

**Office of the First Minister and Deputy First Minister
Resource Accounts for the year ended 31 March 2005**

HC 497 (05/06)

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CORRECTION

On the front cover and title page delete –

“Presented to The Houses of Parliament
by the Secretary of State for Northern Ireland
in accordance with Article 2(2)(a) of the
Northern Ireland Act 2000 (Prescribed Documents) Order 2002

15 November 2005”

and insert –

“Laid before the Houses of Parliament
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

15 November 2005

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

15 November 2005”

January 2006

LONDON: The Stationery Office

**Office of the First Minister and Deputy First Minister Resource Accounts
For the year ended 31 March 2005**

*Presented to The Houses of Parliament
by the Secretary of State for Northern Ireland
in accordance with article 2 (2)(a) of the
Northern Ireland Act 2000 (Prescribed Documents) Order 2002*

15 November 2005

Ordered by the House of Commons to be printed

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OFFICE OF THE FIRST MINISTER AND DEPUTY FIRST MINISTER

ANNUAL REPORT

The Office of the First Minister and Deputy First Minister (OFMDFM) presents its accounts for the financial year ended 31 March 2005.

SCOPE

Departmental Accounting Boundary

The Departmental boundary is determined by the way in which in-year budgetary control is exercised by the Department and for the year 2004-05 the following are considered within the boundary:

- OFMDFM Directorates:
 - Executive Services
 - Corporate Services
 - Economic Policy and Public Service
 - Equality
 - Northern Ireland Departmental Information Service
 - Review of Public Administration
 - Office of the Legislative Counsel
 - Legal Services

- North/South Ministerial Council

- Civic Forum

- Planning Appeals Commission and Water Appeals Commission

- Statute Law Committee

- International Fund for Ireland Secretariat

The Economic Research Institute of Northern Ireland, Equality Commission for Northern Ireland, Community Relations Council for Northern Ireland, Strategic Investment Board, Ilex Urban Regeneration Company and The Commissioner for Children and Young People for Northern Ireland are all considered outside the boundary.

The Department produces accounts as directed by DFP under section II (i) of Government Resources and Accounts Act (Northern Ireland) 2001. The Department's 2004-05 Business Plan Outturn Report outlines progress against actions and performance targets. The Business Plan Outturn Report is available from the Office of the First Minister and Deputy First Minister website (www.ofmdfmi.gov.uk/outturn0405-2.pdf).

OPERATING AND FINANCIAL REVIEW

Aim

A cohesive, inclusive and just society administered through effective government.

Objective A

To assist government in making and implementing well-informed decisions and improving public services.

Objective B

To promote equality of opportunity, human rights and improved community relations, tackle poverty and social disadvantage, and meet the needs of victims.

Principal Activities

The work of the Department revolves around three interrelated roles:-

1. to support the work of the Executive (during devolution);
2. to undertake a wide range of departmental functions allocated to the Department;
and
3. to provide a service to other government departments.

OFMDFM is a fully functioning Department of the Northern Ireland Administration with a wide range of policy responsibilities that have been conferred by statute. During devolution

the Department provides direct support and advice to the First Minister and Deputy First Minister, the Executive and the North/South Ministerial Council.

The Department has a key role to play in each of the Government's key objectives of "economic competitiveness", "building equality and community cohesion" and "better public services". In addition it acts as a central point of co-ordination and advice on Parliamentary and Assembly procedures and business, for the preparation of the legislative programme for NI Departments and for the co-ordination of cross-cutting issues with no clear Departmental lead. Through its oversight role, it also supports Ministers and Departments in fulfilling their responsibilities to the institutions established under the Belfast Agreement.

The Department has a strong policy making remit in relation to economic policy, including the Reinvestment and Reform Initiative, with the aim of ensuring an integrated approach to major infrastructure investment and matters pertaining to Europe. It has significant responsibilities in the area of rights, equality and community relations. These include legislative and non-legislative programmes covering anti-discrimination and equality matters, and cross-cutting policy in areas such as racial equality, disability, gender, children and young people, victims of the conflict and good relations. In addition, the Department has responsibility for sponsoring and monitoring the Equality Commission for Northern Ireland, the Office of The Commissioner for Children and Young People for Northern Ireland and for overseeing implementation within government departments of the New Targeting Social Needs policy and statutory obligations arising from Section 75 of the Northern Ireland Act 1998 and the Human Rights Act 1998.

Under devolved arrangements, OFMDFM plays a central role in producing a "Programme for Government" which sets out the Administration's priorities for the years ahead. Under direct rule it works closely with DFP to produce the single integrated Priorities and Budget document, which sets out the Government's priorities and associated spending plans. The Department is also responsible for driving forward the Reform agenda and is a key partner with the Department of Finance and Personnel in taking forward the Northern Ireland Civil Service Efficiency Programme including the "Fit for Purpose" initiative.

The Department is also responsible for the development of policy capacity across the NICS and for the development of Public Private Partnerships policy. It provides advice on a range

of economic issues, particularly those of a central or cross-cutting nature and is responsible for monitoring the Economic Research Institute of Northern Ireland.

A dedicated Information Service seeks to ensure that the Administration's external communications are effective while the Brussels and Washington offices maintain a key presence abroad. Although its primary role has diminished under suspension, the North/South Ministerial Council Joint Secretariat continues to facilitate the functioning of the North/South Implementation Bodies established under the Belfast Agreement.

The Department provides central services for the whole Administration such as professionally skilled legislative draftsmen; the promotion of modernisation including the development of electronic delivery of public services and information; advice and guidance on public appointments; and promotion of civil protection and business continuity planning throughout the public sector.

OFMDFM provides a base for staff engaged in a number of cross cutting responsibilities including community initiatives in North Belfast; the Review of Public Administration in Northern Ireland; aspects of the Reinvestment and Reform Initiative, which incorporates the Strategic Investment Board and the Ilex Urban Regeneration Company; and the civil service cross-cutting information based Knowledge Network project. In addition staff are out-posted to independent bodies such as the Planning and Water Appeals Commissions and the International Fund for Ireland and the Department has responsibilities in relation to the Offices of the Assembly Ombudsman and Commissioner for Complaints.

Performance during the period

The total resource underspend against Estimate provision is £4.714m. The net underspend against Request for Resource A (RfR A) of £1.929m is mainly due to a range of staff cost underspends across a number of business areas, delays in progressing a number of central e-government projects and lower than anticipated project support expenditure by the Strategic Investment Board, offset by higher than anticipated notional charges. Request for Resources B (RfR B) shows an underspend of £2.785m which is mainly due to a range of staff cost underspends across a number of business areas, delays in progressing a number of Peace II

projects and slower than anticipated progress on funding Victims projects. As a result of these underspends the Cash Requirement against estimate was significantly reduced.

