

**Northern Ireland Assembly Annual Report and Accounts
For the year ended 31 March 2006**

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by the Department of Finance and Personnel
in accordance with Paragraph 36 of the Schedule to the
Northern Ireland Act 2000 (Prescribed Documents) Order 2004

31st October 2006

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**Annual Report and accounts
for the period ended 31 March 2006**

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Annual Report

Directors Report

These resource accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM).

History and statutory background of the Northern Ireland Assembly

The Northern Ireland Assembly was established following the signing of the Belfast Agreement (also known as the “Good Friday” Agreement because it was signed on that day). The Agreement was the result of extended talks between the political parties in Northern Ireland and the Governments of the United Kingdom and Ireland. The talks covered how Northern Ireland should be governed in the future to ensure that the aspirations of all communities could be democratically accommodated. The Agreement was signed on Friday 10 April 1998.

The electorate of Northern Ireland endorsed the Belfast Agreement in a referendum held on 22 May 1998. This paved the way for new legislation (the Northern Ireland Act 1998), which defined the future institutions of government in Northern Ireland, and for collaboration between the Governments of the United Kingdom, Northern Ireland and the Republic of Ireland.

Powers of government were devolved to the Northern Ireland Assembly by the United Kingdom Parliament at midnight on 1 December 1999. Following this, the Assembly could govern Northern Ireland in respect of “transferred matters” and also “reserved matters” with the Secretary of State’s consent. Excepted matters remain the responsibility of the United Kingdom Parliament.

- Transferred matters: e.g. education, health and agriculture;
- Reserved matters: e.g. policing and criminal law, which could be transferred to the Assembly at a later date;
- Excepted matters: matters of national importance such as defence, taxation and foreign policy.

The Northern Ireland Assembly was suspended with effect from midnight on Monday 14 October 2002.

Aims and objectives

The key aim of the Northern Ireland Assembly is to provide effective devolved government for the people of Northern Ireland.

The Assembly Commission

Under section 40 of the Northern Ireland Act 1998 the Assembly elected a Commission, which is the body corporate and has responsibility for providing the Assembly with the property, staff and services to carry out its business. The Commission is chaired by the Speaker and has five other members who are tasked with representing the interest of the Assembly and its 108 elected Members. Under suspension the Assembly Commission cannot meet and its’ responsibilities have therefore been assumed by the Secretary of State for Northern Ireland.

It is the Assembly Commission’s practice to publish an annual report in respect of each financial year giving a full account of the work of the Commission and the Assembly Secretariat as well as a full statement of accounts and details of all sums paid by the Assembly to its current and former Members. As a result of the current suspension the Commission is unable to meet and therefore an annual report has not been published in respect of the Commission or the Assembly Secretariat’s work since April 2003. Copies in respect of years prior to April 2003 are available from The Stationery Office. During suspension, in place of a published annual report, the Clerk to the Assembly provides for

the preparation of an end year report which is submitted to the Secretary of State.

The Assembly's accounts are published annually and available from The Stationery Office, and details of all sums paid to Members and former Members are published on the Assembly's web site. The Assembly continues to participate fully in all public expenditure exercises during suspension and details of the Assembly's main and supplementary estimates are available from The Stationery Office.

The Assembly Secretariat

Under the terms of Section 40 of the Northern Ireland Act 1998 the Assembly elected a Commission, which is the body corporate and has the responsibility of providing the Assembly with the property, staff and services to carry out its business. The purpose of the Assembly Secretariat, which is the administrative arm of the Commission, is to deliver to the Assembly all the procedural support, resources and services necessary for devolution to function effectively.

In doing so, the Secretariat aims to:

- support the Assembly, its Speaker, Committees and Members in performing their duties;
- assist the Assembly in processing new legislation and holding Ministers to account;
- develop its staff and systems to respond to business needs;
- make people aware of the work of the Assembly;
- maintain, and make the best use of, the Assembly's property as part of the national heritage; and
- exchange information with legislatures throughout the world.

In pursuing these aims, all Secretariat officials will:

- act impartially and professionally and recognise the diversity of Members and colleagues;
- be responsive to the needs of Members and other customers; and
- provide high quality services in a cost-effective manner.

The main activities of the Secretariat are as follows:

- to support the Northern Ireland Assembly in the operation and delivery of its business; and
- to provide a physical environment appropriate to the needs of the Assembly.

The provision of Secretariat services is linked across eight directorates and offices, and each is dependent on others for the successful delivery of those services. They are:

- the Office of the Clerk to the Assembly;
- the Office of the Speaker;
- the Office of the Commission;
- the Finance and Personnel Directorate;
- the Research and Information Directorate;
- the Office of the Keeper;
- the Office of the Official Report (Hansard); and
- the Office of the Clerk Assistant.

The Northern Ireland Assembly Commission comprises the Speaker, a representative from each of the four major parties (the Ulster Unionist Party; the Social Democratic and Labour Party; the Democratic Unionist Party and Sinn Fein) and a representative from the minor parties. During suspension the functions of the corporate body are exercised by the Secretary of State.

Governance

The Management Team employed by the Assembly Commission during the 2005-06 financial year was:

Arthur Moir	Clerk to the Northern Ireland Assembly
Tom Evans	Deputy Chief Executive
Joe Reynolds	Deputy Clerk
Clare McGivern	Director of Legal Services
Nuala Dunwoody	Clerk Assistant
Simon Burrowes	Editor of Debates
Agnes Peacock	Keeper of the House
Allan Black	Director of Research and Information

Arthur Moir was appointed as Clerk to the Northern Ireland Assembly on 2 April 2001 through open competition. The appointment is not time bounded, and termination procedures would currently be in accordance with standard Civil Service arrangements.

The details of remuneration of senior management are set out in the remuneration report.

Scope

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

Disclosure to Auditors

So far as the Accounting Officer is aware, there is no relevant audit information of which the Assembly'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's auditors are aware of that information.

Management Commentary

Delivery of the Corporate Plan

Following the suspension, the Secretariat reviewed and revised its forward work programme to address the impact of the suspension and to identify priority projects that could be undertaken during this period.

The continuing suspension of the Assembly has presented very significant challenges for the Assembly Secretariat. The Secretariat remains in 'warm storage' and continues to deliver a range of services to MLAs, Assembly Parties and the public, despite the suspension of the Assembly. Although clerking and reporting functions have largely ceased during suspension, much of the work of the other directorates, Finance and Personnel, Research and Information and the Office of the Keeper, has continued as normal.

