

Office of the First Minister and Deputy First Minister
Resource Accounts
For the year ended 31 March 2013

*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*

on

4 July 2013

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Annual Report and Accounts for the period ended 31 March 2013

	Pages
Annual Report:	
Director's Report	1-5
Management Commentary	6-27
Departmental Remuneration Report	28-36
Sustainability Report	37
Accounts:	
Statement of Accounting Officer's Responsibility	38
Governance Statement	39-54
The Certificate of the Comptroller and Auditor General	55-57
Statement of Parliamentary Supply	58
Statement of Comprehensive Net Expenditure	59
Statement of Financial Position	60
Statement of Cashflows	61
Statement of Changes in Taxpayers Equity	62
Notes 1-33 accompanying the Accounts	63-84

**OFFICE OF
FIRST MINISTER AND DEPUTY FIRST MINISTER
2012/13 ANNUAL REPORT**

DIRECTORS' REPORT

The Office of the First Minister and deputy First Minister (OFMDFM) presents its accounts for the financial year ended 31 March 2013 as directed by the Department of Finance and Personnel under section 9(1) of Government Resources and Accounts Act (Northern Ireland) 2001. These accounts have been prepared in accordance with the appropriate form and disclosure requirements of the Government Financial Reporting Manual.

SCOPE

Accounting Boundary

The Departmental boundary is determined by the way in which in-year budgetary control is exercised by the Department. For the year 2012/13 in addition to the OFMDFM core department the following are considered to be within the boundary and their financial performance is consolidated in the Department's resource accounts:

- **Attorney General for Northern Ireland**

The commencement of Sections 22-26 of the Justice (Northern Ireland) Act 2002 on 12 April 2010 (when policing and justice powers were devolved) established the position of the Attorney General for Northern Ireland as a statutory office within the devolved administration. The Attorney General is an independent statutory office holder appointed by the First Minister and deputy First Minister for a fixed term in accordance with the terms of his appointment and the provisions of the Justice (Northern Ireland) Act 2002. Further details are available at www.attorneygeneralni.gov.uk

- **Commissioner for Public Appointments for Northern Ireland**

The post of Commissioner for Public Appointments for Northern Ireland was established in 1995 on the recommendation of the Committee on Standards in Public Life. The Commissioner is appointed by the First Minister and deputy First Minister and is a statutory office holder operating at arm's length from the Department. The Commissioner's role is to regulate, monitor and report on Ministerial appointments to a range of public bodies as outlined in legislation. Further details are available at www.publicappointmentsni.org

- **Inquiry into Historical Institutional Abuse**

The Programme for Government Priority 2 includes a "review of historical institutional abuse" and in September 2011, the Executive agreed and announced an inquiry and investigation into historical institutional abuse. The Inquiry into Historical Institutional

Abuse 1922-1995 was established on 1 October 2012 and the Inquiry into Institutional Abuse (Northern Ireland) Act 2013 came into operation on 19 January 2013.

- **North South Ministerial Council Joint Secretariat (North)**

Established under the terms of the Belfast/Good Friday Agreement, the North South Ministerial Council brings together Ministers from the Northern Ireland Executive and the Irish Government to develop consultation, co-operation and action on matters of mutual interest. The North South Ministerial Council is supported by a Joint Secretariat, based in Armagh and staffed by civil servants from OFMDFM and the Irish Civil Service. The North South Ministerial Council Joint Secretariat (North) provides advice and support for Ministers in relation to their participation in the North South Ministerial Council. Further details are available at www.northsouthministerialcouncil.org

- **Planning Appeals Commission and Water Appeals Commission**

The Planning and Water Appeals Commissions are independent appellate bodies established under statute to deal with a wide range of land use, planning, water and related issues. Further details are available at www.pacni.gov.uk

Entities outside the Accounting Boundary

The Department provides funding to a number of non-departmental public bodies and sponsored bodies which are outside the Departmental accounting boundary, as listed below. Each of these bodies produces its own published annual reports and accounts, and their financial performance is not consolidated into the Department's resource accounts.