As a continuation of the development of the Reinvestment and Reform Initiative, further land and building assets valued at £8m were transferred to the Department by the Northern Ireland Office during the year. The resulting increase in the value of the Department's fixed assets will further increase the Department's capital charge in future years.

The Department's Business Plan for 2004/05 details 98 individual targets of which 65 have been achieved. Targets not achieved by the 31 March 2005 but likely to be achieved later in 2005 include:

- 18 targets that made substantial progress (i.e. approximately 70% to 90% achieved);
- a further 5 targets that made reasonable progress (i.e. approximately 50% to 60% achieved); and
- 2 targets that were about 30% achieved.

A further 5 targets are unlikely to be achieved in the near future and another 3 targets were not started because initial assessments, pilot studies or consultation with stakeholders identified the need for further work to be undertaken.

Details of the Department's non-financial performance can be found in the 2004-05 Business Plan Outturn Report, which outlines progress against actions and performance targets. The Business Plan Outturn Report is available from the Office of the First Minister and Deputy First Minister website (www.ofmdfmini.gov.uk/outturn0405-2.pdf).

Post Balance Sheet Events

There have been no significant events since the year-end which would affect these accounts.

MANAGEMENT

The previous Secretary of State for Northern Ireland, Paul Murphy MP, had overall responsibility for the Department's activities during 2004-05 with the Northern Ireland Office's (NIO) John Spellar MP, Ian Pearson MP, and Angela Smith MP having responsibility for certain specific areas of Departmental activity.

Nigel Hamilton held the position of Head of the Department and Accounting Officer. During 2004-05 the Accounting Officer was supported by a Departmental Board comprised of the following:

George Gray, First Legislative Counsel

Frank Cushnahan, non-executive Director (from 1 June 2004)

Mary Bunting, Director of Equality

Rosalie Flanagan, Director of Executive Services

Stephen Grimason, Director of the NI Departmental Information Service

Edgar Jardine, Director of Economic Policy and Public Service (to 31 October 2004)

Greg McConnell, Chief Operating Officer, Review of Public Administration

Peter Smyth, Joint Secretary (North), North/South Ministerial Council

Paul Sweeney, Principal Establishment and Finance Officer (and Acting Director of Economic Policy and Public Service from 1 November 2004)

Denis McCartney, Director of Legal Services

Dorothy Angus, Director of Corporate Services

Appointment of Senior Officials

The current Head of the Department was appointed by external competition. The appointment is for an indefinite period under the terms of the Senior Civil Service contract. The rules of termination are set out in paragraph 5 of the Northern Ireland Civil Service (NICS) Staff Handbook.

The Departmental Board consists of the Head of the Department, the Senior Officers responsible for the main business areas and a non-executive Director. The appointments of Senior Officers are made either through internal promotion or external competition.

Ministerial Remuneration

Details of the remuneration of the Northern Ireland Office Ministers will be provided in the 2004/05 Northern Ireland Office Resource Accounts.

Remuneration of Senior Officials

The Head of the Department is also Head of the Northern Ireland Civil Service. Pay of the Head of the Department is determined in consultation with the NI Permanent Secretaries Remuneration Committee, taking account of the recommendations of the Senior Salaries Review Body.

Pay of other members of the Departmental Board is set by the recommendations of the annual Senior Salaries Review Body report.

Details of the remuneration of senior officials in salary bands are provided in note 2 to the Resource Accounts.

PUBLIC INTEREST AND OTHER

Disabled Persons

The Department's Equal Opportunities policy applies to the employment of people with a disability. The Department is committed to ensuring that its policies and practices comply with the requirements of the Disability Discrimination Act 1995.

Equal Opportunities

The Department is an Equal Opportunity employer. It is fully committed to the elimination of all forms of discrimination, harassment and victimisation, not only because of the legal requirements under which it operates, but because it makes sound business sense and ensures that working relationships are based on mutual trust, respect and understanding. This allows the best use to be made of the wide variety of skills, abilities and attributes available in the Department and promotes a harmonious working environment.

Payment to Suppliers

The Department is committed to the prompt payment of bills for goods and services received in accordance with the Late Payment of Commercial Debts (Interest) Act 1998 and British Standard BS 7890 – Achieving Good Payment Performance in Commercial Transactions. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or on presentation of a valid invoice or similar demand, whichever is later. During the year, 88 per cent of bills were paid within this standard.

There were no payments made to suppliers during the period under the terms of the Late Payment of Commercial Debt Act.

Auditors

The Department's Accounts are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. He is head of the Northern Ireland Audit Office and he and his staff are wholly independent of the Department and reports his findings to Parliament.

The audit of the financial statements for 2004-05 resulted in a notional audit fee of £35,000 and is included in the administration costs in the operating cost statement.

Employee Involvement

The Department recognises the benefit of keeping all its employees regularly informed about progress towards achieving its aims and objectives. The Department's Business Plan has been communicated to all staff and the Departmental Whitley Committee meets regularly. There is also a formal bi-monthly team briefing process.

Health and Safety

The Department is committed to applying all existing health and safety at work legislation and regulations to ensure that staff and visitors enjoy the benefits of a safe environment.

Register of Interests

No members of the Departmental Board held any positions outside the Department which may have conflicted with their management responsibilities.

Approved and signed

Nigel Hamilton

NIGEL HAMILTON

Accounting Officer

27 October 2005

STATEMENT OF ACCOUNTING OFFICERS RESPONSIBILITY

Under the Government Resources and Accounts Act (NI) 2001, the Department is required to prepare resource accounts for each financial year, in conformity with a DFP direction, detailing the resources acquired, held, or disposed of during the year and the use of resources by the Department during the year.

The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department, the net resource outturn, resources applied to objectives, recognised gains and losses, and cash flows for the financial year.

DFP has appointed the Permanent Head of the Department as Accounting Officer of the Department with responsibility for preparing the Department's accounts and for transmitting them to the Comptroller and Auditor General.

In preparing the accounts, the principal Accounting Officer is required to comply with the Northern Ireland Resource Accounting Manual (NIRAM) prepared by DFP, and in particular to:

1. observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
2. make judgements and estimates on a reasonable basis;
3. state whether applicable accounting standards, as set out in the NIRAM, have been followed, and disclose and explain any material departures in the accounts; and
4. prepare the accounts on a going-concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by DFP and published in Government Accounting 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 Office of the First Minister and Deputy First Minister's policies, aims and objectives, whilst safeguarding the public funds and Departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting Northern Ireland.

All relevant internal control considerations, including any issues of risk, are taken into account with regard to the achievement of Departmental policies, aims and objectives and where necessary are brought to the attention of the Minister.

The Department sponsors six non departmental public bodies (NDPB's): The Economic Research Institute of Northern Ireland, Equality Commission for Northern Ireland, Community Relations Council for Northern Ireland, Strategic Investment Board, Ilex Urban Regeneration Company and The Commissioner for Children and Young People for Northern Ireland. I have designated the senior officials in each NDPB as Accounting Officers for their organisations.