As a result, the Secretariat's Senior Management Team decided that all non-essential staff should be made available to support *Programme for Government* work within the public sector. That exercise is co-ordinated on an ongoing basis by the Central Personnel Group in the Department of Finance and Personnel and the Assembly's Personnel Office and has resulted in over 95 members of Assembly staff being out-posted to work within government departments and other public bodies during the period of these accounts. In addition a significant amount of work, particularly research, has been undertaken by staff who remained within the Secretariat.

On the basis of staff records it is estimated that total staff resources of £3.9 million were made available to the wider public sector during 2005-2006, which represents 45% of the total staff resource employed during 2005-2006.

The Secretariat, through the delivery of a Corporate Plan, continued to deal with the challenges of suspension, while preparing for the restoration of the Assembly. The Corporate Plan set out the key objectives for the 2005/2006 financial year, as follows:

- to plan for and manage arrangements for the restoration of the Assembly and ensure that quality services are delivered at restoration;
- to ensure that effective Corporate Governance, accountability and risk management arrangements are in place;
- to ensure that services during suspension and post-restoration are delivered in a manner that meets customer needs, demonstrates best practice and operates within the Assembly's legal framework;
- to ensure effective two-way communication – internal and external;
- to ensure that the Assembly has the necessary resources – staff, infrastructure and finance – and that, pending restoration, resources continue to be deployed for the benefit of the Assembly and the public, and
- to ensure that staff are recruited, trained and developed to respond to business needs post restoration and, pending restoration, to ensure that they continue to develop and maintain relevant skills.

The Secretariat largely achieved the targets set out in the Corporate Plan by the development of a revised restoration plan covering all directorates and updated manpower and training plans which

should ensure that sufficient trained staff are available to deliver the quality services required by a restored Assembly. Corporate Service Standards were agreed and incorporated into directorate business plans. An internal communication strategy was developed and disseminated to Secretariat staff. A number of focus groups comprising staff at all levels met to discuss the strategy and a report on the discussions is under consideration by senior management.

Budget and outturn

The Assembly's budget, as currently set, was presented to the Assembly in February 1999 and assumes both a fully operational Assembly and a full complement of staff. The Assembly's first period of suspension in February 2000 created significant delays in the recruitment process, and whilst much progress was made during 2001-2002, a full complement of staff had not yet been achieved when the Assembly was again suspended on 14 October 2002. In addition, since suspension there has been a marked reduction in staff numbers as members of staff resigned to pursue other career opportunities and were not replaced, to date 104 members of staff have left and not been replaced.

This reduced staffing complement, together with the ongoing suspension, is reflected in the outturn. As a result of the reduction of Members salaries, the delays in the Assembly's work programme and reducing staff numbers the Assembly was in a position to release significant resources to the public purse during 2005-2006.

The most significant item of expenditure during 2005-2006 was £8.4 million relating to staffing. Members' salaries of £4.2 million and Members' office costs allowance (OCA) totalling £5 million were also paid during 2005-2006. OCA is intended to meet the expenses incurred by a Member on secretarial, clerical and administrative assistance (including the provision of any equipment, facilities or services associated therewith) required by the Member in connection with the carrying out of his Assembly duties.

At the 2005-2006 Main Estimate, in line with the established procedure during suspension, the Assembly sought its full Request for Resource of £47.6 million, in anticipation of a full restoration. Throughout the year the Assembly closely monitored its resource requirements, releasing resources not required in a timely manner so that they could be applied elsewhere. The net result of these decisions was that the Assembly's actual Request for Resources was reduced in-year by £16.4 million and its Net Cash Requirement by £17 million.

Note 4 of the accounts shows a surplus Net Resource Out-turn of £2.8 million and a surplus Net Cash Requirement of £1.5 million against the Spring Supplementary Estimate position. It should be noted that in addition to those amounts released in advance of the Spring Supplementary Estimate a further £1m was released prior to the year-end. The remaining surplus arises as a result of a reduction of £0.6m in FRS 17 provision in respect of the deficit on the Northern Ireland Assembly Members Pensions Fund, and a reduced depreciation requirement of £1.4 million against budget which reflects the Assembly's inability to progress planned replacement programs for some classifications of fixed assets during suspension and as a consequence the Assembly is now carrying a proportion of its assets at zero value.

Going Concern

Although the Northern Ireland Assembly has been suspended since October 2002, its Members still remain in office and continue to carry out a range of responsibilities. Consequently, the Assembly Secretariat continues to deliver a range of services to MLAs, Parties and the Public and the Northern Ireland Assembly continues to operate as a going concern.

Government remains committed to trying to achieve a full restoration of devolution, and the Northern Ireland Act 2006 established an interim Assembly on 15th May 2006.

If, before 25 November 2006, the Secretary of State were to notify the Speaker of his intention to make a restoration order, the interim Assembly would come to an end and the Northern Ireland Assembly would be restored. However, if the Secretary of State were not to provide such notification before that date, the interim Assembly would come to an end and the Northern Ireland Assembly would remain suspended. During the current suspension the Northern Ireland Assembly has remained in a state of “warm storage” and while this state may change after 25 November the nature of such change remains uncertain.

Therefore, as Accounting Officer for the Northern Ireland Assembly I consider that it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a decision to alter the state of the Northern Ireland Assembly, post 25 November 2006.

Indications of future development

Because of the limited office space in Parliament Buildings the Commission identified Ormiston House, located approximately a mile and a half from Parliament Buildings, as being a suitable site for the development of additional office accommodation. Ormiston House was acquired in September 2001 following an initial capital outlay of £9 million. It is estimated that a further £12million will be expended on development of this site.

Principal risks and uncertainties

The Northern Ireland Assembly was suspended with effect from midnight on Monday 14 October 2002 and remained in suspension throughout the period 1 April 2005 to 31 March 2006. The continued suspension of the Assembly and the decisions in relation to the future of the Assembly, which may result from the ongoing political discussions, represent its principal risks and uncertainties.

Pension liabilities

Present and past Secretariat employees are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) PCSPS(NI), which is non-contributory and unfunded. Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS(NI). Departments, agencies and other bodies covered by the PCSPS(NI) meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS(NI) as a whole.