- **Commissioner for Children and Young People for Northern Ireland**

The Commissioner for Children and Young People was established as an executive non-departmental public body in 2003. Its primary role is to promote and safeguard the rights and best interests of children and young people in Northern Ireland. Further information, including the Commissioner's annual report and accounts can be obtained at www.niccy.org

- **Commissioner for Older People for Northern Ireland**

The Commissioner was established as an executive non-departmental public body under the Commissioner for Older People Act (Northern Ireland) 2011 and the Commissioner took up post on 14 November 2011. The principal aim of the Commissioner is to safeguard and promote the interests of older persons. Her duties include promoting an awareness of, and safeguarding matters relating to the interests of older people, and keeping under review the adequacy and effectiveness of relevant law and practice and services. The Commissioner is currently formulating her first Business and Corporate Plan.

- **Community Relations Council for Northern Ireland**

The Community Relations Council was established with government support in 1990. It is an executive non-departmental public body and formed as an independent company with

charitable status. Since then it has developed to become a centre of expertise on community relations practice and is the main channel for government funding for voluntary sector community relations groups and projects. The Council is a strategic partner in the implementation of policy on good relations. Until November 2012 it also administered funding on behalf of the Department to groups providing services to victims and survivors. This function is now the responsibility of the Victims and Survivors Service. Further information, including its Annual Report and Accounts, can be obtained at www.community-relations.org.uk

- **Commission for Victims and Survivors for Northern Ireland**

The Commission for Victims and Survivors for Northern Ireland was established as an executive non-departmental public body in June 2008. The principal aim of the Commission is to promote the interests of victims and survivors. Its duties include promoting an awareness of, and safeguarding matters relating to the interests of victims and survivors, and keeping under review the adequacy and effectiveness of law and practice and services provided for victims and survivors. Further information including the Commission's work plan can be obtained at www.cvsni.org

- **Equality Commission for Northern Ireland**

The Equality Commission for Northern Ireland is an executive non-departmental public body established under the Northern Ireland Act 1998 with statutory functions which include working towards eliminating unlawful discrimination and to promote equality of opportunity on the grounds of disability, sex, race and religious belief/political opinion. The Commission also has responsibilities under Section 75 of the Northern Ireland Act 1998 in relation to the public sector equality duties. Further information, including the its Corporate Plan and Annual Report and Accounts can be found at www.equalityni.org

- **Economic Research Institute of Northern Ireland**

The Economic Research Institute of Northern Ireland was originally established as an independent economic research body. Following a comprehensive review, completed by external consultants, public funding was withdrawn and the body ceased to operate at the end of July 2011 and is in the process of being wound up.

- **Ilex Urban Regeneration Company**

Ilex was established as an executive non-departmental public body limited by guarantee on 17 July 2003 to create and promote the co-ordinated regeneration of the Derry City Council area through the collective force of private and public sector drive, expertise, finance and development skills. The company is funded by OFMDFM and the Department for Social Development as set out in the Financial Memorandum. OFMDFM will assume full sponsorship responsibility for Ilex from 1 April 2013 with the funding responsibilities of the Department for Social Development for the remainder of the current budget period managed through a memorandum of understanding between both departments. Ilex discharges its responsibilities through the implementation of a Corporate Plan and a related annual Business Plan. Further information can be obtained at www.ilex-urc.com

- **Maze/Long Kesh Development Corporation**

The Maze/Long Kesh Development Corporation was established as an executive non-departmental public body on 10 September 2012. The overall aim of the Corporation is to secure the regeneration of the Maze/Long Kesh site. The Corporation has its own Board and is funded by OFMDFM.

- **Northern Ireland Judicial Appointments Commission**

The Northern Ireland Judicial Appointments Commission is a non-departmental public body which was established on 15 June 2005 under the Justice (Northern Ireland) Act 2002 as amended by the Justice (Northern Ireland) Act 2004. Sponsorship of the Commission transferred to OFMDFM on the devolution of policing and justice powers in April 2010. It is currently responsible for selecting and appointing, or recommending for appointment, applicants in respect of all listed judicial offices up to and including High Court Judge. Further information, including the Commission's Annual Report and Accounts, can be obtained at www.nijac.gov.uk

- **Northern Ireland Memorial Fund**

The Northern Ireland Memorial Fund is an executive non-departmental public body and formed as a company limited by guarantee with charitable status. It administered funding to individual victims and survivors on behalf of OFMDFM until 31 March 2013 when the function transferred to the Victims and Survivors Service. The Fund is now in the process of being wound up for closure.