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 Departmental 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 Office of the First Minister and Deputy First Minister for the year ended 31 March 2005 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

Capacity to handle risk

The Departmental Board and the Departmental Audit and Risk Committee play fundamental roles in providing leadership in the management of risk by setting the tone and influencing the culture of risk management across the Department. The Department's capacity to manage risk is established through the risk management strategy and the increasing experience of managers in the risk management process. Directors and senior managers provide leadership to the risk management process in their particular areas of responsibility and also corporately through their involvement in the Departmental Board and the Departmental Audit and Risk Committee.

Guidance/Legislation issued centrally is communicated to staff for implementation, as appropriate. Where this impacts on the business of a directorate, either as a new requirement or as a change to existing processes, it is considered in the wider context of the directorate business plan and risk register. Where significant, the risk is documented in the risk register and ownership allocated and reviewed on an ongoing basis.

The risk and control framework

The Department's risk management strategy is based on the development and maintenance of Departmental and Directorate risk registers, which are informed by lower level divisional/branch risk and control frameworks. The Department's risk management strategy is managed by the Departmental Board which considers and satisfies itself that the significant risks identified in the Departmental and Directorate risk registers have been adequately identified, evaluated and managed. Fundamental to this process is the responsibility placed on individual Directors to establish sound systems of internal control and to identify, manage and regularly report to the Departmental Board on key risks within their business areas. The process of identification, evaluation and control of risk is a continual one at divisional, directorate and Departmental levels. Directors are required to review their Directorate Risk Register twice annually and, to report to the Departmental Board on any amendments, and to review and revise the Risk Register as necessary. The potential impact of risks are established on a risk by risk basis and are assessed against the potential impact on the delivery of Departmental objectives and targets.

Review of effectiveness

As Accounting Officer, I also 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 internal auditors and the executive managers within the Department 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 Board, the Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

A number of elements contribute to the review of effectiveness of the system of internal control including:

- The Departmental Board, which exercises authority at a corporate level within the Department and comprises the Accounting Officer, and Directors;
- The Departmental Audit and Risk Committee, chaired by a non-executive Director, which is made up of the members of the Departmental Board, and met four times in 2004-05, receives reports concerning internal control. It provides oversight in ensuring that appropriate steps are being taken to manage risks in significant areas of responsibility and monitoring progress, and
- The internal audit function, which the Department receives from the Department of Finance and Personnel Internal Audit Unit, operates to standards defined in the Government Internal Audit Manual. Regular reports are submitted, which include the HIA's independent opinion on the adequacy and effectiveness of the Department's system of internal control together with recommendations for improvement.

Nigel Hamilton

Accounting Officer

27 October 2005

OFFICE OF THE FIRST MINISTER AND DEPUTY FIRST MINISTER

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 17 to 46 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 23 to 26.

Respective responsibilities of the Accounting Officer and Auditor

As described on page 11 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 I require for my audit.

I read the other 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 12 to 14 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 risk 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.

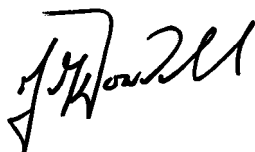
I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other 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 Office of the First and Deputy First Minister at 31 March 2005 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 CB
Comptroller and Auditor General**

28 October 2005

**Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU**

Office of First Minister and Deputy First Minister

Schedule 1

Summary of Resource Outturn 2004-05

	2004-05						2003-04	
	Estimate			Outturn			Net total outturn compared with Estimate saving/ (excess)	Prior-year outturn
	Gross expenditure	Accruing Resources	NET TOTAL	Gross expenditure	Accruing Resources	NET TOTAL		
1	2	3	4	5	6	7	8	
	£000	£000	£000	£000	£000	£000	£000	£000
Request for resources A (Notes 6 and 10)	33,536	(56)	33,480	31,607	(56)	31,551	1,929	21,828
Request for resources B (Notes 6 and 10)	34,452	-	34,452	31,667	-	31,667	2,785	27,897
Total resources	67,988	(56)	67,932	63,274	(56)	63,218	4,714	49,725
Non-operating Accruing Resources (Note 6)			-			-	-	(3,775)
Net cash requirement			66,893			56,848	10,045	43,953

Summary of income payable to the Consolidated Fund

In addition to Accruing Resources, the following income relates to the department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	Note	Forecast 2004-05		Outturn 2004-05	
		Income	Receipts	Income	Receipts
		£000	£000	£000	£000
Total	5	2,944	2,944	4,894	1,637

Explanation of the variation between Estimate and outturn (net total resources):

(i) The underspend in RfR A of £1,929k is mainly due to underspends of £719k in Support for the Executive and Other Services which is spread across a number of business areas reflecting lower than anticipated staffing costs, £321k in the Reinvestment and Reform Initiative due to lower than anticipated implementation costs, £702k in Executive Programme Funds due to slippage in a number of e-government projects and £1,115k in the Strategic Investment Board due to lower than anticipated project support expenditure offset by an overspend in Notional Charges of £880k due to higher than anticipated inter-departmental charges and £5k in Non-cash Items (AME) due to higher than expected capital charges.

(ii) The underspend of £2,785k in RfR B is mainly due to underspends of £629k in Support for Equality, Human Rights and Community Relations mainly due to lower than anticipated staffing costs, £1,504k in EU Programme for Peace and Reconciliation due to slow progress on a number of Peace II projects and £668k in Victims due to slower than anticipated progress on Victims projects offset by an overspend in Notional Charges of £278k due to higher than anticipated departmental charges.

Explanation of the variation between Estimate net cash requirement and outturn (net cash requirement):

This variance has arisen due to the items identified above and movement in non-cash items including accruals and notional charges

Schedule 1 (Continued)

2004-05

**Reconciliation of
resources to cash
requirements**

		Estimate	Outturn	Net total outturn compared with Estimate saving/ (excess)
	Note	£000	£000	£000
Net total resources		67,932	63,218	4,714
Capital:				
● Acquisition of fixed assets	11 and 12	905	311	594
Investments				
Non-operating Accruing Resources:				
● Proceeds of fixed asset disposal	12		(6)	6
Accruals adjustments:				
● Non-cash items	3 & 4	(1,944)	(3,863)	1,919
● Changes in working capital other than cash	13		(2,812)	2,812
Changes in creditors falling due after more than one year		-	-	0
Use of provisions		-	-	0
Net cash requirement (Schedule 4)		66,893	56,848	10,045

