainable Development Strategy has also been developed which sets out how the aspirations detailed within the Policy will be achieved.

The Strategy has been developed with a three year lifespan, with annual action plans developed and implemented to enhance existing responsible business practice with a view to achieving the aspirations detailed within the Policy Statement and Strategy.

Over the course of this year, the Assembly Secretariat has taken significant steps to manage and reduce its environmental impact through the implementation of EMS. EMS will ensure that environmental considerations are embedded across the organisation through environmental awareness training sessions for all staff and the development of environmental procedures.

The implementation of EMS has also ensured compliance with all relevant environmental legislation and helped to identify and assess any environmental risks. All environmental impacts and risks are regularly reviewed and controlled as part of measures to achieve continuous improvement.

As part of the implementation of EMS the Assembly Secretariat has also developed procedures to improve the process for evaluating prospective suppliers' environmental practices within procurement competitions and are currently in the process of developing procedures to reduce the direct and indirect environmental impacts of the supply chain.

In April 2011 environmental performance targets for waste, paper usage and energy emissions were set for the 2011-2012 year ahead. Targets were agreed for those areas where it was recognised that the environmental impact was most significant and that the programme of measures to reduce that impact were achievable.

An Energy Performance Rating has been calculated for Parliament Buildings by a separate government organisation. The rating is calculated by taking into account the energy performance of the building's fabric and its services (i.e. heating, cooling, hot water, ventilation and lighting). The energy rating is presented on a scale of A to G with

A being the most efficient. The energy rating achieved by Parliament Buildings for 2010 was D.

The Assembly Secretariat has been working in partnership with Beers Engineering and JCP Consulting (both Carbon Trust Accredited Energy Specialists) who have undertaken detailed energy audits of Parliament Buildings in early 2011. New energy reduction targets for the next four years will be based on the recommendations from the energy audits which will help the Assembly achieve significant efficiencies in the existing building management system by replacing inefficient plant, equipment and hardware. In addition a monitoring and targeting system to identify patterns of energy and water consumption is due to be installed later this year.

The Assembly Secretariat has significantly improved its waste management practices through the appointment of a new waste contractor who provides a more extensive recycling service and more reliable management information. Over the past few years the introduction of new waste recycling streams including lights, cooking oil, batteries and food waste have been very successful and have helped to increase the recycling target.

Membership of Business in the Community Northern Ireland (BITCNI) has continued. Business in the Community is a leading authority on Corporate Social Responsibility (CSR) and Sustainable Development throughout the UK and Ireland. Key departments within the Assembly Secretariat are currently working with BITC to develop an action plan for the coming year to help improve the CSR.

Recently two Sustainable Travel initiatives aimed at encouraging staff to avail of more sustainable modes of transport to travel to and from work, have been launched. These initiatives are Translink's TaxSmart Scheme (an employer salary sacrifice scheme where the Assembly Secretariat purchases travel passes for employees and the employees then repays the amount from their gross salary) and Translink's Annual Commuter Travelcards (an interest free loan made to employees to allow them to purchase travelcards where repayments are made out of net salary). Staff are also encouraged to consider car sharing by making them aware of the national scheme currently available.

The Assembly Secretariat will continue to improve its environmental performance by:

- Continually improving environmental performance ;
- Achieving ISO14001 Accreditation;
- Communicating sustainability externally; and
- Benchmarking against similar public and private organisations



Trevor Reaney
Accounting Officer / Clerk to the Assembly
Date: 28 June 2011

Remuneration Report

Remuneration Policy

The pay and pensions of Members of the Legislative Assembly (MLA) are determined by the Northern Ireland Assembly (Members' Salaries) Determination 2000.

The remuneration and grading of Assembly Secretariat staff has been under review. This review concluded in early 2011 with the external consultants PricewaterhouseCoopers (PwC) presenting the recommendations of their grading and pay benchmarking exercise to the Assembly Commission. The Assembly Commission considered these recommendations and agreed a number of changes to the existing Assembly Secretariat grading structure and pay scales. These changes are to be implemented with an effective date of 4 May 2010.

The 2010 pay award for Assembly Secretariat staff was also agreed during the year. The award covers reporting years from 1 April 2009 to 31 March 2010 and 1 April 2010 to 31 March 2011, with awards payable from the respective pay award settlement dates of 1 August 2010 and 1 August 2011. The settlement comprised two elements: a one-point progression on the relevant Assembly Secretariat pay scale spine point and a non-consolidated bonus payable to a proportion of staff. Both elements are based on performance. The 2010 pay award represents the beginning of the Assembly Commission's two year pay freeze which will end on 31 July 2012.

Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners for Northern Ireland's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org

Salary and pension entitlements (audited)

The restoration of the Northern Ireland Assembly on 8 May 2007 allowed for the establishment of an Assembly Commission under section 40 of the Northern Ireland Act 1998. Under s 40(4) of the Act "The Commission shall provide the Assembly, or ensure that the Assembly is provided, with the property, staff and services required for the Assembly's purposes". Therefore, the following sections provide details of the remuneration and pension interests of the Assembly Commission and the most senior officials within the Assembly Secretariat.

Remuneration (audited)

	2010-11		2009-10	
	Salary £	Benefits in kind (to nearest £100) £	Salary £	Benefits in kind (to nearest £100)
Assembly Commission				
William Hay, MLA Presiding Officer	37,801	0	37,801	0
Pat Doherty, MLA	11,331	0	6,201	0
Robert Coulter, MLA	11,331	0	11,331	0
Pat Ramsey MLA (from 25 May 2010)	9,686	0	N/A	0
Alex Attwood, MLA (to 24 May 2010)	1,645	0	2,102	0
Stephen Moutray, MLA (to 28 June 2010)	2,770	0	11,331	0
Peter Weir MLA (from 29 June 2010)	8,561	0	N/A	0
Sean Neeson, MLA	11,331	0	11,331	0

	2010-2011			2009-2010		
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)
Trevor Reaney Clerk to the Assembly / Director-General	110-115	0	0	110-115	0	0
Hugh Widdis Director of Legal Services	70-75	0	0	65-70	0	0
John Stewart Director of Clerking & Reporting	65-70	0	0	65-70	0	0
Richard Stewart Director of Resources	65-70	0	0	65-70	0	0
Gareth McGrath Director of Engagement	65-70	0	0	65-70	0	0
Stephen Welch Director of Facilities	70-75	0	0	70-75	0	0

Salary

‘Salary’ for Secretariat Officials includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

This report is based on payments made by the Assembly and thus recorded in these accounts. In respect of Members of the Assembly Commission, ‘salary’ represents the Office Holder’s Salary payable for being a Member of the Assembly Commission at £11,331 (2009-2010; £11,331) or Presiding Officer / (and Chair of the Assembly Commission) of £37,801 (2009-2010; £37,801). The figure does not include the salary for their services as an MLA of £43,101 (2009-2010; £43,101).

Benefits in kind

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

Pensions Benefits (audited)

Assembly Commission Members	Accrued pension at age 65 as at 31/03/10	Real increase in pension at age 65	CETV at 31/03/11 (or end date)	CETV at 31/03/10 (or start date)	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
William Hay Presiding Officer	0-5	0-2.5	52	38	14
Pat Doherty, MLA	0-5	0-2.5	7	2	4
Robert Coulter, MLA ¹	0-5	0	14	14	0
Pat Ramsey MLA (from 25 May 2010)	0-5	0-2.5	3	0	3
Alex Attwood, MLA (to 25 May 2010)	0-5	0-2.5	9	1	8
Stephen Moutray, MLA (to 29 June 2010)	0-5	0-2.5	14	10	4
Peter Weir MLA (from 29 June 2010)	0-5	0-2.5	4	1	2
Sean Neeson, MLA	0-5	0-2.5	24	19	4
¹ As the Commission member is aged 75 or over, no additional pension benefits accrue beyond that conferred by annual uprating of existing preserved pension entitlement. A lump sum commutation was paid on 6 April 2006 meaning that no further pension contributions are payable either by the Member or by the Assembly.					

Assembly Commission pensions

Pension benefits for Commission Members are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2008 (AMPS). The scheme is made under s48 of the Northern Ireland Act 1998. As Commission Members will be Members of the Legislative Assembly they may also accrue an MLA's pension under the AMPS (details of which are not included in this report). The pension arrangements for Commission Members provide benefits on a "contribution factor" basis which takes account of service as a Commission Member. The contribution factor is the relationship between the salary as a Commission Member and the salary as a Member for each year of service as a Commission Member. Pension benefits as a Commission Member are based on the accrual rate (1/50th) multiplied by the cumulative contribution factors and the relevant final salary as a Member.

Benefits for Commission Members are payable at the same time as MLA's benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Price Index. Commission Members can pay contributions of either 6% of

their officeholder's salary (if they opt for the lower accrual rate of 50th's) or of 11.5% of their officeholder's salary (if they do not opt for the lower accrual rate and remain on the higher default rate of 40th's). 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 23.3% of the Commission Members' salary.