- **Strategic Investment Board**

The Strategic Investment Board Limited is an executive non-departmental public body and formed as a company limited by guarantee. It prepares and oversees the Investment Strategy for Northern Ireland, to support the successful delivery of major and complex infrastructure projects, to foster reform in public sector systems and processes and to advise on the effective use of public sector property assets. The company plays a key role in supporting the Programme for Government and Economic Strategy. It has its own Board and is wholly funded by OFMDFM. Further details of the work of the Strategic Investment Board, the projects in which it is involved and other information can be found at www.sibni.org

- **Victims and Survivors Service**

The Victims and Survivors Service is an executive non-departmental public body and formed as a company limited by guarantee. It was established by OFMDFM to administer funding and support to victims and survivors and opened in April 2012. Its aim is to provide a high quality service to victims and survivors based on individual assessed needs through the funding of victims' groups and the direct commissioning of interventions and financial assistance to individuals. During 2012/13 the Victims and Survivors Service took over responsibility for work with victims and survivors previously carried out by the Community Relations Council and the Northern Ireland Memorial Fund. Further information on the Victims and Survivors Service can be found at www.victimsservice.org.

Departmental Reporting Cycle

This report provides a summary of the Department's performance and key achievements during 2012/13. The Department's original Estimates for the year were set out in *Northern Ireland Main Estimates 2012/13*. Revised Estimates were published in *Northern Ireland Spring Supplementary Estimates 2012/13*. Both documents are available at <http://www.dfpni.gov.uk/main-estimates> or from *The Stationery Office, TSO*.

MANAGEMENT COMMENTARY

DEPARTMENTAL AIM

The Department's aim is to *build a peaceful and prosperous society with respect for the rule of law where everyone can enjoy a better quality of life now and in years to come.*

Programme for Government 2011-2015

The Programme for Government contains 16 commitments for which OFMDFM had lead or shared responsibility during 2012/13. These are:

Priority 1: Growing a Sustainable Economy and Investing in the Future

- Press for the devolution of Corporation Tax and reduce its level (shared with Departments of Finance and Personnel and Enterprise, Trade and Investment)
- Develop Maze/Long Kesh as a regeneration site of regional significance
- Develop the 'One Plan' for the regeneration of Derry/Londonderry, incorporating the key sites at Fort George and Ebrington
- Provide financial and other support across government to ensure the success of the Derry/Londonderry City of Culture 2013
- Facilitate delivery of the Executive's 20% target for increased drawdown of competitive EU funds.

Priority 2: Creating Opportunities, Tackling Disadvantage and Improving Health and Wellbeing

- Provide £40m to address dereliction and promote investment in the physical regeneration of deprived areas through the Social Investment Fund
- Invest £40m to improve pathways to employment, tackle systemic issues linked to deprivation and increase community services through the Social Investment Fund
- Publish and implement a Childcare Strategy with key actions to provide integrated and affordable childcare
- Deliver a range of measures to tackle poverty and social exclusion through the Delivering Social Change framework
- Use the Social Protection Fund to help individuals and families facing hardship due to the current economic downturn
- Fulfil our commitments under the Child Poverty Act to reduce child poverty
- Extend age discrimination legislation to the provision of goods, facilities and services
- Establish an advisory group to assist Ministers in alleviating hardship including any implications of the UK Government's Welfare Reform Programme.

Priority 4: Building a Strong and Shared Community

- Publish the Cohesion, Sharing and Integration Strategy to build a united community and improve community relations.

Priority 5: Delivering High Quality and Efficient Public Services

- Agree any changes to post-2015 structures of Government in 2012
- Improve online access to government services (shared with Department of Finance and Personnel).

Programme for Government Delivery Framework

The Programme for Government is supported by a structured Delivery Framework within which processes, roles and responsibilities are clearly identified and assigned. OFMDFM, along with all other NICS Departments, has produced a detailed Delivery Plan for each commitment for which it has responsibility. Each Plan has a Senior Responsible Officer who is responsible for its currency and accuracy, and it is this document that underpins the monitoring and reporting of progress throughout the lifetime of the Programme for Government. Delivery of the commitments is managed at three levels:

- **Executive Programme Board**

The Executive Programme Board is chaired by the First Minister, deputy First Minister, attended by the Minister of Finance and Personnel and supported by the Head of the Civil Service. Its main function is to consider and approve strategic direction as well as managing the overall Programme. The Board reports to the Executive on progress on a quarterly basis.