**Office of First Minister and
Deputy First Minister
Operating Cost
Statement**

Schedule 2

	Note	2004-05		2003-04	
		£000	£000	£000	£000
<i>for the year ended 31 March 2005</i>					
Administration costs:					
Staff costs	2	12,401		11,761	
Non-Staff administration costs	3	6,623		5,920	
Gross administration costs			19,024		17,681
Operating income	6	(7)	(7)	-	-
Net administration costs			19,017		17,681
Programme costs					
Request for resources A:					
Staff costs	2	2,505		-	
Expenditure	4	15,245		8,662	
Other income	4	(101)	17,649	(81)	8,581
Request for resources B:					
Expenditure	4	26,500		23,438	
Less : EU income	4	(4,577)		-	
Other income	4	(265)	21,658	-	23,438
Net programme costs	4		39,307		32,019
Net operating cost	8 & 9		58,324		49,700
Net resource outturn	8		63,218		49,725

All income and expenditure are derived from continuing operations

**Statement of
Recognised Gains
and Losses**

	2004-05		2003-04	
	£000		£000	
<i>for the year ended 31 March 2005</i>				
Net gain on revaluation of tangible fixed assets		8,573		518
Receipt of donated assets		-		5,300
Total recognised gains and (losses) for the financial year		8,573		5,818

**Office of First Minister and
Deputy First Minister
Balance Sheet**

as at 31 March 2005

Schedule 3

	Note	31 March 2005		31 March 2004	
		£000	£000	£000	£000
Fixed assets:					
Tangible assets	12	16,602		8,042	
			16,602		8,042
Current assets:					
Stocks	14	7		7	
Debtors	15	16,642		16,330	
Cash at bank and in hand	16	<u>1</u>		<u>1</u>	
		16,650		16,338	
Creditors (amounts falling due within one year)	17	<u>(20,092)</u>		<u>(16,964)</u>	
Net current liabilities			(3,442)		(626)
Total assets less current liabilities			<u>13,160</u>		<u>7,416</u>
Taxpayers' Equity					
General fund	18		4,032		6,861
Revaluation reserve	19		<u>9,128</u>		<u>555</u>
			<u>13,160</u>		<u>7,416</u>

Nigel Hamilton

NIGEL HAMILTON
Accounting Officer
27 October 2005

Office of First Minister and Deputy First Minister
Cash Flow Statement

for the year ended
31 March 2005

Schedule 4

	2004-05	2003-04
	£000	£000
Net cash outflow from operating activities ¹	(55,143)	(51,844)
Capital expenditure and financial investment ²	(305)	3,598
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities	-	1,997
Payments of amounts due to the Consolidated Fund	(3,901)	(1,997)
Financing ³	59,349	48,246
Increase / (decrease) in cash in the period	-	-

Notes

- 1 See the table below giving a reconciliation of operating cost to operating cash flows.
- 2 See the table below giving an analysis of capital expenditure and financial investment.
- 3 See the table below giving an analysis of financing and a reconciliation to the net cash requirement.

Reconciliation of operating cost to operating cash flows

	2004-05	2003-04
Net operating cost	58,324	49,700
Adjustments for non-cash transactions (see Note 3)	(3,862)	(2,455)
Adjustments for movements in working capital other than cash (see Note 13)	681	4,599
Net cash outflow from operating activities	55,143	51,844

Analysis of capital expenditure and financial investment

	2004-05	2003-04
Fixed-asset additions (Note 11)	(311)	(177)
Proceeds of disposal of fixed assets	6	3,775
Net cash outflow from investing activities	(305)	3,598

Analysis of financing, and reconciliation to the net cash requirement

	2004-05	2003-04
From the Consolidated Fund (Supply) - current year	59,349	45,000
From the Consolidated Fund (Supply) - prior year		3,246
Net financing	59,349	48,246
(Increase) decrease in cash	59,349	48,246
Net cash flows other than financing	59,349	48,246
Adjustment for payments and receipts not related to Supply:		
Adjustment in respect of Interdepartmental Bank A/c	(502)	(4,318)
Amounts due to the Consolidated Fund - received in a prior year and paid over	(2,524)	(53)
Amounts due to the Consolidated Fund - received and not paid over	525	78
Amounts received and paid on behalf of other government departments		
Net cash requirement (Schedule 1)	56,848	43,953

**Office of First Minister
and Deputy First
Minister**

Schedule 5

**Resources by
Departmental
Aim and
Objectives**

*for the year ended
31 March 2005*

	2004-05			2003-04		
	Gross	Income	Net	Gross	Income	Net
	£000	(£000)	£000	£000	(£000)	£000
<i>Aim:</i>						
Objective A:	31,607	(108)	31,499	21,884	(81)	21,803
Objective B:	31,667	(4,842)	26,825	27,897	0	27,897
Net operating costs	<u>63,274</u>	<u>(4,950)</u>	<u>58,324</u>	<u>49,781</u>	<u>(81)</u>	<u>49,700</u>

The Department's objectives were as follows:

Objective A

To assist government in making and implementing well-informed decisions and improving public services.

Objective B

To promote equality of opportunity, human rights and improved community relations, tackle poverty and social disadvantage and meet the needs of victims.

Office of the First Minister and Deputy First Minister – Annual Report and Accounts 2004-05

Notes to the departmental resource accounts

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2004-05 Northern Ireland Resource Accounting Manual (NIRAM) issued by The Department of Finance and Personnel. The accounting policies contained in NIRAM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. Where NIRAM 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 department'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 *Tangible fixed assets*

The minimum level for capitalisation of a tangible fixed asset is £500 for IT equipment and £1,000 for all other assets. Computer systems (bespoke software), which have been developed internally, have been capitalised at the full cost incurred. Where material, assets have been pooled/grouped so as to reflect more accurately asset holdings.

Assets are re-valued at net replacement cost using appropriate indices compiled by the Office for National Statistics.

Land and buildings assets are revalued every five years on the basis of valuations provided by Valuations and Lands Agency.

Surpluses and deficits arising on revaluation are taken to the revaluation reserve. Where appropriate, permanent reductions in the value of fixed assets are charged to the Operating Cost Statement.

Assets paid for on behalf of OFMDFM by other Northern Ireland Civil Service Departments have also been capitalised and depreciated in line with current policy, and have been credited to the general fund with appropriate disclosure in the Statement of Total Gains and Losses.

1.3 *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. Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the department respectively. No depreciation is provided on freehold land and items for collections since they have unlimited or very long estimated useful lives.

Asset lives are normally in the following ranges:

Telecoms Equipment	5 years;
Motor Vehicles	4 years
Computer Equipment	3-6 years
Office Equipment	5-10 years
Computer Systems	6-10 years
Buildings	25 years

1.4 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost, and net realisable value.

1.5 Research and development

Expenditure on research and development will be written off in the year of expenditure through the operating cost statement.

1.6 Operating income

Operating income is income which relates directly to the operating activities of the department. It principally comprises fees and charges for services provided on a full-cost basis to external customers, as well as public sector repayment work. It includes not only accruing resource of the Estimate but also income to the Consolidated Fund, authorised by the Department of Finance and Personnel to be treated as operating income. Operating income is stated net of VAT.