The accrued pension quoted is the pension the Commission Member is entitled to receive when they reach 65 or immediately on ceasing to be an active member of the scheme if they are already 65.

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 office holder. The figures are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries 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 actuarial factors used in the CETV calculation were changed during 2010, due to changes in demographic assumptions and the move from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) as the measure used to uprate Civil Service pensions. This means that the CETV in this year's report for 31/03/10 will not be the same as the corresponding figure shown in last year's report.

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 common market valuation factors for the start and end of the period.

Secretariat Pension Entitlements

Secretariat Officials	Accrued pension at age 60 as at 31/03/10 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/03/11 (or end date)	CETV at 31/03/10 (or start date)	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Trevor Reaney Clerk to the Assembly / Director-General	35-40	0-2.5	555	503	7	0
Hugh Widdis Director of Legal Services	10-15 plus lump sum of 5-10	0-2.5 plus lump sum of 0-2.5	112	96	6	0
John Stewart Director of Clerking & Reporting	0-5	0-2.5	35	22	9	0
Richard Stewart Director of Resources	20-25 plus lump sum of 60-65	0-2.5 plus lump sum of 0-2.5	272	248	3	0
Gareth McGrath Director of Engagement	10-15	0-2.5	99	85	5	0
Stephen Welch Director of Facilities	10-15	7.5-10	161	38	36	0

Secretariat Pension Arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (**classic**, **premium**, and **classic plus**). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the **nuvos** arrangement or they can opt for a partnership pension account. **Nuvos** is an 'earned pension' 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%. Earned pension benefits are increased annually in line with increases in the CPI and attract an annual pension increase. For 2011 Public Service Pensions will be increased by 3.1% with effect from 11 April.

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three

years' pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). **Classic plus** is essentially a variation of **premium**, but with benefits in respect of service before 1 October 2002 calculated broadly as per **classic**.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (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 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensions-ni.gov.uk.

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 figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements.

They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries 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 actuarial factors that are used in the CETV calculation were changed during 2010, due to changes in demographic assumptions and the move from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) as the measure used to uprate Civil Service pensions. This means that the CETV in this year's report for 31/03/10 will not be the same as the corresponding figure shown in last year's report.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of 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.

Compensation for loss of office

There was no loss of office recorded for the period under review and therefore no compensation was paid.

A handwritten signature in black ink, appearing to read 'T. Reaney', with a stylized flourish above the first letter.

Trevor Reaney
Accounting Officer / Clerk to the Assembly

Date: 28 June 2011

Statement of Accounting Officer’s Responsibilities

Under the Government Resource and Accounts Act (NI) 2001, the Department of Finance and Personnel (DFP) has directed the Northern Ireland Assembly Commission to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Assembly Commission during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Assembly Commission and of its net resource outturn, resources applied to objectives, changes in taxpayers’ equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by DFP, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

DFP has appointed the Clerk to the Assembly, Mr Trevor Reaney, as Accounting Officer of the Northern Ireland Assembly.

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

Statement on Internal Control

Scope of responsibility

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

Under section 40 of the Northern Ireland Act 1998 the Northern Ireland Assembly elects a Commission which has responsibility for providing the Assembly with the property, staff and services to carry out its business. As Accounting Officer, I attend meetings of the Assembly Commission and present major decisions in relation to expenditure, asset management and staffing to the Assembly Commission for its consideration and approval.

As Clerk/Director General to the Assembly I am supported by 4 other members of the Secretariat Management Group:- the Director of Clerking and Reporting, the Director of Engagement, the Director of Facilities and the Director of Resources. I am also supported in this role by the Director of Legal Services.

In my role as Accounting Officer there is a formal delegation of functions from the Assembly Commission. Further delegations of functions and financial responsibilities are in place for the members of the Secretariat Management Group. These delegations clarify the role and responsibilities of the Assembly Commission, Accounting Officer and the relevant managers in the organisation.

The Northern Ireland Assembly Commission has no Executive Agencies or Non Departmental Public Bodies.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Assembly Commission policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Northern Ireland Assembly for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

Capacity to Handle Risk

The current Risk Management Policy was adopted in October 2008 and leadership of the risk management process is provided by the Secretariat Management Group. The Secretariat Management Group has ownership of the Corporate Risk Register. The Secretariat Management Group identifies the key risks to be set out in the Corporate Risk Register. A scoring framework incorporating factors such as likelihood and impact has been used to assess each corporate level risk. For each risk the Secretariat Management

Group has also identified the risk owner, potential causes of the risk, the controls currently in place to manage the risk and a series of actions that need to be undertaken to strengthen and improve the control of the risk. Ownership of the key risk areas has been assigned to those with responsibility and authority for implementing controls and assigning resources to manage key risks. The Secretariat Management Group provides advice and support to me, as Accounting Officer, when taking major decisions affecting the management of risks within the Assembly. The Risk Management Policy enables the Secretariat Management Group to regularly review and identify the principle risks of the Assembly, to evaluate the nature and extent of those risks and to manage the risks efficiently, effectively and economically. During the year a review of the Risk Management Policy was undertaken with the findings of the review being reported to the Secretariat Management Group in February 2011. A number of the review's recommendations were implemented and these centred mainly on the expansion of the existing Stewardship Statements. Previously these required Directors' to confirm their effective management of the risks identified in their respective risk registers, they have been extended to also cover Directors' delegated responsibilities, Information Management practices and follow up of Internal and External Audit recommendations.

The risk and control framework

The Secretariat Management Group recognises that corporate information must be acknowledged as an asset, and as such there is a need to protect it and manage it effectively. Information used for operational purposes and reporting purposes needs to be handled appropriately, particularly where it is to be used by third parties or other government departments. In considering information assurance, the Accounting Officer appointed a Senior Information Risk Owner (SIRO), the Director of Resources. The SIRO has overall authority in relation to decisions about protective marking and ensuring information risks are assessed and mitigated at an acceptable level. Work is continuing on the implementation of the new Information Management strategy. The strategy aims to support the work of the Assembly by controlling and managing the information produced and stored by the Assembly Secretariat. It will provide a clear framework for the management of information within the Assembly Secretariat which will form an integral part of this programme of work. The Strategy plans for the next 5 years, highlighting immediate priorities to be addressed within the next 18 months and other initiatives beyond the 18 month timeframe. It proposes a staged and prioritised approach to implementation and identifies key milestones, activities, dependencies, responsibilities, benefits and risks; the objective being to set firm foundations for the use and management of information based on current and future operational needs. It is also concerned with the tools used to help manage information and, in particular, how the Assembly Commission's information technologies and systems will be managed and developed in order to gain most value from the information held.

In managing corporate information the Northern Ireland Assembly Commission ensures that it has sufficient procedures and policies in place to enable it to fulfil its statutory obligation under current legislation, e.g. Freedom of Information Act 2000 and Data Protection Act 1998. The Assembly Publication Scheme ensures that information is made available and accessible to the public. As Accounting Officer I have, along with the SIRO, considered Information Assurance for the Assembly.

In managing the Risk Management Policy the Secretariat Management Group has sought

to ensure that a strong risk management culture is embedded across the entire organisation. Under the policy a Risk Register has been established and the current framework of management ensures there is regular, ongoing monitoring and reporting of risk, including early warning mechanisms. It also ensures that the Secretariat conducts half yearly reviews of the effectiveness of the system of internal controls that are in place, incorporating completion of Stewardship Statements by each of the Corporate Risk owners. The policy allows the risk management process to complement the corporate business planning process.

A Corporate Risk Register is maintained by the Secretariat Management Group and Directorate Risk Registers are also maintained. Directorate risks have been assessed in the same manner as the corporate level risks using the scoring framework. Risk owners and the controls needed to manage the risk have been identified for each of the Directorate level risks.

The Stewardship Statements, produced by corporate risk owners every six months, identify any changes or developments that impact on each risk and sets out the manner in which they are managed. The statements and the Corporate Risk Register are routinely presented to and reviewed by the Secretariat Audit and Risk Committee.

The corporate planning process continues to set the context for the risk management process. Clear strategic objectives and lower-level, Business Unit objectives have been identified, allowing all areas of the organisation to consider the risks that might impact on the ability to meet specific objectives.