Pension benefits for the Members are provided through the Northern Ireland 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 retail price index once in payment. There is a separate scheme statement for the Northern Ireland Assembly Members' Pension Scheme.

The Inland Revenue requires, as a condition of tax approval, that a defined benefit-approved occupational scheme must have full actuarial valuation at least once every three years. The first formal valuation of the scheme was made at 31 March 2002, a date chosen to coincide with the valuations of the Welsh Assembly and Scottish Parliament schemes. *The Government Actuary's report at 31 March 2006 indicated a fund valuation that presented a deficit of £0.8 million. In line with the Financial Reporting Manual (FRM) and FRS17 a provision has been made in the 2005-2006 Resource Accounts.*

Employment of disabled persons

The Northern Ireland Assembly does not discriminate against staff or eligible applicants for posts on any grounds, including disability.

Equal opportunity policy

The Northern Ireland Assembly 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 will be 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 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 does not tolerate any form of discrimination, harassment or victimisation. It is committed to providing a working environment where no one is disadvantaged.

Consultation with employees

The Assembly makes every effort to ensure that all staff are kept informed of the organisation's plans and development. The main channels of communication include the formal Whitley process, the intranet, office circulars, email, regular team briefings and a staff magazine called 'Assembly Lines'.

Policy on payment of suppliers

The Northern Ireland Assembly policy is to comply with the Confederation of British Industry's Prompt Payers Code. The target is for payment to be made within agreed payment terms or 30 days of receipt of invoices not in dispute for goods and services. During the financial year 2005-06, 99.3% of all invoices were paid within 30 days

Audit Committee

The Northern Ireland Assembly has established an audit committee with an independent chair. The terms of reference for the Secretariat Audit Advisory Committee are currently under review in accordance with recently issued best practice and will be published in due course. The Committee meets on a quarterly basis and notifies the Accounting Officer of progress against the audit plan, issues raised by both internal and external audit and advises on matters which may impact the overall level of assurance.

Auditor

The Comptroller and Auditor General is the auditor for the Assembly for the year ended 31 March 2006. Notional fees for the audit services for the year ended 31 March 2006 were £33,000.

Register of interests

The Assembly's body corporate is the Assembly Commission. Commission Members are elected by the Assembly from its membership. Northern Ireland Assembly Standing Order 64(1) requires that a Register of Members' interests be established, published and made available for public inspection. However, the Assembly is currently in suspension and Members elected to the second mandate of the Northern Ireland Assembly in November 2003 have not signed the Assembly's role of membership. A Register of Members' Interests for the second mandate has therefore not been established and will not be established until after the Assembly is restored.

Post balance sheet events

The Northern Ireland Act, which was enacted on 8 May 2006, made provision for preparations for the restoration of devolved government in Northern Ireland and for the selection of persons to be Ministers on such restoration and to make provision as to the consequences of selecting or not selecting such persons. Until the outcome of the legislation is known, the Assembly Secretariat continues to maintain a state of preparedness to ensure that it will be able to respond quickly whenever restoration takes place.

Research and development

The Assembly has not undertaken any research or development.

Charitable donations

The Assembly has not made any charitable donations.

Arthur Moir

Accounting Officer and Clerk to the Assembly

Date:

Remuneration Report

Remuneration Policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits;
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

The remuneration of all senior civil servants is entirely performance based. Permanent Secretaries pay awards are determined by the Northern Ireland Civil Service (NICS) Permanent Secretary Remuneration Committee.

Further information about the work of the Review Body can be found at www.ome.uk.com.

For senior staff members below the Senior Civil Service level, NICS pay policy is to provide a system of reward which properly reflects job content and effectively recognises and encourages performance. Remuneration is performance based and is in line with the pay system for non-industrial staff below the Senior Civil Service agreed between Management and Trade Unions Sides of the Central Whitley Committee and introduced with effect from 1 April 2002.

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 until they reach the normal retiring age of 60. Policy relating to notice periods and termination payments is contained in the Northern Ireland Civil Service (NICS) Staff Handbook.

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

Salary and pension entitlements

The following section provides details of the remuneration and pension interests of the most senior officials within the Assembly.

Officials	2005-06		2004-05	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Arthur Moir <i>Clerk to the Northern Ireland Assembly</i>	85-90	0	80-85	0
Tom Evans <i>Deputy Chief Executive</i>	55-60	0	55-60	0
Joe Reynolds <i>Deputy Clerk</i> (consent for disclosure withheld)	-	-	-	-
Clare McGivern <i>Director of Legal Services</i>	60-65	0	60-65	0
Nuala Dunwoody <i>Clerk Assistant</i>	50-55	-	45-50	-
Simon Burrows <i>Editor of Debates</i>	50-55	0	50-55	0
Agnes Peacocke <i>Keeper of the House</i> (consent for disclosure withheld)	-	-	-	-
Allan Black <i>Director of Research and Information</i> (consent for disclosure withheld)	-	-	-	-

Salary

'Salary' includes gross salary, performance pay or bonuses and any allowance, such as London Weighting Allowances, 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.

Benefits in kind

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

Civil Service Pensions

Officials	Accrued pension at age 60 as at 31/3/06 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/06	CETV at 31/3/05	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Arthur Moir <i>Clerk to the Northern Ireland Assembly</i>	15-20 plus lump sum of 55-60	0-2.5 plus lump sum of 2.5-5	334	297	26	0
Tom Evans <i>Deputy Chief Executive</i>	20-25 plus lump sum of 70-75	0-2.5 plus lump sum of 2.5-5	396	344	24	0
Joe Reynolds <i>Deputy Clerk</i> (consent for disclosure withheld)	-	-	-	-	-	-
Clare McGivern <i>Director of Legal Services</i>	15-20 plus lump sum of 45-50	0-2.5 plus lump sum of 2.5-5	237	207	18	0
Nuala Dunwoody <i>Clerk Assistant</i>	10-15 plus lump sum of 40-45	0-2.5 plus lump sum of 0-2.5	209	190	8	0
Simon Burrows <i>Editor of Debates</i>	15-20 plus lump sum of 50-55	0-2.5 plus lump sum of 0-2.5	254	229	15	0
Agnes Peacocke <i>Keeper of the House</i> (consent for disclosure withheld)	-	-	-	-	-	-
Allan Black <i>Director of Research and Information</i> (consent for disclosure withheld)	-	-	-	-	-	-

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The schemes 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. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. 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 in the same way as in 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 from a selection of approved products. 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).