1.7 Administration and programme expenditure

The Operating Cost Statement is analysed between administration and programme costs. Administration costs reflect the costs of running the department. These include both administrative costs and associated operating income. Income is analysed in the notes between that which, under the administrative cost-control regime, is allowed to be offset against gross administrative costs in determining the outturn against the administration cost limit, and that operating income which is not. Programme costs reflect non-administration costs, including payments of grants and other disbursements by the department, as well as certain staff costs where they relate directly to service delivery. The classification of expenditure and income as administration or as programme follows the definition of administration costs set by the Department of Finance & Personnel.

1.8 Capital charge

A charge, reflecting the cost of capital utilised by the department, is included in operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5 per cent) on the simple average carrying amount of all assets less liabilities, except for:

- Consolidated Fund Extra Receipts payable to the Consolidated Fund
- E U Creditor balance
- Supply Debtor or Creditor balance
- Interdepartmental balance

1.9 Foreign exchange

Transactions which are denominated in a foreign currency and which are covered by a related forward contract are translated into sterling at the exchange rate specified in the contract. Transactions which are not covered by a related forward contract are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for the period is used. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the Operating Cost Statement.

1.10 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme Northern Ireland (PCSPS (NI)) which are described in Note 2. The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The department 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). In respect of the defined contribution schemes, the department recognises the contributions payable for the year. A separate scheme statement is prepared for PCSPS (NI) as a whole.

1.11 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the department, the asset is recorded as a tangible fixed asset and a debt is recorded to the lesser of the minimum lease payments discounted by the interest rate implicit in the lease. 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 lease.

1.12 Grants payable

The Department is responsible for the payment of a number of Government Grants, both discretionary and mandatory. These grants are recorded in the period in which the recipient carries out the activity which created the entitlement. The recognition of entitlement will vary according to the details of the individual scheme. Unpaid and unclaimed grants may represent obligations to be recognised as liabilities. Where the amount of the claim is not known at the balance sheet date an estimate will be made. Overpayments of grants are shown as debtors in the balance sheet.

1.13 Provisions

The department 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 real rate set by HM Treasury (currently 3.5 per cent).

1.14 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with FRS 12, the department 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 £100,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to Parliament by departmental Minute prior to the Department entering into the arrangement;

all items (whether or not they arise in the normal course of business) over £100,000 (or lower, where required by specific statute or where material in the context of resource accounts) which are required by the Resource Accounting Manual to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under FRS 12 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

Value Added Tax is accounted for in line with SSAP 5.

2. Staff numbers and related costs

2.1 Staff costs

A. Staff costs consist of		2004-05			2003-04
	£000	£000	£000	£000	£000
	Total	Permanently employed staff	Ministers	Special Advisers	Total
Wages and salaries	12,788	12,623	-	165	9,254
Social security costs	930	916	-	14	746
Other pension costs	1,557	1,555	-	2	1,239
Sub total	15,275	15,094	-	181	11,239
Inward Secondments	-	-	-	-	522
TOTAL	15,275	15,094	-	181	11,761
Less recoveries in respect of outward secondments	(369)	(369)	-	-	-
Total net costs*	14,906	14,725	-	181	11,761

The Principal Civil Service Pension Scheme Northern Ireland (PCSPS(NI)) is an unfunded defined benefit scheme but the Office of the First Minister and Deputy First Minister is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2003 and details of this valuation are available in the PCSPS(NI) resource accounts.

For 2004-2005, employers' contributions of £1,556,673 were payable to the PCSPS (NI) (2003-04 £1,239,522) at one of four rates in the range 12 to 18.5 per cent (2003-04: 12 to 18 per cent) of pensionable pay, based on salary bands. From 1 April 2005 these rates have increased as a result of the latest actuarial valuation to between 16.5% and 23.5%. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £0 (2003-04 £0) were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent (2003-04: 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, 0.8 per cent (2003-04: £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 due to the partnership pension providers at the balance sheet date were nil. Contributions prepaid at that date were nil.

One person (2003-04: 0 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £18,060 (2003-04: £0).

2.2 Average number of persons employed

The average number of whole-time equivalent persons employed during the year is shown in the table below. These figures include senior management, ministers, special advisers, staff on secondment or loan into the department and agency/temporary staff, but excluding staff on secondment to other organisations.

2004-05						2003-04
Number						Number
Objective	Total	Permanently employed staff	Others	Ministers	Special advisers	Total
A.	292	288	3	-	1	293
B.	108	103	4	-	1	101
Total	400	391	7	-	2	394

2.3 Salary and pension entitlements

The salary and pension entitlements of the senior managers of the department were as follows:

(a) Remuneration:

Officials	2004-05		2003-04	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Mr Nigel Hamilton <i>Head of the Department</i>	145-150	NIL	130-135	NIL
Mr George Gray* <i>Director</i>	-	-	-	-
Mrs Mary Bunting <i>Director</i>	85-90	NIL	80-85	NIL
Mrs Rosalie Flanagan* <i>Director</i>	-	-	-	-
Mr Stephen Grimason <i>Director</i>	80-85	NIL	80-85	NIL
Mr Edgar Jardine <i>Director (to 28 October 2004)</i>	85-90	NIL	75-80	NIL
Mr Greg McConnell* <i>Director</i>	-	-	-	-
Peter Smyth <i>Director</i>	75-80	NIL	70-75	NIL
Paul Sweeney <i>Director</i>	80-85	NIL	75-80	NIL
Frank Cushnahan <i>Non Executive Director</i>	0-5	NIL	0	N/A

* Consent to disclosure withheld

Salary

'Salary' includes gross salary; performance pay or bonuses; 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.

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. None of the above received benefits in kind.

(b). Pension Benefits:

	Real increase in pension and related lump sum at age 60	Accrued pension at age 60 at 31 March 2005 and related lump sum	CETV at 31 March 2005	CETV at 31 March 2004	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Nigel Hamilton Head of the Department	0-2.5 plus 5-7.5 lump sum	55-60 plus 175-180 lump sum	1000	976	42	NIL
Mr George Gray* Director	NIL	NIL	NIL	NIL	NIL	NIL
Mrs Mary Bunting Director	0-2.5 plus 2.5-5 lump sum	25-30 plus 85-90 lump sum	505	458	18	NIL
Mrs Rosalie Flanagan* Director	NIL	NIL	NIL	NIL	NIL	NIL
Mr Stephen Grimason Director	0-2.5 plus 2-5.5 lump sum	5-10 plus 15-20 lump sum	84	65	14	NIL
Mr Edgar Jardine Director	0-2.5 plus 0-2.5 lump sum	30-35 plus 95-100 lump sum	541	513	27	NIL
Mr Greg McConnell* Director	NIL	NIL	NIL	NIL	NIL	NIL
Mr Peter Smyth Director	0-2.5 plus 2.5-5 lump sum	25-30 plus 85-90 lump sum	520	479	21	NIL
Mr Paul Sweeney Director	0-2.5 plus 2.5 – lump sum	20-25 plus 60-65 lump sum	303	261	26	NIL
Mr Frank Cushnahan Non Executive Director	NIL	NIL	NIL	NIL	NIL	NIL

*** Consent to disclosure withheld**

Civil Service Pensions

Pension benefits are provided through the CSP 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 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).