As part of the Assembly Commission's on-going commitment to ensure effective governance and control of its resources it undertook an extensive review of the administrative arrangements for Members' allowances during the year, which resulted in the adoption of a new Financial Support for Members' Handbook. In adopting this new Handbook, the Assembly Commission sought to enhance the guidance available to Members regarding the financial support framework and strengthen the controls for financial support. Legalisation was also passed during the year which will facilitate the establishment of an Independent Financial Review Panel (IFRP). This panel will be responsible for determining all matters of pay, pension and allowances for Members. Together these two important developments will serve to strengthen the governance of the financial support framework and ensure greater openness, transparency and accountability of elected representatives, to ensure efficient use of resources.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Audit team and the Secretariat Management Group, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their Report to those charged with Governance and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by each of the Directors, the Secretariat Audit and Risk Committee and Internal Audit and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The effectiveness of the system of internal control has been maintained through meetings of the senior management team and the Secretariat Audit and Risk Committee. These meetings have provided an opportunity to identify material changes in risks or controls. The Secretariat Audit and Risk Committee reviewed and approved the programme of work for the Internal Audit Unit.

A review of the effectiveness of the Secretariat Audit and Risk Committee is undertaken on a regular basis and in September 2010 the Secretariat Audit and Risk Committee Chairman and independent member held a staff briefing session for Heads of Business. This was an opportunity to inform staff in more detail of the role of the committee and explain how it operates within the overall corporate governance framework. In seeking to further embed a culture of strong corporate governance within the organisation, a document summarising the corporate governance framework, demonstrating the relationships between the different aspects, and defining roles and responsibilities of stakeholders has now been published.

Significant Internal Control Issues

The overall level of assurance for the year 2010/11, based on the programme of Internal Audits approved by the Secretariat Audit and Risk Committee (SARC) remains satisfactory. This represents a continuation on the improvement seen during the previous twelve month period and reflects the outcomes of individual Internal Audit assignments, follow-up audits and the improvement seen in the extent to which recommendations have been implemented.

In the previous year's Statement on Internal Control concerns were raised regarding information security and management have taken steps to improve control. These include progress on the development of an information management strategy, centralisation of responsibility for information management, enhanced password controls and restrictions on the use of mass storage devices.

A number of the key issues raised during 2010/11 were in relation to procurement policies and procedures. The Internal Audit report, which issued in October 2010 (for which the assurance level was limited), detailed a number of areas where improvement was required.

These included recommendations regarding training in respect of contract management, the central monitoring and oversight of procurement activity and the management of contract extensions and variations. Recommendations were also made in relation to the approval of business cases at the appropriate level and one case where single tender action was taken.

Internal Audit noted the early implementation of a number of the recommendations made on this report and work is under way in respect of the remaining recommendations.

As for the assurance level in relation to procurement early implementation of the recommendations accepted by management will increase the likelihood of a more positive opinion when the follow-up audits are performed.

In addition to the above report, the audits of the "use of procurement cards" and the

“Northern Ireland Assembly and Business Trust” also received limited levels of assurance.

The former was caused primarily by breaches in procedure and the latter because of issues around budgeting and financial control.

During the reporting period time has also been allocated to a lessons learned exercise in respect of the Assembly Commission’s Broadcasting contract which had been subject to legal challenge. A review was undertaken which included analysis of the documents held relating to this exercise in a number of Directorates and the report issued indicated some lessons could be drawn from the exercise. Discussions have already been held with management from the relevant Directorates to ensure that the lessons learned inform the management and control of similar risks in the future.

The internal audit report into the Financial Assistance to Political Parties Scheme 2007 (FAPP) made a number of recommendations regarding governance arrangements. The Assembly Commission considered these recommendations and agreed that a full review of the provisions of the scheme would be undertaken early in the new mandate. The funding provided annually to Parties, through the scheme, must be independently audited. In seeking to strengthen the controls the Assembly Commission requested that additional documentation would be provided by the independent auditors at the end of the year. At the date of signing this report progress has been made in receiving the additional documentation; however work will need to continue to ensure that this additional requirement is fully complied with. This documentation will serve to provide further assurance to the Assembly Commission that risk of inappropriate use of funds is mitigated.

Immediately prior to the signing of this Statement, Internal Audit published the report of their third party verification audit of the managed print contract. This review resulted in an unacceptable level of assurance based on the fact that the service provider had not retained records that would allow a verification of their actual costs against the fixed fees included in the contract. The management team is now going to consider the options in light of this information and decide upon the appropriate course of action and, as a minimum measure, ensure that the service provider is collecting the appropriate supporting information.



Trevor Reaney
Accounting Officer / Clerk to the Assembly

Date: 28 June 2011

NORTHERN IRELAND ASSEMBLY

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

I certify that I have audited the financial statements of the Northern Ireland Assembly for the year ended 31st March 2011 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statement of Parliamentary Supply, the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash flows, the Statement of Changes in Taxpayer's Equity, the Statement of Net Operating Costs by Departmental Strategic Objectives and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of the Northern Ireland Assembly's affairs as at 31st March 2011 and of its net cash requirement, net resource outturn, net operating cost, cash flows, changes in taxpayers' equity and net operating costs applied to strategic objectives for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Executive Summary and Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration 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 Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink that reads "Kieran J. Donnelly". The signature is written in a cursive style with a large initial 'K'.

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

30th June 2011

Statement of Parliamentary Supply

Summary of Resource Outturn 2010-2011

Estimate					Outturn			2010-11 £'000	2009-10 £'000
Request for Resources	Note	Gross Expenditure	ARs	Net Total	Gross Expenditure	ARs	Net Total	Net total outturn compared with estimate: saving / (excess)	Net Total
1	2	47,635	(45)	47,590	42,110	(44)	42,066	5,524	50,841
Total Resources	3	47,635	(45)	47,590	42,110	(44)	42,066	5,524	50,841
Non-operating cost ARs		-		-			-	-	-

Net Cash Requirement 2010-2011

	Note	Estimate	Outturn	2010-11 £'000	2009-10 £'000
				Net total outturn compared with estimate: saving /(excess)	Outturn
Net Cash Requirement	4	45,697	42,557	3,140	39,333

Summary of income payable to the Consolidated Fund

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

	Note	Forecast 2010-11 £'000		Outturn 2010-11 £'000	
		Income	Receipts	Income	Receipts
Total	5	10	<i>10</i>	1	<i>1</i>

Explanation of variances between Estimate and Outturn are given in Note 2 and the Management Commentary.

The notes on pages 41 to 64 form part of these accounts.

Statement of Comprehensive Net Expenditure for the year ended 31 March 2011

			2010-11	2009-10
			£'000	£'000 (restated)
	Note	Staff Costs	Other Costs	Income
Administration Costs				
Staff costs		-		-
Other administration costs			-	-
Operating income			-	-
Programme Costs				
Request for Resources 1				
Staff costs	9	25,548		22,276
Programme costs	10,11		16,562	24,522
Income	12		(45)	(52)
Totals		25,548	16,562	(45)
Net Operating Costs	3		42,065	46,746

Other Comprehensive Expenditure for the year ended 31 March 2011

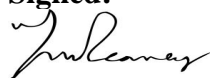
	2010-11	2009-10
	£'000	£'000
Net (gain)/loss on revaluation of Property, Plant & Equipment	(2,051)	16,177
Net (gain)/loss on revaluation of Intangibles	15	(14)
Total Comprehensive Expenditure for the period 31 March 2011	40,029	62,909

The notes on pages 41 to 64 form part of these accounts.

**Statement of Financial Position
as at 31 March 2011**

		2010-11 £'000	2009-10 £'000 (restated)	2008-09 £'000 (restated)
	Note			
Non-current assets:				
Property, plant and equipment	13	112,874	114,368	128,379
Intangible assets	14	251	58	42
Financial Assets	15	-	-	-
Non-Operational Heritage Assets	16	442	442	442
Total non-current assets		113,567	114,868	128,863
Current assets:				
Assets classified as held for sale	17	2,500	-	6,000
Inventories	19	-	-	-
Trade and other receivables	20	287	295	619
Other current assets		-	-	-
Financial Assets	15	-	-	-
Cash and cash equivalents	21	140	851	29
Total current assets		2,927	1,146	6,648
Total assets		116,494	116,014	135,511
Current liabilities				
Trade and other payables	23	(4,620)	(3,724)	(2,620)
Other liabilities		-	-	-
Total current liabilities		(4,620)	(3,724)	(2,620)
Non-current assets plus/less net current assets/liabilities		111,874	112,290	132,891
Non-current liabilities				
Provisions	24	(4,262)	(7,238)	(4,277)
Other payables	23	-	-	-
Financial Liabilities	15	-	-	-
Total non-current liabilities		(4,262)	(7,238)	(4,277)
Assets less liabilities		107,612	105,052	128,614
Taxpayers' equity:				
General Fund		85,508	84,872	92,180
Revaluation reserve		21,661	19,737	35,991
Donated asset reserve		443	443	443
Total taxpayers' equity		107,612	105,052	128,614

Signed:



Trevor Reaney
Accounting Officer / Clerk to the Assembly

Date: 28 June 2011

The notes on pages 41 to 64 form part of these accounts

Statement of Cash Flows
for the year ended 31 March 2011

	2010-11 £'000	2009-10 £'000 (restated)
Note		
Cash flows from operating activities		
Net operating cost	(42,065)	(46,746)
Adjustments for non-cash transactions	10,11 (453)	7,747
(Increase)/Decrease in trade and other receivables	7	199
<i>less movements in receivables relating to items not passing through the SOCNE</i>	-	3
(Increase)/Decrease in Inventories	-	-
Increase/(Decrease) in trade payables	1,617	410
<i>less movements in payables relating to items not passing through the SOCNE</i>	-	-
Use of provisions	24 (35)	(548)
Net cash outflow from operating activities	(40,929)	(38,935)
Cash flows from investing activities		
Purchase of property, plant and equipment	13 (1,356)	(352)
Purchase of intangible assets	14 (271)	(14)
Proceeds of disposal of property, plant and equipment	-	-
Proceeds of disposal of intangibles	-	-
Loans to other bodies	-	-
(Repayments) from other bodies	-	-
Net cash outflow from investing activities	(1,627)	(366)
Cash flows from financing activities		
From the Consolidated Fund (Supply) - current year	42,000	40,000
From the Consolidated Fund (Supply) - prior year	-	125
From the Consolidated Fund (non-Supply)	-	-
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts	-	-
Net financing	42,000	40,125
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund	(556)	824
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities	-	(2)
Payments of amounts due to the Consolidated Fund	(155)	-
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	(711)	822
Cash and cash equivalents at the beginning of the period	21 851	29
Cash and cash equivalents at the end of the period	21 140	851

The notes on pages 41 to 64 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2011

	Note	General Fund £'000	Revaluation Reserve £'000	Donated Asset Reserve £'000	Total Reserves £'000
Restated Balance at 31 March 2009		92,180	35,991	443	128,614
Changes in taxpayers' equity 2009-10					
Net Parliamentary Funding - drawn down		40,000	-	-	40,000
Net Parliamentary Funding - deemed		-	-	-	-
Consolidated Fund Standing Services		(667)	-	-	(667)
Supply payable/(receivable) adjustment		-	-	-	-
Excess Vote - Prior Year		-	-	-	-
CFERs payable to the Consolidated Fund	6	(27)	-	-	(27)
Comprehensive Expenditure for the Year (restated)		(46,746)	(16,163)	-	(62,909)
Non-Cash Adjustments:					
Non-cash charges – auditors remuneration	10,11	40	-	-	40
Non-cash charges - other	10,11	1	-	-	1
Movements in Reserves:					
Transfers between reserves		91	(91)	-	0
Restated Balance at 31 March 2010		84,872	19,737	443	105,052
Changes in taxpayers' equity 2010-11					
Net Parliamentary Funding - drawn down		42,000	-	-	42,000
Net Parliamentary Funding - deemed		-	-	-	-
Consolidated Fund Standing Services		559	-	-	559
Supply payable/(receivable) adjustment		-	-	-	-
Excess Vote - Prior Year		-	-	-	-
CFERs payable to the Consolidated Fund	6	(1)	-	-	(1)
Comprehensive Expenditure for the Year (restated)		(42,065)	2,036	-	(40,029)
Non-Cash Adjustments:					
Non-cash charges – auditors remuneration	10,11	30	-	-	30
Non-cash charges - other	10,11	1	-	-	1
Movements in Reserves:					
Transfers between reserves		112	(112)	-	-
Balance at 31 March 2011		85,508	21,661	443	107,612

The notes on pages 41 to 64 form part of these accounts.

**Statement of Operating Costs by Strategic Objectives
for the year ended 31 March 2011**

	2010-11	2009-10
	£'000	£'000
	Strategic Objective 1	Strategic Objective 1
Gross Expenditure	42,110	50,866
Income	(45)	(52)
Net Expenditure	42,065	50,814

The Assembly's objectives were as follows:

- Objective 1 Remunerating and supporting the Members of the Assembly in discharging their duties in their constituencies, in the Assembly and elsewhere, the costs of general administration including staff costs, general expenses and equipment, accommodation, other services and associated non-cash items.

See Note 25

The Northern Ireland Assembly – Accounts 2010-2011

Notes to the Assembly's resource accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2010-2011 Government Financial Reporting Manual (FReM) issued by DFP. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Northern Ireland Assembly for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Northern Ireland Assembly are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Northern Ireland Assembly to prepare two additional primary statements. The *Statement of Parliamentary Supply* and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement. The *Statement of Operating Cost by Departmental Strategic Objectives* and supporting notes analyse the Assembly's income and expenditure by objectives.

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 and intangible assets.

1.2 Going Concern

The financial statements for 2010-2011 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 and Personnel holds legal title to Parliament Buildings the Northern Ireland Assembly 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 a revalued amount (based on fair value) using a professional valuation. This exercise is to be repeated every five years with appropriate interim valuations to be used in the intervening years.

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 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 probable that there will be future economic benefit and the cost can be reliably measured. Any parts of an asset that are replaced are derecognised.

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

1.4 Heritage assets

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

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

In accordance with FReM, for non-operational heritage assets purchased within the accounting period they 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. Operational heritage assets are valued and incorporated within the asset register as at 1.3 above.

1.5 Donated assets

These are assets donated by third parties, either by gift of the assets or funds to buy the asset. Donated tangible assets are capitalised at their current value on receipt, and this value is credited to the donated asset reserve, which is included in the general reserves fund. Subsequent revaluations are also taken to this reserve. Each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the Statement of Comprehensive Net

Expenditure..

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. No depreciation is provided on freehold land and items for collections since they have unlimited or very long estimated useful lives. The principal asset lives used for depreciation purposes are:

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

1.8 Impairment of Assets

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

1.9 Non-current Assets held for Sale

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

1.10 Revenue

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

- sale of souvenir stock;
- public telephone calls;
- stationery - recovery of cost;

- postage - recovery of cost; and
- recoupment of salary costs of staff seconded to other public sector bodies during suspension.

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

1.11 Administration and programme expenditure

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

1.12 Foreign exchange

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

1.13 Employee Benefits

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

1.14 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme NI (PCSPS (NI)). This defined benefit scheme is unfunded and is non-contributory except in respect of dependants' benefits. The Assembly 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 the Members are provided through the Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). Members pay contributions of 6% of pensionable salary, including Office Holder's salary. All pensions increase in line with the Consumer Price Index once in payment.

1.15 Early departure costs

The Northern Ireland Assembly is required to meet the additional cost of benefits beyond the normal PCSPS (NI) benefits in respect of employees who retire early. The Assembly provides in full for this cost when the early retirement programme has been announced and is binding on the Assembly. The Assembly may, in

certain circumstances, settle some or all of its liability in advance by making a payment to the Paymaster General's account at the Bank of England for the credit of the Civil Superannuation Vote. The amount provided is shown net of any such payments.

1.16 Provisions

The Northern Ireland Assembly 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 of 3.5% in real terms. However, the discount rate used for the provision for pension costs was 3.8% p.a. reflecting the real yields experienced in the bond markets (see Note 22).

1.17 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IFRS 37, the Assembly discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote. These comprise:

- Items over £250,000 (or lower where required by specific statute) that do not arise in the normal course of business and which are reported to the Northern Ireland Assembly by Assembly Minute prior to the Assembly entering into the arrangement;
- All items (whether or not they arise in the normal course of business) over £250,000 (or lower where required by specific statute or where material in the context of resource accounts) which are required by the FReM to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IFRS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IFRS 37 are stated at the amounts reported to the Assembly.

1.18 Value added tax

In the Northern Ireland Assembly output tax generally does not apply and input tax is recovered on a monthly basis from DFP. Where input tax is recoverable, the amounts are stated net of vat.

1.19 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Assembly, the asset is recorded as a tangible asset and a debt is recorded to the lesser for the minimum lease payments discounted by the interest rate implicit in the leases. The interest element of the finance lease payment is charged to the Statement of Comprehensive Net Expenditure over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as

operating leases and the rentals are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the leases.

1.20 Financial Assets and Financial Liabilities

The Northern Ireland Assembly has no powers to borrow or invest surplus funds. A financial asset or financial liability is recognised in the Statement of Financial Position when the Northern Ireland Assembly becomes party to the contractual provision of the financial instrument. Initial recognition is at fair value. As financial assets and liabilities of the Northern Ireland Assembly are generated by the day-to-day operational activities, that is, trade contracts to buy non-financial items in line with the Assembly's expected purchase and usage requirements, fair value is deemed to be the transaction price where the impact of discounting is immaterial. When a financial asset or financial liability is recognised it is categorised appropriately and is de-recognised when the contractual right to or obligation for cash flow expires.

1.21 Prior Period Adjustments

In line with Department of Finance and Personnel advice, Prior Period Adjustments (PPAs) arising from the removal of the cost of capital charge were not included in the Spring Supplementary Estimates for 2010-11, other than as a note, on the basis that the PPA numbers could have been misleading. The impact of these accounting policy changes on Supply outturn in respect of 2009-10 are shown in 1.23. PPAs arising from an error in previous recording or any other change in accounting policy were included in the Estimates in line with conventional arrangements.