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 CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. 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.

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.

Arthur Moir
Accounting Officer and Clerk to the Assembly
Date:

Statement of Accounting Officer's responsibilities

Under the Government Resource and Accounts Act (NI) 2001 , DFP has directed the Northern Ireland Assembly 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 department 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 and of its net resource outturn, resources applied to objectives, recognised gains and losses 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, Arthur Moir, 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's assets, are set out in the Accounting Officers' Memorandum issued by the DFP and published in *Government Accounting Northern Ireland*.

Arthur Moir
Accounting Officer and Clerk to the Assembly
Date:

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 Assembly Commission's policies, aims and objectives as set by the Commission whilst safeguarding the public funds and Assembly assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting Northern Ireland (GANI).

Under section 40 of the Northern Ireland Act 1998 the Assembly elects a Commission which acts as the Body Corporate and has the responsibility for providing the Assembly with the property, staff and services to carry out its business. The Accounting Officer attends all meetings of the Commission and presents all major decisions in relation to expenditure, asset management and staffing to the Commission for its consideration and approval. During suspension the Assembly Commission cannot meet, and its responsibilities have therefore been assumed by the Secretary of State for Northern Ireland.

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 the 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 departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realized 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 2006 and up to the date of approval of the annual report and accounts and accords with DFP guidance.

Capacity to handle risk

The Senior Management Team (SMT) has taken the lead in developing and embedding risk management. Risk owners obtain confirmation from directors, heads of business areas etcetera on the means by which risks are managed and the level of acceptable risk. The level of risk was determined via consultation exercises and workshops involving SMT and directors. A scoring framework incorporating factors such as likelihood and impact was used in the final assessment of each corporate level risk. A series of workshops has also been used to clarify roles and responsibilities of those involved in the risk management process. This is regarded as an ongoing process that will continue to be developed in accordance with best practice. The Secretariat will continue to monitor developments in the public and private sectors and apply those methodologies that will bring about improvement.

The risk and control framework

A corporate level risk register has been developed and agreed with the Accounting Officer and SMT. Each corporate level risk has been evaluated to assess potential impact, likelihood etcetera and the controls currently in place to manage each risk identified. The resulting risk analysis was used to identify any additional measures considered necessary to effectively manage the risks. Risk owners have been assigned to each corporate risk. A stewardship statement, produced by risk owners every six months, identifies any changes or developments that impact on each risk and sets out the manner in which they are managed.

Risk management now forms an integral element of the business planning process. Directors and heads of business areas are required to identify to what extent they contribute to the control of each corporate level risk. The continuing relevance of the corporate level risks and the means by which they are managed are subject to regular review. This review takes place half yearly in conjunction with the issue of stewardship statements. SMT take the lead in this exercise, which has resulted in amendments to the Corporate Risk Register. SMT may also review corporate risks at any stage during the year should the need arise.

Review of effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of Internal Control. This review is informed by the work of the Internal Review team and the senior managers within the Secretariat who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter 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 the Senior Management Team and the Secretariat Audit Advisory Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

As in previous years Internal Review can only provide limited assurance due to the impact of suspension and a number of recommendations arising from assignments, in particular relating to the review of the Personnel Office. I can confirm that Management have completed the implementation of a number of these recommendations and the remainder are currently being implemented. The review of Corporate Governance and Risk Management arrangements is also continuing. Management have also taken part in workshops and ongoing amendments to the Corporate Risk Register. Directors have been asked to provide Directorate Risk Registers in conjunction with their business plans from 2006-2007 onwards.

The effectiveness of the system of internal control has been maintained through regular meetings of SMT, the Board of Directors and the Audit Committee, any of which may be used to identify material changes in risks or controls. The Audit Committee meets regularly to review and approve the programme of work for the Internal Review Unit, which is operating at a reduced capacity during suspension. Although only limited assurance can be taken from the reduced programme, several compensating factors can be taken into account. These include the use of stewardship statements, which can be used to identify changes in risks and controls alike; the regular review of the corporate risk register; and the implementation of measures recommended by the Northern Ireland Audit Office. At the request of the Audit Committee, the Internal Review Unit is now following the example of the Northern Ireland Audit Office in prioritising its recommendations.

Arthur Moir
Accounting Officer and Clerk to the Assembly
Date:

The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly

I certify that I have audited the financial statements on pages 18 to 47 under the Government Resources and Accounts Act (Northern Ireland) 2001. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 24 to 27.

Respective responsibilities of the Accounting Officer and Auditor

As described on page 13, the Accounting Officer is responsible for the preparation of the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions made thereunder and for ensuring the regularity of financial transactions. The Accounting Officer is also responsible for the preparation of the other contents of the Accounts. My responsibilities, as independent auditor, are established by statute, and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions made thereunder and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Annual Report is not consistent with the financial statements, if the Department has not kept proper accounting records, or if I have not received all the information and explanations that I require for my audit.

I read the information contained in the Accounts and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 14-15 reflects the Department's compliance with the Department of Finance and Personnel's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Finance and Personnel or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Department's corporate governance procedures or its risks and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Department in the preparation of the financial statements and of whether the accounting policies are appropriate to the Department's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or by other irregularity, and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- The financial statements give a true and fair view of the state of affairs of the Northern Ireland Assembly at 31 March 2006 and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and directions made thereunder by the Department of Finance and Personnel; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

J M Dowdall
Comptroller and Auditor General

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

Date

Statement of Parliamentary Supply

Summary of Resource Outturn 2005/2006

		Estimate			Outturn			2005/06 £000	2004/05 £000
Request for Resources	Note	Gross Expenditure	Accruing resources	Net Total	Gross expenditure	Accruing resources	Net Total	Net outturn compared with Estimate Saving/ (excess)	Net Total
								1	2
Total Resources	2	34,066	10	34,056	31,245	10	31,235	2,821	31,361
Non- operating accruing resources			-	-		-	-	-	-

Net Cash Requirement 2005-06

	Note	Estimate	Outturn	2005-06 £000 Net total outturn compared with estimate: saving/(excess)	2004-05 £000 Outturn
Net Cash Requirement	4	25,921	24,376	1,545	24,137

The notes on pages 24 to 47 form part of these accounts.