Further details about the CSP arrangements can be found at the website www.civilservice-pensions.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 CSP arrangements and for which the CS Vote has received a transfer payment commensurate to 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.

3. Non-staff administration costs

	2004-05		2003-04	
	£000	£000	£000	£000
Rentals under operating leases:				
Land and Buildings	559		451	
Other operating leases	<u>38</u>	597	<u>29</u>	480
Non-cash items^a:				
Depreciation and amortisation of fixed assets	271		312	
Permanent diminution in value of fixed assets:				
Office Accommodation	48		65	
Loss on disposal of fixed assets	1,961		1,611	
Other notional costs	0		5	
Cost of capital charge:	861		663	
	(57)		(239)	
Other items				
Auditor's remuneration and expenses	<u>35</u>	3,119	<u>38</u>	2,455
Other expenditure^b		<u>2,907</u>		<u>2,985</u>
		<u>6,623</u>		<u>5,920</u>

Notes

There was no auditor remuneration for non audit work

a The total of non-cash transactions included in the Reconciliation of Resources to Net Cash Requirement in Schedule 1 and in the Reconciliation of Operating Costs to Operating Cashflows in Schedule 4 is shown:

	2004-05
	£000
Other administration costs – non-cash items (as above)	3,119
Total non-cash transactions	3,119

b Other expenditure can be analysed as follows:	£000
Advertising	109
Communications	234
Consultancy	397
Hospitality	289
Incidentals	420
IT	357
Publications and Stationery	347
Service and Building Costs	133
Training	242
Travel and Subsistence	379
Total Other Expenditure	2,907

4. Net programme costs

	<i>Note</i>	2004-05		2003-04	
		£000	£000	£000	£000
Staff Costs (Note 2)		2,505		-	
Current grants and other current expenditure		<u>41,001</u>		<u>32,100</u>	
			43,506		32,100
Non-cash items:					
Cost of capital charge on:					
EU grants receivable		328		-	
AME		416	<u>744</u>	-	
			44,250	-	
Less: programme income (Note 6)					
EU income		(4,577)			
Other Income		<u>(366)</u>		<u>(74)</u>	
			<u>(4,943)</u>		<u>(74)</u>
			<u>39,307</u>		<u>32,026</u>

5. Analysis of income payable to the Consolidated Fund

Analysis of income payable to the Consolidated Fund In addition to Accruing Resources, the following income relates to the department and is payable to the Consolidated Fund

	2004-05 forecast		2004-05 outturn	
	Income £000	Receipts £000	Income £000	Receipts £000
Operating income and receipts - excess Accruing Resources	-	-	52	52
Non-operating income and receipts - excess Accruing Resources	-	-	265	265
Subtotal	-	-	317	317
Other operating income and receipts not classified as Accruing Resources	2,944	2,944	4,577	1,320
Other non-operating income and receipts not classified as Accruing Resources	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-
Total	2,944	2,944	4,894	1,637

6 Income and Accruing Resources

6a. Operating income

Operating income not classified as accruing resources (i.e. transferred to the Consolidated Fund) is analysed for resource budget purposes between that which is included in public expenditure and that which is not (see note 7). In 2004-05, all operating income not classified as Accruing Resources was within public expenditure.

2004-05						
RESOURCE OUTTURN	Reconciliation to Operating Cost Statement				OPERATING COST STATEMENT	
	Accruing Resources	Netted off gross expenditure in sub-head	Payable to Consolidated Fund	Transactions between requests for resources		Non-Supply income
	£000	£000	£000	£000	£000	£000
Operating income analysed by classification and activity, is as follows:						
Administration income:						
Allowable within admin. cost limit:						
Transactions between Request for Resources	-	-	-	-	-	-
Fees and charges to external customers	-	-	7	-	-	7
Fees and charges to other departments	-	-	-	-	-	-
Not allowable within admin. cost limit:						
Transactions between Request for Resources	-	-	-	-	-	-
Fees and charges to external customers	-	-	-	-	-	-
Fees and charges to other departments	-	-	-	-	-	-
Profit on disposal of fixed assets	-	-	-	-	-	-
	-	-	7	-	-	7
Programme income:						
Fees and charges to external customers		-				
The Commissioner for Children & Young People for NI			265			
Planning Appeals Commission and Water Appeals Commission	56		45			
EU income	-		4,577			4,577
	56	-	4,887	-	-	4,577
Total	56	-	4,894	-	-	4,584

2003-04						
RESOURCE OUTTURN	Reconciliation to Operating Cost Statement				OPERATING COST STATEMENT	
	Accruing Resources	Netted off gross expenditure in sub-head	Payable to Consolidated Fund	Transactions between requests for resources		Non-Supply income
	£000	£000	£000	£000	£000	£000
Operating income analysed by classification and activity, is as follows:						
Administration income:						
Allowable within admin. cost limit:						
Transactions between Request for Resources	-	-	-	-	-	-
Fees and charges to external customers	-	-	-	-	-	-
Fees and charges to other departments	-	-	-	-	-	-
Not allowable within admin. cost limit:						
Transactions between Request for Resources	-	-	-	-	-	-
Fees and charges to external customers	-	-	-	-	-	-
Fees and charges to other departments	-	-	-	-	-	-
Profit on disposal of fixed assets	-	-	-	-	-	-
	-	-	-	-	-	-
Programme income:						
Fees and charges to external customers	56	-	25	-	-	81
Total	56	-	25	-	-	81

6b Non Operating accruing resource

	2004-05	2003-04
Disposals of fixed assets	0	3,775
	-	3,775

7 NI Administration cost limits

The outturn within the administration costs control regime shown against individual NI administration cost limits is as follows:

	2004-05		2003-04	
	Outturn £000	Limits £000	Outturn £000	Limits £000
Request for resources A (Gross Limit)	14,003	14,204	13,222	13,878
Request for resources B (Gross Limit)	5,021	5,101	4,459	4,988
Total within administration cost control (note 10)	19,024	19,305	17,681	18,866
Administration expenditure excluded from administration cost limit	(2,858)		(2,455)	
Administration income allowable within the administration cost limit	-		-	
Total administration outturn	16,166		15,226	

8 Reconciliation of net operating cost and net resource outturn

	2004-05	2003-04
	£000	£000
Net operating cost	58,324	49,700
Operating income not classified as Accruing Resources	317	25
EU income receivable	4,577	
Net resource outturn	63,218	49,725

Note a - Net operating cost is the total of expenditure and income appearing in the operating cost statement (Schedule 2). Net resource outturn is the total of those elements of expenditure and income that are subject to parliamentary approval and included in the department's Supply Estimate. The outturn against the Estimate is shown in the summary of resource outturn (Schedule 1).