1.22 Impact of Prior Period Adjustments

The removal of the cost of capital charge has the following effect on Resource outturn in 2009-10. The Statement of Parliamentary Supply and related notes have not been restated for this effect.

	2009-10
	£'000
Net Resource Outturn (Statement of Parliamentary Supply)	50,841
Removal of the cost of capital charge	(4,068)
Adjusted Net Resource Outturn	46,773

2 Analysis of net resource outturn by section

							2010-11 £'000	2009-10 £'000	
							Estimate		
							Net total outturn compared with Estimate	Prior Year Outturn	
	Admin	Other Current	Grants	Gross resource expenditure	ARs	Net Total	Net Total		
Request for Resources 1 – Members' salaries, expenses and administration costs	-	42,110	-	42,110	(44)	42,066	47,590	5,524	50,841
Departmental Expenditure in DEL:									
A-1 Administration									
		45,020	-	45,020	(44)	44,976	46,347	1,371	47,291
Annually Managed Expenditure (AME):									
A-2 Administration Provisions									
		(2,941)	-	(2,941)	-	(2,941)	1,200	4,141	3,509
Non-Budget:									
A-3 Notional Charges									
		31	-	31	-	31	43	12	41
Resource Outturn	-	42,110	-	42,110	(44)	42,066	47,590	5,524	50,841

The net resource surplus of £5.5m represents 11.6% of the Spring Supplementary Estimate. The most significant area of underspend is in the AME Non-Cash items of expenditure. There is an overall underspend in this area alone of £5.1 million which represents 10.7% of the Spring Supplementary Estimate the remaining £0.4 million (0.9%) is across a number of expenditure categories. Detailed explanations of these variances are given in the Financial Review contained in the Management Commentary starting on page 11

Key to Request for Resources and Sections

Request for resources 1 – Remunerating and supporting Members of the Assembly in discharging their duties in the constituencies, in the Assembly and elsewhere, the costs of general administration including staff costs, general expenses and equipment, accommodation, other services and associated non-cash items.

3 Reconciliation of outturn to net operating cost and against Administration Budget

3.1 Reconciliation of net resource outturn to net operating cost

			2010-11 £'000	2009-10 £'000	
	Note	Outturn	Supply Estimate	Outturn Compared With Estimate	Outturn
Net Resource Outturn	2	42,066	47,590	5,524	50,841
Prior Period Adjustment					(4,068)
Non-supply income (CFERs)	5	(1)	(10)	(9)	(27)
Non-supply Expenditure		-	-	-	-
Net operating cost		42,065	47,580	5,515	46,746

Detailed explanation of variances between Estimate and Outturn in the Financial Review contained within the Management Commentary starting on page 11

3.2 Outturn against final Administration Budget

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

4 Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £'000	Outturn £'000	Net Total outturn compared with Estimate: savings/(excess) £'000
Resource Outturn	2	47,590	42,066	5,524
Capital:				
Acquisition of property, plant and equipment	13	2,425	1,356	1,069
Acquisition of intangible assets	14		271	(271)
Investments				
Accruals adjustments:				
Non-cash items	10,11	(4,668)	453	(5,121)
Changes in working capital other than cash		250	(1,624)	1,874
Changes in payables falling due after more than one year				
Use of provision	24	100	35	65
Excess cash receipts surrenderable to the Consolidated Fund	5	-	-	-
Net Cash Requirement		45,697	42,557	3,140

5 Analysis of income payable to the Consolidated Fund

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

	Note	Forecast 2010-11 £'000		Outturn 2010-11 £'000	
		Income	Receipts	Income	Receipts
Operating income and receipts - excess AR					
Other Operating income & receipts not classified as AR		10	<i>10</i>	1	<i>1</i>
Total income payable to the Consolidated Fund		10	<i>10</i>	1	<i>1</i>

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

	Note	2010-11	2009-10
		£'000	£'000
Operating income	12	45	52
Adjustments for transactions between RfRS		-	-
Gross Income		45	52
Income authorised to be Accruing Resources		(44)	(25)
Operating Income payable to the Consolidated Fund	5	1	27

7 Non-operating income – Excess Accruing Resources (AR)

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

8 Non-operating income not classified as Accruing Resources (AR)

The Northern Ireland Assembly had no non-operating income not classified as AR.

9 Staff numbers and related costs

Staff costs comprise:

	2010-11					2009-10
	£'000					£'000
	Total	Permanently employed staff	Members	Agency, temporary and contract staff	Special Advisors	Total
Wages and salaries	20,495	14,213	5,376	906	-	17,955
Social security costs	1,486	955	531	-	-	1,360
Other pension costs	3,567	2,357	1,210	-	-	2,961
Sub Total	25,548	17,525	7,117	906	-	22,276
Less recoveries in respect of outward secondments	(40)	(40)	-	-	-	(38)
Total net costs *	25,508	17,485	7,117	906	-	22,238

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

The Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)) is an unfunded multi-employer defined benefit scheme but the Assembly is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2010.

For 2010-2011, contributions of £2,357,316 were paid to the PCSPS (NI) (2009-2010; £1,364,672) at one of four rates in the range 18 to 25 per cent (2009-2010; 16.5 to 23.5 per cent) of pensionable pay based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The salary band and contribution rates were revised for 2010-2011. Salary bands were again revised for 2011-12. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £5,282.81 (2009-2010; £1,344) were paid to an appointed stakeholder pension provider. Employer contributions are age-related and range from 3 to 12.5 per cent (2009-2010; 3 to 12.5 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £308.81 (2009-2010; £122), 0.8 per cent of pensionable pay were payable to the PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions paid due to partnership pension providers at the balance sheet date were nil. Contributions prepaid at that date were nil.

Two people (2009-2010; 1 person) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £3,471.22 (2009-2010; £0).

Pension benefits for the Members are provided through the Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). Members pay contributions of 11.5% of pensionable salary, including Office Holder's salary. Members may opt to accrue benefits more slowly paying contributions at a rate of 6% of pensionable salary. All pensions increase in line with the Consumer Price Index once in payment. There is a separate scheme statement for the Assembly Members' Pension Scheme. The rules of the Assembly Members' Pension Scheme require the employer to meet the balance of the cost of providing the benefits as recommended by the actuary from time to time. There is currently a liability of £4.1 million, and this is provided for in the accounts in line with FReM and FRS 17. The rate used to discount scheme liabilities is 2.6%. A full actuarial valuation was carried out for the period ending 31 March 2011 by the Government Actuary.

For 2010-2011, contributions of £1,210,468 (2009-2010; £1,153,105) were paid to the Assembly Members' Pension Scheme. Contributions were at a rate of 23.3% (2009-2010; 22.6%) of pensionable pay, as determined by the Government Actuary and advised by the Treasury.

Average number of persons employed

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

Objective	2010-11					2009-10
	Total	Permanent staff	Members	Agency, temporary and contract staff	Special Advisers	Total
1	524	390	108	26	-	499
Total	524	390	108	26	-	499

During 2010-2011, an average of 1 member of staff (2009-2010: 3) were out-posted to other public sector employers.

The Northern Ireland Assembly does not employ any staff exclusively for capital projects.

There was no loss of office recorded for the period under review and therefore no compensation was paid.

10 Other Administration Costs

All costs incurred by the Northern Ireland Assembly are programme costs, incorporating payments of allowances and other disbursements by the Assembly (see note 1.11).

11 Programme Costs

	2010-11	2009-10
	£'000	£'000
Note	(restated)	
Payments to Members		
Office Cost Expenditure	7,771	7,526
Members' winding-up costs	158	53
Other Members' costs	799	729
Party Allowance	786	784
Other Costs		
Premises	1,115	1,051
Office running costs	1,068	1,071
Contracted services	2,809	3,076
Repairs & maintenance	1,252	1,300
Staff travel, subsistence and training	403	343
Miscellaneous expenses	844	833
Rentals under operating leases	10	9
Total cash items	17,015	16,775
Non-cash items		
Depreciation	3,113	2,992
Permanent diminution of fixed assets	26	1,201
Cost of Capital Charge	-	-
Reversal of previous impairment loss	(682)	-
Miscellaneous notional charges	1	1
Auditor's remuneration and expenses (notional)	30	40
Unwinding of discount on provisions	-	-
Release of Provisions	(2,941)	3,509
Provisions: provided in year	-	-
(Profit)/Loss on disposal of assets	-	4
Total non-cash items	(453)	7,747
Total	16,562	24,522

12 Income

	2010-11 £'000	2009-10 £'000
	Total	Total
Recoupment of salaries	40	38
Other Income	5	14
Total	45	52

13 Property, plant and equipment

	Land	Buildings	Information technology	Office equipment	Security Equipment	Furniture & fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2010	10,800	101,077	1,434	2,042	551	1,969	117,873
Additions		386	319	147	351	135	1,338
Donations							
Disposals				(7)			(7)
Impairments			(11)				(11)
Reclassifications	(1,800)			69		(69)	(1,800)
Revaluations	(1,500)	1,365	(147)	189	64	23	(6)
At 31 March 2011	7,500	102,828	1,595	2,440	966	2,058	117,387
Depreciation							
At 1 April 2010			973	656	242	1,634	3,505
Charged in year		2,057	340	463	136	77	3,073
Disposals							
Impairments							
Reclassifications							
Revaluations		(2,057)	(93)	55	16	14	(2,065)
At 31 March 2011		-	1,220	1,174	394	1,725	4,513
Net book value							
At 31 March 2011	7,500	102,828	375	1,266	572	333	112,874
At 31 March 2010	10,800	101,077	461	1,386	309	335	114,368
Asset financing							
Owned	7,500	102,828	375	1,266	572	333	112,874
Financed leased	-	-	-	-	-	-	-
On-balance sheet PFI contracts		-	-	-	-	-	-
At 31 March 2011	7,500	102,828	375	1,266	572	333	112,874

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

Parliament Buildings and the land on which it is situated were re-valued by Lands and Property Services (using indices) as at 31 March 2011. 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 net book value of £1k are included under Furniture & fittings.