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 2005/2006		Outturn 2005/2006	
		Income	Receipts	Income	Receipts
Total	5	0	0	315	288

Explanations of variances between Estimate and outturn are given in Note 2 and in the Management Commentary.

The notes on pages 24 to 47 form part of these accounts.

Operating Cost Statement

for the period ended 31 March 2006

		2005/2006		2004/2005	
		£000		£000	
			NIA		NIA
	Note	Staff Costs	Other Costs	Income	
Administration costs					
Staff cost	9	12,892			12,820
Other administration costs	10		18,353		18,551
Operating income	12			(325)	(113)
Programme Costs					
Request for resources 1					
Staff cost	9				
Programme costs	11				
Income	12				
Totals		12,892	18,353	(325)	31,258
Net operating cost	3,13			30,920	31,258

Statement of Recognised Gains and Losses

for the period ended 31 March 2006

	2005/2006	2004/2005
	£000	£000
Net gain on revaluation of tangible fixed assets	6,679	10,670
Recognised gains and losses for the financial year	6,679	10,670

The Notes on pages 24 to 47 form part of these accounts.

Balance Sheet

as at 31 March 2006

		2005/2006 £000	2004/2005 £000
		NIA	NIA
	Note		
Fixed assets			
Tangible assets	14	127,112	122,942
Debtors: amounts falling due after more than one year	15	-	-
Current assets			
Debtors	15	267	369
Cash at bank and in hand	16	222	432
		489	801
Creditors: amounts falling due within one year	17	(2,180)	(1,875)
Net current assets		(1,691)	(1,074)
Total assets less current liabilities		125,421	121,868
Creditors: amounts falling due after more than one year	17	-	-
Provisions for liabilities and charges	18	(828)	(1,430)
		124,593	120,438
Taxpayers' equity			
General fund	19	100,520	103,014
Revaluation reserve	20a	24,071	17,422
Donated asset reserve	20b	2	2
		124,593	120,438

The notes on pages 24 to 47 form part of these accounts.

(Signed)..... (Accounting Officer)
Arthur Moir

(Date)

Cash Flow Statement**for the period ended 31 March 2006**

		2005/2006	2004/2005
		£000	£000
	Note		
Net cash outflow from operating activities	21a	(24,057)	(24,586)
Capital expenditure and financial investment	21b,c	(30)	(20)
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		0	0
Payments of amounts due to the Consolidated Fund		(123)	(70)
Financing	21d	24,000	24,889
Increase/(decrease) in cash in the period	21e	(210)	213

The notes on pages 24 to 47 form part of these accounts.

Statement of Operating Costs by Departmental Aim and Objectives

for the period ended 31 March 2006

	2005/2006 £000			2004/2005 £000		
	Gross	Income	Net	Gross	Income	Net
Aim:						
Objective 1	31,245	325	30,920	31,371	113	31,258
Net operating costs	31,245	325	30,920	31,371	113	31,258

The Department's objectives were as follows:

Objective 1 – Remunerating and supporting the Members of the Assembly in discharging their duties in the constituency, 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 22

The notes on pages 24 to 47 form part of these accounts.

The Northern Ireland Assembly – Annual Report and Accounts 2005-06

Notes to the Assembly's resource accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2005-06 Government Financial Reporting Manual (FreM) issued by DFP. The accounting policies adopted by the Northern Ireland Assembly follow UK generally- accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

In addition to the primary statements prepared under UK GAAP, the FreM also requires the Northern Ireland Assembly to prepare two additional 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 consolidated *Statement of Operating Cost by Departmental Aim and Objectives* and supporting notes analyse the Assembly's income and expenditure by objectives.

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 department for the purpose of giving a true and fair view has been selected. The Northern Ireland Assembly's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets, and stocks where material, at their value to the business by reference to their current costs.

1.2 Going Concern

Although the Northern Ireland Assembly has been suspended since October 2002, its Members still remain in office and continue to carry out a range of responsibilities. Consequently, the Assembly Secretariat continues to deliver a range of services to MLAs, Parties and the Public and the Northern Ireland Assembly continues to operate as a going concern.

Government remains committed to trying to achieve a full restoration of devolution, and the Northern Ireland Act 2006 established an interim Assembly on 15th May 2006.

If, before 25 November 2006, the Secretary of State were to notify the Speaker of his intention to make a restoration order, the interim Assembly would come to an end and the Northern Ireland Assembly would be restored. However, if the Secretary of State were not to provide such notification before that date, the interim Assembly would come to an end and the Northern Ireland Assembly would remain suspended. During the current suspension the Northern Ireland Assembly has remained in a state of "warm storage" and while this state may change after 25 November the nature of such change remains uncertain.

Therefore, as Accounting Officer for the Northern Ireland Assembly I consider that it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a decision to alter the state of the Northern Ireland Assembly, post 25 November 2006.

1.3 Tangible fixed assets

The Department of Finance and Personnel holds legal title to Parliament Buildings. However, under the accounting requirements of FRS5 ‘Reporting the substance of transactions’ the Northern Ireland Assembly is the beneficial owner of Parliament Buildings and as such recognises the property as an asset on its balance sheet. The building has been restated at current replacement cost using a professional valuation. This exercise is to be repeated every five years with appropriate indices to be used in the intervening years.

Fixed assets are capitalised at their cost of acquisition and installation and are revalued annually by reference to appropriate indices compiled by the Central Statistical Office. The threshold for capitalisation as a fixed asset is £500 for IT equipment and £1,000 for all other assets.

Assets are pooled where there are a large number of a certain type of asset, which, if treated singly, would fall below the capitalisation threshold, but which, if aggregated, have a value exceeding £1,000. The threshold for capitalisation of these assets is £250. Assets which have been pooled include computer hardware and office equipment. Depreciation on the value of these assets is charged to the operating account.

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 may require significant maintenance expenditure so that they can continue to be enjoyed by future generations;
- they are often irreplaceable, and their value may increase over time even if their physical condition deteriorates; and
- their life is measured in hundreds of years.

In accordance with FreM, non-operational heritage assets are not capitalised. Operational heritage assets are valued and incorporated within the fixed asset register as at 1.2 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 fixed 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 operating cost statement.