9 Analysis of net operating cost by spending body.

	2004-05		2003-04
	Budget	Outturn	Outturn
	£000	£000	£000
Spending Body:			
Core Department	45,888	40,370	37,574
Other Bodies (including Non-departmental public bodies)	19,100	17,954	12,126
	<u>64,988</u>	<u>58,324</u>	<u>49,700</u>

10 Analysis of resource outturn by function and reconciliation to Operating Cost Statement

	2004-05						2003-04		
	Admin	Other current	Grants	Gross resource expenditure	Accruing Resources	Net total	Estimate	Net total outturn compared with Estimate	Prior-year outturn
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Request for Resources A									
1: Support for Executive and Other Services	11,781	1,602	1,435	14,818	-	14,818	15,537	719	13,478
2: North/South Ministerial Council	-	577	-	577	-	577	637	60	603
3: Civic Forum	-	1	-	1	-	1	1	-	128
4: Planning Appeals Commission and Water Appeals Commission	-	1,927	-	1,927	(56)	1,871	1,768	(103)	1,790
5: Reinvestment and Reform Initiative	-	2,041	-	2,041	-	2,041	2,362	321	619
6: Executive Programme Funds	120	1,590	-	1,710	-	1,710	2,412	702	304
7: Non cash Items (AME)	-	416	-	416	-	416	411	(5)	-
8: Strategic Investment Board	-	-	8,015	8,015	-	8,015	9,130	1,115	3,026
9: Notional Charges	2,102	-	-	2,102	-	2,102	1,222	(880)	1,880
Total	14,003	8,154	9,450	31,607	(56)	31,551	33,480	1,929	21,828
Request for Resources B									
Departmental Expenditure in DEL:									
1: Support for Equality, Human Rights and Community Relations	4,265	1,476	2,365	8,106	-	8,106	8,735	629	5,439
2: Community Relations	-	-	5,393	5,393	-	5,393	5,639	246	5,375
3: EU Programme for Peace and Reconciliation	-	328	5,628	5,956	-	5,956	7,460	1,504	5,809
4: Executive Programme Funds	-	-	-	-	-	-	-	-	1,945
5: Victims	-	2,952	-	2,952	-	2,952	3,620	668	132
6: Equality Commission	-	-	6,779	6,779	-	6,779	6,795	16	7,022
7: Commissioner for Children and Young People	-	-	1,725	1,725	-	1,725	1,725	-	1,598
8: Notional Charges	756	-	-	756	-	756	478	(278)	577
Total	5,021	4,756	21,890	31,667	-	31,667	34,452	2,785	27,897
Resource Outturn	19,024	12,910	31,340	63,274	(56)	63,218	67,932	4,714	49,725
<i>Reconciliation to Operating Cost Statement</i>									
Non-Supply expenditure and income									
Income payable to Consolidated Fund						(4,894)			
Transactions between Requests for Resources netted off in Operating Cost Statement									
Gross operating expenditure				63,274					
Operating income					(56)				
Net operating cost (Note 1)						58,324			

11 Analysis of capital expenditure, financial investment and associated Accruing Resources

	2004-05			
	Capital expenditure	Loans, etc.	Accruing Resources	Net total
	£000	£000	£000	£000
Request for resources A	303	-	-	303
Request for resources B	8	-	-	8
TOTAL 2004-2005	311	-	-	311
TOTAL 2003-2004	177	-	-	177

12 Tangible fixed assets

	Telecoms Equipment	Land & Buildings excluding Dwellings	Motor Vehicles	Computer Equipment	Office Equipment	Computer Systems	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2004	2	7,594	18	1,020	97	110	8,841
Additions	-	-	-	267	44	-	311
Transfers	31	-	-	-	-	-	31
Disposals	-	-	-	(15)	-	-	(15)
Revaluations	-	8,567	-	-	5	5	8,577
Impairments	-	-	-	(99)	-	-	(99)
At 31 March 2005	33	16,161	18	1,173	146	115	17,646
Depreciation							
At 1 April 2004	1	1	13	648	68	68	799
Charged in year	1	-	4	228	21	17	271
Transfers	30	-	-	-	-	-	30
Disposals	-	-	-	(9)	-	-	(9)
Revaluations	-	-	-	-	2	2	4
Impairments	-	-	-	(51)	-	-	(51)
At 31 March 2005	32	1	17	816	91	87	1,044
Net book value at 31 March 2005	1	16,160	1	357	55	28	16,602
Net book value at 31 March 2004	1	7,593	5	372	29	42	8,042
Asset financing:							
Owned	1	16,160	1	357	55	28	16,602
Net book value at 31 March 2005	1	16,160	1	357	55	28	16,602

As a development of the Re-investment and Reform Initiative, land and buildings at Maze/Long Kesh were transferred to the department during the year by the Northern Ireland Office at a nil value. These were revalued to £8m on the basis of valuations provided by the Valuations and Lands Agency

Tangible Assets, excluding "Lands and Buildings excluding Dwellings" were revalued on the basis of indices for March 2005.

13 Movements in working capital other than cash

	2004-05	2003-04
	£000	£000
Decrease in stocks / work in progress	-	-
Increase in debtors	(312)	(9,668)
Increase in creditors falling due within one year	3,128	5,094
	<u>2,816</u>	<u>(4,574)</u>
Adjustments: movements in working capital not related to cash net operating costs		
- CFER amounts due to the Consolidated Fund	(993)	(25)
- Supply amounts due to the Consolidated Fund	(2,502)	
- Movement in working capital relating to the purchase of fixed assets		
Net increase in working capital other than cash (Schedule 4)	<u>(679)</u>	<u>(4,599)</u>
Decrease in stocks / work in progress	-	-
Increase in debtors	(312)	(9,668)
Increase in creditors falling due within one year	3,128	5,094
	<u>2,816</u>	<u>(4,574)</u>
Adjustments: movements in working capital not related to cash net operating costs		
- CFER amounts due to the Consolidated Fund	(993)	(25)
- Supply amounts due to the Consolidated Fund	(2,502)	
- Movement in inter-departmental debtors (see note 15)	(502)	4,318
- Movement in inter-departmental creditors related to CFER transfers (see note 17)	(1,631)	
Changes in working capital other than cash (Schedule 1)	<u>(2,812)</u>	<u>(281)</u>

14 Stocks and work in progress

	2004-05	2003-04
	£000	£000
Stocks	7	7
Work in progress	<u>7</u>	<u>7</u>

15 Debtors

	2004-05	2003-04
	£000	£000
Amounts falling due within one year:		
Trade debtors	38	87
Other debtors	2,162	3,677
Prepayments	87	77
Amounts due from DFP	4,125	3,622
EU and Gap Funding	9,888	8,867
VAT	342	-
	<u>16,642</u>	<u>16,330</u>

Included within EU and Gap Funding is £9,887,904 due to consolidated fund upon receipt

16 Cash in hand and bank balances

	2004-05	2003-04
	<u>£000</u>	<u>£000</u>
Balance at 1 April	1	1
Net cash (outflow) / inflow	-	-
Balance at 31 March	<u>1</u>	<u>1</u>

The above balances consist of balances in Departmental bank accounts within the centralised NICS pool of accounts, currently held at the Northern Bank, or cash in hand.