2009/2010

	Land	Buildings	Information technology	Office equipment	Security Equipment	Furniture & fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2009	10,000	115,518	1,764	2,853	482	2,098	132,715
Additions	-	-	35	148	47	122	352
Donations	-	-	-	-	-	-	-
Disposals	-	-	(636)	(1,040)	-	(249)	(1,925)
Impairments	(200)	(1,000)	-	-	-	(1)	(1,201)
Reclassifications	2,000	4,000	-	-	-	-	6,000
Revaluations	(1,000)	(17,441)	271	81	22	(1)	(18,068)
At 31 March 2010	10,800	101,077	1,434	2,042	551	1,969	117,873
Depreciation							
At 1 April 2009	-	-	1,139	1,293	130	1,774	4,336
Charged in year	-	2,022	341	392	106	87	2,948
Disposals	-	-	(622)	(1,040)	-	(226)	(1,888)
Impairments	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Revaluations	-	(2,022)	115	11	6	(1)	(1,891)
At 31 March 2010	0	0	973	656	242	1,634	3,505
Net book value	10,800	101,077	461	1,386	309	335	114,368
At 31 March 2010	10,800	101,077	461	1,386	309	335	114,368
At 31 March 2009	10,000	115,518	625	1,560	352	324	128,379
Asset financing							
Owned	10,800	101,077	461	1,386	309	335	114,368
Financed leased	-	-	-	-	-	-	-
On-balance sheet PFI contracts	-	-	-	-	-	-	-
At 31 March 2010	10,800	101,077	461	1,386	309	335	114,368

14 Intangible Assets

Intangible Assets comprises Software Licenses	Total £'000
Cost or valuation	
At 1 April 2010	102
Additions	271
Donations	
Disposals	
Impairments	(14)
Revaluations	(15)
At 31 March 2011	344
Amortisation	
At 1 April 2010	44
Charged in year	49
Disposals	
Impairments	
Revaluations	-
At 31 March 2011	93
Net book value at 31 March 2011	251
	Total £'000
Cost or valuation	
At 1 April 2009	237
Additions	14
Donations	
Disposals	(167)
Impairments	
Revaluations	18
At 31 March 2010	102
Amortisation	
At 1 April 2009	195
Charged in year	22
Disposals	(177)
Impairments	
Revaluations	4
At 31 March 2010	44
Net book value at 31 March 2010	58

15 Financial instruments

The Northern Ireland Assembly, because of the largely non-trading nature of its activities and as its cash requirements are met through the Estimates process, is not exposed to the degree of financial risk faced by business entities. The Assembly has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by the day-to-day operational activities, that is, trade contracts to buy non-financial items in line with the Assembly's expected purchase and usage requirements. The Assembly does not hold financial instruments to change the risks faced in undertaking its activities and it is therefore not exposed to market, credit, liquidity, or interest rate risk.

Market Risk

The Assembly's exposure to foreign currency risk is not significant. There is no foreign currency income, and foreign currency expenditure is less than 2% of total expenditure. The Assembly's financial assets and liabilities are current and are generated by operational activities. They are short term and they are initially recognised at a Fair Value this is calculated to be equivalent to transaction cost. Therefore there is no significant exposure to fair value interest rate risk.

Credit Risk

The Assembly's exposure to credit risk is not significant. Financial assets are not held for trading or available for sale. They are short term debtors created from normal operational activities. 11% of the financial assets are external to government departments.

Liquidity risk

The Assembly's net revenue resource requirements are financed by resources voted annually by the Northern Ireland Assembly, as is its capital expenditure. It is therefore, not exposed to significant liquidity risks.

Interest rate risk

The Assembly's financial assets and liabilities carry nil or a fixed rate of interest and it is therefore not exposed to significant interest rate risk.

Fair Value

Fair value is the price arm's length market participants would pay or receive on the date at which the asset or liability is to be measured. It follows that the initial fair value is equal to the transaction price, i.e. the fair value of the consideration given or received. The carrying amount equates to initial fair value, as the financial assets and liabilities are short term instruments generated from operational activities, and there is no significant difference between the initial recognition amount and the maturity amount.

16 Non-Operational Heritage Assets

	2010-11	2009-10 (Restated)
	£'000	£'000
Art and Antique Collection	442	442
	442	442

Following the adoption of FRS 30 – *Heritage Assets* within FReM for periods beginning on or after 1 April 2010, the Assembly has recognised the value of its art and antique collection on the Statement of Financial Position and the figures for the prior year have been restated accordingly. The collection includes a number of paintings, antiques and parliamentary items which were inherited by the Assembly from previous legislatures and as such the value of the assets has been recorded within the Donated Assets Reserve. The assets have been valued at a market value of £442,000 at 31 December 2010 by a professional valuer, Mark Donnelly Fine Art, and it is intended that further valuations will be carried out at the commencement of each new mandate.

17 Assets classified as Held for Sale

	2010-11	2009-10
	£'000	£'000
Land & Buildings	2,500	-
	2,500	-

Assets classified as held for sale relate to land and buildings at Ormiston House. The property was recorded within Property, Plant and Equipment at 31 March 2010 as at that time management had not committed to a plan to sell the asset. At the Assembly Commission meeting on 16 September 2010, however, a decision was taken to dispose of the property using a twin track approach. This involved placing the property for sale on the open market while simultaneously pursuing planning approval for limited development of the surrounding site. The asset has therefore been reclassified at 31 March 2011 as an Asset Held for Sale in accordance with FReM and IFRS 5. It is carried in the Assembly's Statement of Financial Position at its alternative use Open Market Value of £2,500,000 as determined by Lands and Property Services. This represents a gain on revaluation of £682,000 when compared to the valuation at existing use Open Market Value at 31 March 2011. In accordance with FReM, IAS 16 and IAS 36, this gain has been taken directly to the Statement of Comprehensive Net Expenditure to reverse part of the £1.2 million revaluation loss recognised in the prior period.

18 Impairments

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

	2010-11		2009-10	
	SOCNE £'000	Revaluation Reserve £'000	SOCNE £'000	Revaluation Reserve £'000
Land & Buildings	(682)		1,200	
Information technology	11			
Office equipment				
Security Equipment				
Furniture & fittings			1	1
Intangible Assets	14			
Total	(657)	0	1,201	1

19 Inventories

The Assembly does not hold any inventories.

20 Trade receivables and other current assets

	2010-11 £'000	2009-10 £'000
Amounts falling due within one year:		
Value Added Tax	213	208
Prepayments and accrued income	55	54
Sundry debtors	19	33
Amounts due from the Consolidated Fund in respect of supply	-	-
	287	295
Amounts falling due after more than one year:	0	0

20.1 Intra-Government Balances

	Amounts falling due within one year	
	£'000	£'000
	2010-11	2009-10
Balances with other central government bodies	213	208
Subtotal: intra-governmental balances	213	208
Balances with bodies external to government	74	87
Total receivables at 31 March 2011	287	295

There are no amounts included within trade receivables (2009-10: £472) that will be due to the Consolidated Fund once the debts are collected.