1.6 Depreciation

Tangible fixed 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 annual rates used for depreciation purposes are:

	%
Land & buildings	2
Information technology	25
Office equipment	20
Furniture & fittings	10

1.7 Operating income

Operating income is income that relates directly to the operating 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 operating income.

1.8 Administration and programme expenditure

The operating cost statement is analysed between administration and programme costs. For the Northern Ireland Assembly all costs incurred are administration costs, incorporating payments of allowances and other disbursements by the Assembly.

1.9 Capital charge

A charge, reflecting the cost of capital utilised by the Northern Ireland Assembly, is included in the operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except donated assets, cash balances within the Civil Service pool at the Northern Bank and the amount due to the Consolidated Fund where the charge is nil.

1.10 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.

1.11 Pensions

Present and past employees are covered by the provisions of the NI Principal Civil Service Pension Scheme (NIPCSPS). The defined benefit schemes are unfunded and are 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 NIPCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the NIPCSPS. In respect of the defined contribution schemes, the Assembly recognises the contributions payable for the year.

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 Retail Price Index once in payment.

1.12 Early departure costs

The Northern Ireland Assembly is required to meet the additional cost of benefits beyond the normal NIPCSPS 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.

As confirmed with the Assembly Personnel Office, no liability exists for the year ended 31 March 2006.

1.13 Provisions

The Northern Ireland Assembly provides for legal or constructive obligations which are of uncertain timing or amount at the balance sheet 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 discounted using the Treasury discount rate of 3.5% in real terms.

1.14 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with FRS12, 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 Parliament 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 FRS12 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by FRS 12 are stated at the amounts reported to Parliament.

1.15 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.

1.16 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 fixed 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 Operating Cost Statement 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 Operating Cost Statement on a straight-line basis over the term of the leases.

2 Analysis of net resource outturn by section

							2005-06 £000	2004-05 £000	
					Outturn	Estimate			
	Admin	Other Current	Grants	Gross resource Expenditure	AR	Net Total	Net Total	Net total outturn compared with Estimate	Prior Year Outturn
Request for resources 1									
Administration	-	31,245		31,245	10	31,235	34,056	2,821	31,361
Resource Outturn	-	31,245		31,245	10	31,235	34,056	2,821	31,361

The variance between Estimate and outturn can be explained as follows. The accounts shows the Assembly's Resource Out-turn against its' Spring Supplementary Estimate. It should be noted that in addition to those amounts released in advance of the Spring Supplementary Estimate during 2005-2006 a further £1m was released prior to the year-end. The remaining surplus arises as a result of a reduction of £0.6m in FRS 17 provision in respect of the deficit on the Northern Ireland Assembly Members Pensions Fund and a reduced depreciation requirement of £1.4 million. The reduced depreciation requirement reflects the Assembly's inability to progress planned replacement programs for some classifications of fixed assets during suspension and as a consequent the Assembly is now carrying a proportion of it's assets at zero value.

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 against Administration Budget**3(a) Reconciliation of net resource outturn to net operating cost**

			2005/2006	2004/2005	
			£'000	£'000	
			Outturn Compared With		
	Note	Outturn	Supply Estimate	Estimate	
			Outturn		
Net Resource Outturn	2	31,235	34,056	2,821	31,361
Non-supply income (CFERs)	5	315	-	315	103
Non-supply Expenditure	19		-		
Net operating cost		30,920	34,056	3,136	31,258

3(b) Outturn against final Administration Budget

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

4 Reconciliation of resources to cash requirement

		Estimate	Outturn	Net total out-turn compared with estimate savings/(excess)
	Note			
Resource Outturn	2	34,056	31,235	2,821
Capital:				
Acquisition of fixed assets Investments	14	120	30	90
Non-operating accruing resources				
Proceeds of FA disposals		-		
Accruals adjustments:				
Non-cash items	10	(8,255)	(6,273)	(1,982)
Changes in working capital other than cash		-	(616)	616
Changes in creditors falling due after more than one year	17	-		
Use of provisions	18	-		
Excess cash receipts surrenderable to the Consolidated Fund	5			
Net Cash Requirement		25,921	24,376	1,545

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 2005/2006		Outturn 2005/2006	
		Income	Receipts	Income	Receipts
£000					
Operating income and receipts - excess accruing resources	6	-	-	315	288
Operating income and receipts – not classified as accruing resources		-	-	-	-
Subtotal		-	-	315	288
Non operating income and receipts - excess accruing resources	7	-	-		
Other non-operating income and receipts not classified as accruing resources	8	-	-		
Other amounts collectable on behalf of the Consolidated Fund		-	-		
Excess cash surrenderable to the Consolidated Fund	4	-	-		
Total income payable to the Consolidated Fund		-	-	315	288

6 Reconciliation of income recorded within the Operating Cost Statement to operating income payable to the Consolidated Fund

	Note	2005-06	2004-05
		£'000	£'000
Operating income	12	325	113
Adjustments for transactions between RfRS		-	-
Gross Income		325	113
Income authorised to be AR		10	10
Operating Income payable to the Consolidated Fund	5	315	103

7 Non-operating income – Excess AR

	2005-06 £'000	2004-05 £'000
Principal repayments of voted loans	-	-
Proceeds on disposal of fixed assets	-	-
Other	-	-
Non-operating income – excess AR	-	-

8 Non-operating income not classified as AR

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

9. Staff numbers and related costs

Staff costs comprise:

	2005/2006		2005/2006	2004/2005
			£ '000	£ '000
	Total	Permanently employed staff	Special Advisors	Total
		Members		
Wages and salaries	10,263	7,026	3,237	10,459
Social security costs	832	529	303	820
Other pension costs	1,797	1,174	623	1,541
Sub Total	12,892	8,729	4,163	12,820
Less recoveries in respect of outward secondments	(310)	(310)	-	(83)
Total net costs *	12,582	8,419	4,163	12,737

Of which:

NIA

* 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 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pension.gov.uk)

For 2005-06, contributions of £1,158,231 were paid to the PCSPS (NI) (2004-05 £857,237) at one of four rates in the range 16.5 to 23.5 per cent (2004/2005: 12 to 19.5 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 2005-06 and will remain unchanged until 2008-09. 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 £0 (2004-05 £0) were paid to an appointed stakeholder pension provider. Employer contributions are age-related and range from 3 to 12.5 per cent (2004-05: 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 £0 (2004-05: £0) 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.