The Northern Bank within the centralised NICS pool of accounts

Commercial banks and cash in hand

1	1
<u>1</u>	<u>1</u>

The balance at 31 March comprises:

Cash due to be paid to the Consolidated Fund

Amounts due to DFP	(4,125)	<u>-</u>
Consolidated fund extra receipts received and due to be paid to the Consolidated Fund (see Note 17)	576	(1,047)
Amounts issued from the Consolidated Fund for supply but not spent at year end	3,549	1,047
	<u>1</u>	<u>1</u>

17 Creditors

	2004-05		2003-04
	£000	£000	£000
Amounts falling due within one year:			
Trade creditors	-		1
Other creditors	2		780
Accruals and deferred income	6,136		3,692
EU Creditor	9,827		11,366
Amounts issued from the Consolidated Fund for supply but not spent at year end	<u>3,549</u>	19,514	<u>1,047</u>
Consolidated fund extra receipts due to be paid to the Consolidated Fund			
Received	578	<u>578</u>	<u>78</u>
Total		<u>20,092</u>	<u>16,964</u>

18 Reconciliation of net operating cost to changes in general fund

	2004-05		2003-04	
	£000	£000	£000	£000
Net operating cost for the year (Schedule 2)	58,324		49,700	
Non accruing resource income payable to the consolidated fund	4,894		25	
- Other				
		63,218		49,725
Net parliamentary funding				
Drawn Down	(59,349)		(45,000)	
Non operating AR			(3,775)	
Deemed Supply	(1,047)		-	
		(60,396)		(48,775)
Fixed Assets received from other Departments				
Donated Asset Sold	-	-	(5,300)	
Consolidated Fund creditor for cash unspent	3549		4,300	(1,000)
Movement from Suspense account to CFER account		3,549	1,047	1,047
Non-cash charges:				
- Credit for cost of capital charges	(687)		239	
- Credit for auditor remuneration	(35)			
- Credit for other notional costs	(2,820)		(2,314)	
		(3,542)		(2,075)
Non-operating income not treated as Accruing Resources payable to Consolidated Fund				
Net decrease in general fund		2,829		(1,078)
Balance at 1 April 2004		(6,861)		(5,783)
Balance at 31 March 2005 (Schedule 3)		(4,032)		(6,861)

19 Revaluation Reserve

	2004-05		2003-04	
	Revaluation Reserve		Revaluation Reserve	
	£000		£000	
Balance at 1 April 2004		555		37
Revaluation of tangible fixed assets		8,573		518
Balance at 31 March 2005 (Schedule 3)		9,128		555

20. Notes to Schedule 5

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

	2004-05	2003-04
	£000	£000
Objective A	17,654	8,662
Objective B	26,664	23,438
	44,318	32,100

Capital Employed by Departmental Aim and Objectives at 31 March 2005

	2004-05	2003-04
	Capital employed	Capital employed
	£000	£000
<i>Aim:</i>		
Objective A	16,322	7,416
Objective B	-	-
	16,322	7,416

21. Capital commitments

	2004-05	2003-04
	£000	£000
Contracted capital commitments at 31 March for which no provision has been made	Nil	Nil

22. Commitments under leases

22.1 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.

	2004-05	2003-04
	£000	£000
Obligations under operating leases comprise:		
Land and buildings		
Expiry within 1 year	0	78
Expiry after 1 year but not more than 5 years	352	241
Expiry thereafter	98	98
	450	417
Other:		
Expiry within one year	5	10
Expiry after 1 year but not more than 5 years	10	14
Expiry thereafter	0	-
	15	24

22.2 Finance leases

The department has no other financial commitments.

23. Contingent liabilities disclosed under FRS 12

The department has no contingent liabilities.

24. Contingent liabilities not required to be disclosed under FRS 12 but included for parliamentary reporting and accountability

24.1 Quantifiable

The department has no liabilities of this nature.

24.2 Unquantifiable

The department has no liabilities of this nature.

25. Related-party transactions

The Office of the First Minister and Deputy First Minister has had a number of material transactions with the Department of Finance and Personnel, and other government departments and central government bodies. No minister, board member, key manager or other related parties has undertaken any material transactions with the Department during the year.

26. Financial instruments

FRS 13, *Derivatives and Other Financial Instruments*, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way in which government departments are financed, Office of the First Minister and Deputy First Minister is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The department has very limited powers to borrow or invest surplus funds and except for relatively insignificant forward purchases of foreign currency, financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the department in undertaking its activities.

As permitted by FRS 13, debtors and creditors which mature or become payable within 12 months from the balance sheet date have been omitted from the currency profile.

26.1 *Liquidity risk*

The department's net revenue resource requirements are financed by resources voted annually by Parliament, just as its capital expenditure largely is. The Office of the First Minister and Deputy First Minister is not therefore exposed to significant liquidity risks.

26.2 *Interest-rate risk*

The department's financial assets and its financial liabilities carry nil or fixed rates of interest, and Office of the First Minister and Deputy First Minister is not therefore exposed to significant interest-rate risk.

26.3 *Foreign currency risk*

The department's exposure to foreign currency risk is not significant. Foreign currency income is Nil and foreign currency expenditure is not significant.

26.4 *Fair values*

In a comparison by category of book values and fair values of the department's financial assets and liabilities as at 31 March 2005 fair value is not significantly different from book value.

27. Entities within the departmental boundary

The entities within the boundary during 2004-05 were as follows:

a	Supply financed-agencies:	None
b	Non-executive NDPBs:	Statute Law Committee
c	Other entities:	None.

28. Intra-Government Balances

	Debtors: Amounts falling due within one year	Debtors: Amounts falling due after more than one year	Creditors: Amounts falling due within one year	Creditors: Amounts falling due after more than one year
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Balances with other central government bodies	4,479	-	-	-
Balances with local authorities	-	-	-	-
Balances with NHS Trusts	-	-	-	-
Balances with public corporations and trading funds	-	-	-	-
Balances with bodies external to government	-	-	-	-
At 31 March 2005	4,479	-	-	-
Balances with other central government bodies	6,011	-	-	-
Balances with local authorities	-	-	-	-
Balances with NHS Trusts	-	-	-	-
Balances with public corporations and trading funds	-	-	-	-
Balances with bodies external to government	-	-	-	-
At 31 March 2004	6,011	-	-	-

29. Losses and special payments

There were 12 cases of loss totalling £1,464.45.

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