21 Cash and cash equivalents

	2010-11 £'000	2009-10 £'000
Balance at 1 April 2010	851	29
Net change in cash and cash equivalent balances	(711)	822
Balance at 31st March 2011	140	851
The balances at 31 March were held at:		
Commercial banks and cash in hand	140	851

22 Reconciliation of Net Cash Requirement to increase / (decrease) in cash

	2010-11 £'000	2009-10 £'000
Net Cash Requirement	(42,557)	(39,333)
From the Consolidated Fund (Supply) - current year	42,000	40,000
From the Consolidated Fund (Supply) - prior year	-	125
Amounts due to the Consolidated Fund received and not paid over	1	30
Payments of amounts due to the Consolidated Fund	(155)	-
Increase / (decrease) in cash	(711)	822

23 Trade payables and other current liabilities

	2010-11 £'000	2009-10 £'000
Amounts falling due within one year:		
Other taxation and social security	311	548
Other payables	219	214
Accruals and deferred income	3,952	2,112
Amounts issued from the Consolidated Fund for supply but not spent at year end	110	667
Consolidated Fund extra receipts due to be paid to the Consolidated Fund:		
Received	28	183
Receivable	-	-
	4,620	3,724
Amounts falling due after more than one year:	0	0

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

23.1 Intra-Government Balances

	Amounts falling due within one year £'000	
	2010-11	2009-10
Balances with other central government bodies	449	1,398
Subtotal: intra-governmental balances	449	1,398
Balances with bodies external to government	4,171	2,326
Total payables at 31st March 2011	4,620	3,724

24 Provisions for liabilities and charges

	Pension Costs £'000	Personnel Management Costs £'000	Total £'000
Balance at 1 April 2010	7,000	238	7,238
Provided in the year			
Provision not required written back	(2,900)	(41)	(2,941)
Provision utilised in the year		(35)	(35)
Unwinding of discount			
Balance at 31st March 2011	4,100	162	4,262

Analysis of expected timing of discounted flows

	Pension Costs	Personnel Management Costs	Total
	£'000	£'000	£'000
Not later than one year		162	162
Later than one year and not later than five years			
Later than five years	4,100		4,100
Balance at 31 March 2011	4,100	162	4,262

24.1 Pension Costs

Pension benefits for Assembly Members are provided through the Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). The rules of the Scheme require the employer to meet the balance of the cost of providing the benefits as recommended by the actuary from time to time. There is a liability of £4.1 million and, in accordance with FReM and IAS 19, this has been provided for in the 2010-2011 financial year. The value of £4.1 million was estimated by the Government Actuary's Department and represents the excess of the Scheme's liabilities over its assets at the Statement of Financial Position date. The Actuary used a discount factor of 5.7% to establish the present value of the future obligation. This rate was advised by the Financial Reporting Advisory Board for use in the UK public sector, reflecting the real yields experienced in the bond markets.

24.2 Personnel Management Costs

The Northern Ireland Assembly Commission is currently engaged in negotiations in respect of a number of personnel management issues. In some cases, external counsel has been instructed by the Director of Legal Services where it is considered necessary. Although no admission of liability has been made in any case, provision has been made in the accounts for 2010-2011. As these costs are likely to be disbursed in the 2011-2012 financial year, they have not been discounted using HM Treasury's discount rate of 3.5%.

25 Notes to the Statement of Operating Costs by Strategic Objectives

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

Programme grants and other current expenditures have been allocated as follows:

	2010-11	2009-10
	£'000	£'000
Objective 1	42,065	50,814

Capital employed by NI Assembly by Aim and Objectives at 31 March 2011

	2010-11	2009-10
	£'000	£'000
Objective 1	107,612	104,610

26 Capital commitments

Capital expenditure authorised at 31 March 2011 was as follows:

	2010-11	2009-10
	£'000	£'000
Contracted capital commitments at 31 March not otherwise included in these financial statements:		
Property, plant and equipment:	810	
Intangible assets:	465	
As at 31 March 2011	1,275	-

27 Commitments under leases*27.1 Operating Leases*

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.

	2010-11	2009-10
	£'000	£'000
Other:		
Not later than one year	3	5
Later than one year but not later than five years	-	-
Later than five years	-	-
	3	5

27.2 Finance Leases

There are no obligations under finance leases.

28 Commitments under PFI contracts

There were no such commitments at 31 March 2011

29 Other financial commitments

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

	2010-11 £'000	2009-10 £'000
Not later than one year	2,299	1,951
Later than one year but not later than five years	2,800	1,626
Later than five years		-
	5,099	3,577

30 Contingent liabilities disclosed under IAS 37

There were no contingent liabilities at 31 March 2011.

31 Contingent liabilities not required to be disclosed under IAS 37 but included for assembly reporting and accountability purposes

There were no contingent liabilities at 31 March 2011.

32 Losses and special payments

	2010-11 £'000	2009-10 £'000
Write-Offs	(1)	-
Compensation/Ex-gratia Payments	6	-

Write-Offs during 2010-2011 relate to old debtor and creditor balances of minor value.

Compensation/Ex-gratia payments during 2010-2011 relates to minor claims made by visitors to Parliament Buildings in relation to alleged damage or loss of property and a payment to a third party regarding a contractual dispute.

33 Related-party transactions

The Northern Ireland Assembly 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 and Personnel.

Related party transactions during the financial year with DFP 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 DFP.

None of the Members, key managerial staff or other related parties has undertaken any material transactions with the Northern Ireland Assembly during the year.

The Northern Ireland Assembly Commission supports the work of the Northern Ireland Assembly and Business Trust (NIABT).. The NIABT is an independent and neutral educational charity which serves to provide Assembly Members with a better insight into how the local business sector operates and to improve the business community's understanding of how the Assembly and Devolution works. The NIABT's board of Trustees consists of 6 MLA's, one member of Secretariat staff and 8 representatives from the business community.

During 2010/2011 the Northern Ireland Assembly Commission and NIABT jointly hosted a conference and sent representatives to attend externally organised conferences. The Assembly Secretariat facilitated the payment of some expenses on behalf of the NIABT with the NIABT refunding the Northern Ireland Assembly Commission for their portion of costs. In total £9,426 was paid by the Assembly Secretariat on behalf of NIABT and this amount was recovered in full prior to 31 March 2011.

34 Entities within the Assembly boundary

The Northern Ireland Assembly does not currently support any agencies, non-departmental bodies (NDPBs) or trading funds.

35 Date authorised for issue

The Accounting Officer/Clerk to the Assembly authorised these financial statements for issue on 28th June 2011.

The Speaker



Northern Ireland
Assembly

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

Tel: +44 (0) 28 9052 1130

Fax: +44 (0) 28 9052 1959

email: speaker@niassembly.gov.uk

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

19 May 2010

Dear Trevor

DELEGATION OF FUNCTIONS (REVISED NOVEMBER 2009)

The Northern Ireland Assembly Commission (the Commission) is require under Section 40 (4) of the Northern Ireland Assembly Act 1998 to provide the Assembly or ensure that the Assembly is provided, with the property, staff and services required for the Assembly's purposes. Section 40 makes further provision for other functions to be conferred on the Commission.

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/director General 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 the Act or any other provision of law) 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, members of the previous senior management board, 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.
- (f) matters relating to the setting of the remuneration, allowances and pensions for Assembly Members;
- (g) the approval of the annual budget and the agreement of the annual accounts of the Northern Ireland Assembly; and
- (h) exercise of the power to borrow money provided by paragraph 3(4) of Schedule 5 to the Act.

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 does not prevent the exercise of those functions by the Commission.

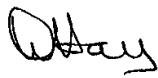
In exercising the functions delegated to you, you and any staff to whom you further sub-delegate any functions should, in accordance with principles to be included in the Assembly's Corporate Plan:

- (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 ethical 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,

A handwritten signature in black ink, appearing to read 'W. Hay'.

WILLIAM HAY MLA

NI ASSEMBLY SECRETARIAT

REVISED CORPORATE BUSINESS PLAN 2010/2011

1 SUPPORTING ASSEMBLY BUSINESS

Corporate Objective		Planned outcome	Target date	Responsibility	Comments	Position at 31 March 2011
1.1	To ensure the effective operation of the Assembly	Effective support provided for all plenary business	31 March 2011	Director of Clerking and Reporting supported by other Directors		Achieved
		Effective support provided for all Committee business	31 March 2011	Director of Clerking and Reporting supported by other Directors		Achieved
		Key business standards monitored	31 March 2011	Directors		Achieved
		Arrangements in place to support the devolution of Policing and Justice	As required	Director of Clerking and Reporting supported by other Directors		Achieved
	To ensure the effective operation of the Assembly (Cont'd)	Major Incident/Business Continuity Plan implemented	31 December 2010	Director of Facilities		Plan well advanced following a desktop exercise with Emergency Services in January which generated some further actions.