No persons (2004-05: 0 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £0 (2004-05: £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 6% of pensionable salary, including Office Holder's salary. All pensions increase in line with the Retail 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 £800,000, and this is provided for in the accounts in line with FreM and FRS 17.

The rate used to discount scheme liabilities is 2.8%

For 2005-06, contributions of £622,538 were paid to the Assembly Members' Pension Scheme. Contributions were at a rate of 21.3% 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	Total	Permanent staff	Members	2005/2006 Number Special Advisers	2004/2005 Number Total
1	371	263	108	-	371
Total	371	263	108	-	371

Of which:

NIA

95 Staff are outposted to other Government Departments

10 Other Administration Costs

		2005/2006	2004/2005
		£'000	£'000
		NIA	NIA
	Note		
Office cost allowance		5,022	5,079
Other Members' costs		179	240
Party allowance		727	613
Travel and subsistence		761	794
Support contract service & cleaning		866	795
Repairs and maintenance		1,189	612
Rent/Rates		641	604
Security		619	621
Telephone and fax		243	270
Contract management		227	179
Subscriptions		100	160
Construction fees		250	153
IT expenses		228	221
Printing & Postage		130	125
Publications		112	45
Heat, Light, Power		205	211
TV & Sound		102	60
Consultancy Support		88	118
Office Equipment		37	35
Insurance		47	55
Staff training & development		140	139
Miscellaneous		167	167
Total Cash Items		12,080	11,296
Non cash items			
Depreciation		2,535	2,618
Impairment of fixed assets		5	(43)
Cost of capital charge		4,298	4,083
Miscellaneous notional charges		4	2
Auditor's remuneration and exps (notional)		33	25
Unwinding of discount on provisions		28	
Provisions	18	(630)	570
Total non-cash items		6,273	7,255
Total		18,353	18,551

11 Programme Costs

For the Northern Ireland Assembly all costs incurred are administration costs, incorporating payments of allowances and other disbursements by the Assembly (see note 1.8).

12 Income

	2005-06	2004-05
	£'000	£'000
	RfR 1	Total
Recoupment of salaries	310	103
Other Income	15	10
Total	325	113

13. Analysis of net operating cost by spending body

	2005/2006	2005/2006	2004/2005
Spending body	Estimate	Outturn	Outturn
	£'000	£'000	£'000
NI Assembly	34,056	30,920	31,258
Net Operating Cost	34,056	30,920	31,258

14. Tangible fixed assets

	Land & buildings £'000	Information technology £'000	Office equipment £'000	Furniture & fittings £'000	Total £'000
Cost or valuation					
At 1 April 2005	122,035	845	1,065	1,865	125,810
Additions	0	30	0	0	30
Disposals	0	0	(6)	0	(6)
Revaluations	4,409	(7)	(10)	59	4,451
					-
At 31 March 2006	126,444	868	1,049	1,924	130,285
Depreciation					
At 1 April 2005	0	791	1,024	1,053	2,868
Charged in year	2,219	44	40	232	2,535
Revaluation	(2,219)	0	0	0	(2,219)
Indexation	0	(5)	(9)	9	(5)
Disposals	0	0	(6)	0	(6)
At 31 March 2006	0	830	1,049	1,294	3,173
Net book value					
At 31 March 2006	126,444	38	0	630	127,112
At 31 March 2005	122,035	54	41	812	122,942
Asset financing					
Owned	126,444	38	0	630	127,112
Financed leased	-	-	-	-	-
On-balance sheet PFI contracts	-	-	-	-	-
Net book value at 31 March 2006	126,444	38	0	630	127,112

Parliament Buildings, Ormiston House and land were professionally valued. The Valuation and Lands Agency, in accordance with RICS *Appraisal and Valuation Manual*, carried out the valuation in March 2005. Donated assets of £1,691 are included. Other tangible fixed assets are valued using March 2006 indices obtained from the Office for National Statistics.

15 Debtors**15(a) Analysis by type**

	2005/2006	2004/2005
	£'000	£'000
	NIA	NIA
Amounts falling due within one year		
Value Added Tax	92	201
Prepayments and accrued income	63	62
Sundry debtors	88	99
Suspense debtors	11	7
Amounts due from the Consolidated Fund in respect of supply	13	0
	267	369
Amounts falling after more than one year		
	0	0

Included within sundry debtors is £ 81,158 (2004-05: £54,069) that will be due to the Consolidated Fund once the debts have been collected.

15(b) Intra-Government Balances

	Amounts falling due within one year	Amounts falling due within one year
	£'000	£'000
	2005-06	2004-05
Balances with other central government bodies	185	201
Subtotal: intra-governmental balances	185	201
Balances with bodies external to government	82	168
Total debtors at 31 March 2006	267	369

16. Cash at bank and in hand

	2005/2006	2004/2005
	£'000	£'000
	NIA	NIA
Balance at 1 April 2005	432	219
Net change in cash balances	(210)	213
Balance at 31 March 2006	222	432
The balance at 31 March is held at		
Commercial banks and cash in hand.	222	432
Balance at 31 March 2006	222	432

17 Creditors**17(a) Analysis by type**

	2005/2006	2004/2005
	£'000	£'000
	NIA	NIA
Amounts falling due within one year		
Other taxation and social security	252	232
Other creditors	11	11
Accruals and deferred income	1,602	1,147
Amounts issued from the consolidated fund for supply but not spent at year end	0	363
Consolidated Fund extra receipts due to be paid to the Consolidated Fund		
Received	234	68
Receivable	81	54
	2,180	1,875

Accruals and deferred income relate to both Member's Office Cost Allowances and the Assembly Secretariat.

17b) Intra-Government Balances

	Amounts falling due within one year	Amounts falling due within one year
	£'000	£'000
	2005-06	2004-05
Balances with other central government bodies	1,531	717
Subtotal: intra-governmental balances	1,531	717
Balances with bodies external to government	649	1,158
Total creditors at 31 March 2006	2,180	1,875

18. Provisions for liabilities and charges

	NIA	
	Pension costs £'000	Total £'000
Balance at 1 April 2005	1,430	1,430
Provided in the year		
Provision not required written back	(630)	(630)
Provision utilized in the year	-	-
Unwinding of discount	28	28
Balance at 31 March 2006	828	828

Pension Provision

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). 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 a liability of £0.8 million, and in accordance with FReM and FRS 17 this has been provided for in the financial year 05-06.