Corporate Objective		Planned outcome	Target date	Responsibility	Comments	Position at 31 March 2011
		Progress monitored on legislative programme and impact on resources	Monthly	Director of Clerking and Reporting	Commission approval awaited	Achieved
1.2	To support Members in fulfilling their Assembly, constituency and office holder duties	Members' support programme developed and ready for implementation following Assembly election in May 2011	31 March 2011	Director of Clerking and Reporting supported by Directors	Not achieved due to other priorities in Clerking and Reporting Directorate in 2010-11. Included in 2011-12 Business Plan	Not achieved
1.3	To support the Assembly in assessing its effectiveness as the devolved legislature for Northern Ireland	Action Plan agreed	30 June 2010	Clerk/DG supported by Director of Legal Services		Achieved
		Action Plan implemented	31 December 2010	Clerk/DG supported by Director of Legal Services		Achieved
1.4	To make preparations for the next Assembly mandate in 2011	Action Plan developed and implementation commenced for May 2011 Assembly election	31 March 2011	Director of Clerking and Reporting supported by Directors		Achieved

2 ENGAGING THE PUBLIC

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2011
2.1	To increase public engagement with the Assembly	Engagement Strategy recommendations implemented	31 March 2011 (80%)	Director of Engagement	In light of Spending Review, decision taken to continue to avail of the NICS shared service, as this represents better VFM	Achieved
		Review of switchboard services: <ul style="list-style-type: none"> Recommendations implemented 	31 December 2010	Director of Engagement supported by Directors of Facilities and Resources		Achieved
2.2	To improve the understanding of the role of the Assembly in the governance of Northern Ireland	Sectoral Assembly road shows held (eg youth sector)	31 December 2010	Director of Engagement	A number of sectoral roadshows were held, including Balmoral Show and Magee College	Achieved
		Agreed outcomes from public attitude survey implemented	31 March 2011	Director of Engagement	The Directorate's Outreach Plan now focuses on three groups as identified in the Survey: young people, women and C2 DE	Achieved
2.3	To ensure effective partnership arrangements	Effective ongoing support for existing parliamentary partnerships eg BIPA, NIABT, CPA, etc	31 March 2011	Director of Engagement	NSPF Conference held on 7/8 October 2010. Will progress further in new Mandate	Achieved
		Support for Commission in progressing North/South Parliamentary Forum	31 March 2011	Clerk/DG		Achieved

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2011
		Plans developed for International Parliamentary Conference in Parliament Buildings	31 March 2011	Director of Engagement	CPA Executive Committee requested delay until Jan/Feb 2012	Deferred on request
2.4	To promote Good Relations	Good Relations Strategy implemented	31 March 2011	Clerk/DG		Achieved
2.5	To improve access to the Assembly and its services To improve access to the Assembly and its services (Cont'd)	Assembly exhibition implemented	31 January 2011	Director of Engagement	Postponed due to spending review	Deferred due to budget cuts
		Assembly website redeveloped	31 March 2011	Director of Engagement	Delays in procuring a content management system have put the delivery of the project back to September 2011	Partially achieved
		Disability Action Plan implemented	31 March 2011	Clerk/DG	The Disability Action Plan is now due to be submitted to the Equality Commission in July 2011	Partially achieved
		Equality Scheme implemented	31 March 2011	Clerk/DG	Due to changes with the Equality Commission guidance, the timescales have changed. The new Equality Scheme is now due to be submitted to the Equality Commission in 1 August 2011	Deferred due to changed timescales

3 SUPPORTING AND DEVELOPING OUR STAFF

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2011
3.1	To develop an independent parliamentary service	95% of staff directly employed by the Assembly	31 March 2011	Director of Resources	Ongoing. Policies are being developed through the ERG Policy Subgroup	Achieved
		Revised Secretariat Pay and Grading structure effective from August 2010	1 August 2010	Director of Resources		Achieved
		Review of agreed schedule of Secretariat Terms and Conditions of Employment and HR Policies completed	31 March 2011	Director of Resources		Achieved
3.2	To improve the way we communicate with each other	Recommendations from Internal Communications Audit implemented	31 March 2011	Clerk/DG and Directors	Included in Staff Survey Action Plan	Achieved
3.3	To have in place a dedicated, professional and motivated group of staff to meet the needs of the Assembly	Corporate Learning and Development Action Plan for 2010/2012 implemented	31 March 2011	Director of Resources	In progress. The final implementation date for the Plan is 31 March 2012	Achieved
		Attendance targets agreed and monitored	31 March 2011	Director of Resources		Achieved
		2009/10 Staff Survey Action Plan implemented	31 March	Clerk/DG and Directors		Achieved
					Short term actions implemented. Longer term	Achieved

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2011
		Annual staff survey undertaken	2011 31 March 2011	Clerk/DG supported by Internal Communications Working Group Director of Resources	actions included in 2011/12 Business Plans Deferred to 2012. Included in DG's Office Business Plan 2011/12	Deferred
		New performance management system developed	31 March 2011	Director of Resources	Deferred to 2011/12. Key principles of the PMS to go SMG in April 2011	Partially achieved
		Effective operation of the Joint Agreement between the Commission and the Trade Union Side	31 March 2011			Achieved
3.4	To embed the Corporate Values within the Assembly	Guidance on practical application of Values developed and implemented	30 June 2010	Clerk/DG and Directors	Values to be taken forward by working group	Not achieved

4 ENSURING THE EFFECTIVE GOVERNANCE OF THE SECRETARIAT

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2011
4.1	To ensure delivery of all Secretariat business services	Corporate Planning/Business Planning conducted to corporate timetable and Plans implemented	28 February 2011	Clerk/DG supported by Directors	Corporate Business Plan 2011/12 approved by SMG in February 2011 and by the Commission in March 2011	Achieved
4.2	To improve key business processes	Development of an approach to continuous business improvement	30 September 2010	Clerk/DG supported by Directors	Objective subsumed within agreed approach to Business Efficiency Reviews arising from Spending Review 2010	Achieved
		Implementation of agreed approach to continuous improvement	31 March 2011	Directors	Project Board established and preliminary work commenced	Partially achieved
4.3	To enhance responsible business practice within the Assembly Secretariat	Sustainable Development Strategy: (a) Action Plan implemented	31 March 2011	Director of Facilities supported by Directors	Complete third party energy audits to inform energy conservation initiatives to reduce consumption and	Achieved

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2011
		Environmental element of Sustainable Development Strategy to reduce environmental impact: (a) Environmental Action Plan implemented (b) Annual measurement (baseline) of environmental impact reduction	31 March 2011 31 March 2011	Director of Facilities supported by Director of Resources Director of Facilities supported by Director of Resources	subsequent carbon emissions EMS implemented Work is ongoing	Achieved Achieved
4.4	To ensure effective delivery of IT services	IT Strategy developed and implemented	30 June 2010	Director of Resources	IS Strategy delivered. IT Strategy being reviewed in light of Government ICT strategy	Partially achieved
4.5	To ensure good governance arrangements including statutory compliance	Compliance with statutory duties in respect of Health and Safety, Equality, FOI, DDA, DPA etc monitored and reviewed annually Unqualified Audit Opinion achieved	31 March 2011 31 March 2011	Clerk/DG Director of Resources		Achieved Achieved

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2011
	To ensure good governance arrangements including statutory compliance (Cont'd)	Improvement in overall level of assurance provided by Internal Audit Reports	31 March 2011	Clerk/DG supported by Directors	The overall level of assurance for the 2010/11 year is Satisfactory, with increasing aggregate level of individual audit assurances	Achieved
		Support provided for the establishment of an independent statutory body to deal with Members' pay, pensions and financial support	31 March 2011	Clerk/DG supported by Director of Legal Services and Director of Resources	The Assembly Members (Independent Financial Review and Standards) Act (NI) 2011 received Royal Assent on 29 March 2011	Achieved
4.6	To have effective risk management arrangements in place	Risk Registers reviewed and updated	Monthly	Clerk/DG and Directors		Achieved
		Assurance Statements received from Corporate Risk Owners	Twice yearly	Clerk/DG supported by Directors		Achieved
4.7	To ensure effective information management	Information Management Strategy developed and implementation of action plan commenced	31 March 2011	Director of Engagement	Information Management Strategy developed and implementation of action plan completed	Achieved
4.8	To ensure the effective, efficient and economic use of resources	Budget underspend within 5% of total budget	31 March 2011	Director of Resources supported by other Directors	Forecast underspend of 1%	Achieved

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2011
	To ensure the effective, efficient and economic use of resources (Cont'd)	Benchmarking opportunities developed	30 June 2010	Director of Resources supported by other Directors	Internal Audit to take forward benchmarking as part of efficiency review	Partially achieved
		Benchmarking opportunities completed and Action Plan developed	30 September 2010	Director of Resources supported by other Directors	See above	
		Benchmarking Action Plan implemented	31 March 2011	Director of Resources supported by other Directors	See above	

5 ACCOMMODATING THE ASSEMBLY

Corporate Objective		Planned Outcome	Target date	Responsibility	Comments	Position at 31 March 2011
5.1	To seek to provide appropriate accommodation which meets the needs of all building users and visitors	Accommodation Audit recommendations implemented as agreed by the Commission	31 March 2011	Director of Facilities		Achieved



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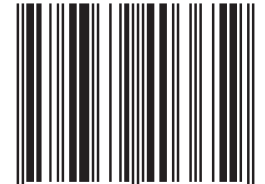
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