19. General Fund

The General Fund represents the total assets less liabilities of the Assembly, to the extent that the total is not represented by other reserves and financing items.

	2005/2006	2004/2005
	£'000	£'000
	NIA	NIA
Balance at 1 April	103,014	105,972
Prior Period Adjustment		
Adjusted Opening Balance	103,014	105,972
Net Parliamentary funding:		
Draw Down	24,000	24,500
Deemed Supply	363	-
Year end adjustment		
Supply Debtor (Creditor) – current year	13	(363)
Net Transfer from Operating Activities		
Net Operating Cost	(30,920)	(31,258)
CFERS repayable to Consolidated Fund	(315)	(103)
Non Cash Charges		
Cost of Capital	4,298	4,083
Auditors' Remuneration	33	25
Other non cash charges	4	2
Transfer from Revaluation Reserve	30	76
Opening balance adjustment	0	80
Balance at 31 March 2006	100,520	103,014

20 Reserves

20(a) Revaluation Reserve

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments (excluding donated assets).

	2005/2006	2004/2005
	£'000	£'000
	NIA	NIA
Balance at 1 April 2005	17,422	6,828
Arising on revaluation during the year	6,679	10,670
Transferred to general fund in respect of realised element of revaluation reserve	(30)	(76)
Balance at 31 March 2006	24,071	17,422

20(b) Donated Asset Reserve

The donated asset reserve reflects the net book value of assets donated to the Assembly

	2005/2006	2004/2005
	£'000	£'000
	NIA	NIA
Balance at 1 April 2005	2	2
Additions during the year	-	-
Revaluations		
Release to Operating Cost Statement		
Balance at 31 March 2006	2	2

21 Notes to the Cash Flow Statement**21(a) Reconciliation of operating cost to operating cash flows**

		2005-06	2004-05
		£000	£000
	Note		
Net operating cost	13	(30,920)	(31,258)
Adjustments for non-cash transactions (includes movement in provisions)	10	6,273	7,255
(Increase)/Decrease in Debtors		102	260
less movements in debtors relating to items not passing through the OCS		13	(389)
Increase/(Decrease) in Creditors		305	430
less movements in creditors relating to items not passing through the OCS		170	(884)
Use of provisions	18	-	-
Net cash outflow from operating activities		(24,057)	(24,586)

21(b) Analysis of capital expenditure and financial investment

	Note	2005-06 £000	2004-05 £000
Tangible fixed asset additions	14	30	20
Net cash outflow from investing activities		30	20

21(c) Analysis of capital expenditure and financial investment by Request for Resources

	Capital Expenditure £000	Loans etc £000	Accruing Resources £000	Net total £000
Request for resources 1	30			30
Total 2005-06	30			30
Total 2004-05	20			20

21(d) Analysis of financing

	Note	2005-06 £000	2004-05 £000
From the Consolidated Fund (Supply)- current year	19	24,000	24,500
From the Consolidated Fund (Supply)- prior year		-	389
Net financing		24,000	24,889

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

	Note	2005-06 £000	2004-05 £000
Net cash requirement	4	24,376	24,137
From the Consolidated Fund (Supply)- current year		(24,000)	(24,500)
From the Consolidated Fund (Supply)- prior year		0	(389)
Amounts due to the Consolidated Fund received and not paid over		(234)	(50)
Amounts due to the Consolidated Fund received in a prior year and paid over		68	17
Adjustment in respect of Supply balances			572
(Increase)/Decrease in cash		210	(213)

22. Notes to the Statement of Operating Costs by Departmental Aim and Objectives

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

Programme grants and other current expenditure has been allocated as follows:

	2005/06 £000	2004/05 £'000
Aim:		
Objective 1	30,920	31,258

Capital employed by NI Assembly by Aim and Objectives at 31 March 2006

	2005/06 £000	2004/05 £'000
Aim:		
Objective 1	124,593	120,438

23. Capital commitments

There were no such commitments at 31 March 2006

24. Commitments under leases

There were no such commitments at 31 March 2006

25. Commitments under PFI contracts

There were no such commitments at 31 March 2006

26. 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 during 2005-06, analysed by the period during which the commitment expires, are as follows.

	2005-06	2004-05
	£'000	£'000
	NIA	NIA
Expiry within 1 year	202	48
Expiry within 2-5 years	1,090	242
Expiry thereafter	-	-
	1,292	290

27. Financial instruments

The Northern Ireland Assembly, because of the largely non-trading nature of its activities and the way Government departments are financed, 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 and are not held to change the risks faced in undertaking its activities.

Liquidity risk

The Assembly's net revenue resource requirements are financed by resources voted annually by Parliament, 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 fixed rates of interest, and it is therefore not exposed to significant interest rate risk.

Foreign currency 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.

Fair values

Set out below is a comparison by category of book values and fair values of the Assembly's financial assets and liabilities as at 31 March 06.

	Book value	Fair value	Basis of fair valuation
	£'000	£'000	£'000
Primary financial instruments			
Financial assets:			
Cash at bank	222	222	-
Financial liabilities:			
Provisions	828	828	(a)

Note

(a) Fair value is not significantly different from book value since, in the calculation of book value, the expected cash flows have been discounted by the real rate set by HM Treasury (currently 3.5%).

28. Contingent liabilities disclosed under FRS12

The Northern Ireland Assembly has agreed in principle to undertake an equal pay audit in line with the Equality Commission for Northern Ireland's *Code of Practice on Equal Pay 2003* in respect of directly recruited staff. This exercise will exclude those Assembly staff seconded from the Northern Ireland Civil Service. In advance of the completion of this exercise it is not possible to accurately estimate the value of any potential liability that might arise.

29. Contingent liabilities not required to be disclosed under FRS12 but included for parliamentary reporting and accountability purposes

There were no contingent liabilities at 31 March 2006

30. Losses and special payments

There have been no losses or special payments

31. 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 and one of its agencies (Business Development Services).

Related party transactions during the financial year with DFP relate to the utilization 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.

32. Entities within the Assembly boundary

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