- **Delivery Oversight Group**

The Executive Programme Board is supported by the Delivery Oversight Group which is chaired by the Head of the Civil Service and supported by the Permanent Secretaries Group. Its main objective is to drive and support Programme delivery, ensuring constancy of direction and purpose. It acts to assure the Executive Programme Board of progress and, where necessary, to recommend actions to address issues that may arise.

- **Central Team**

A Central Team comprised of OFMDFM and officials of the Department of Finance and Personnel provides analytical and administrative support to the Delivery Oversight Group and the Executive Programme Board.

Programme for Government Reporting

Progress against each of the commitments is reported on a quarterly basis. The findings of the reports are published on the Executive's website and can be found at:

<http://www.northernireland.gov.uk/index/work-of-the-executive/programme-for-government-and-budget-v1/pfg/strategic-online-report-2011-2015.htm>

Summary versions of Delivery Plans are regularly updated and published online, and these can be found on the Executive's website at:

<http://www.northernireland.gov.uk/index/work-of-the-executive/programme-for-government-and-budget-v1/pfg/pfg-2011-2015-delivery-plans.htm>

PERFORMANCE ON KEY PRIORITIES IN 2012/13

Supporting the work of government

- **21 Executive meetings**
- **193 Executive papers**
- **23 North South Ministerial Council meetings**
- **4 British-Irish Council meetings**
- **7 Joint Ministerial Committee meetings**

The Department provides advice, guidance and support to the First Minister and deputy First Minister, Executive Ministers and Departments on their responsibilities relating to participation in the institutions of Government, including the Assembly, the North South Ministerial Council and the British-Irish Council, as well as participation in the Joint Ministerial Committee. It plays a central role in developing, coordinating and monitoring the Executive's Programme for Government and Legislative Programme and acts as a central point of co-ordination and advice on Executive and Assembly procedures and business.

During 2012/13 there were 21 Executive meetings at which 193 Executive papers were considered. The economic downturn continued to be a major and ongoing priority for the Executive, and was included as an agenda item at all scheduled Executive meetings. Matters considered by the Executive included: the Social Investment Fund; Electricity Market Reform; a Disability Strategy for 2012-15; the introduction of the 'Inquiry into Historical Institutional Abuse' Bill; the introduction of the Education Bill; a Strategy for Young People Not in Employment, Education or Training; the development of an Investment Strategy for Northern Ireland; the Delivering Social Change agenda; the Economy and Jobs Initiative; the Adoption and Children Bill; the Criminal Justice Bill; a fundamental Review of the Northern Ireland Housing Executive and the refresh of the Suicide Prevention Strategy. The Executive also responded to major flooding incidents in June and July 2012 and to the unprecedented snowstorm of March 2013. The Department continued to support the work of the Budget Review Group, which played an important role in overseeing the Executive's response to budgetary pressures and financial challenges.

When justice responsibilities were devolved in 2010, interim arrangements for judicial appointments came into force, with a sunset clause which became operative in 2012. Following an Assembly and Executive Review Committee report, endorsing the continuation of the arrangements, the First Minister and deputy First Minister tabled an Assembly motion to disapply the sunset clause. This was carried after a debate on 2 October 2012.

Executive Ministers participated in 23 meetings of the North South Ministerial Council, including two Plenary meetings and one Institutional meeting. The British-Irish Council met on four occasions with Summit meetings in Stirling and Cardiff, and two meetings in Sectoral

format in the Misuse of Drugs and Environment work streams. The Department also contributed to the work and resourcing of the new Standing Secretariat for the British-Irish Council in Edinburgh. Ministers attended a plenary meeting of the Joint Ministerial Committee in September 2012, two meetings of the Joint Ministerial Committee in Domestic format in May 2012 and March 2013, and quarterly meetings of the Joint Ministerial Committee in European format.

The Department continued to provide support to Ministers in the discharge of their accountability to the Assembly through Ministerial Statements, responses to debates, engagement with Assembly Committees, responding to Assembly Questions and the passage of legislation through the Assembly. On 3 July 2012 a statement was made to the Assembly detailing Executive Ministers' legislative intentions for the 2012/13 Assembly session. The Office of the Legislative Counsel continued its work to deliver this legislative programme within challenging timescales.

Strategic Investment and Regeneration

- **Maze/Long Kesh Development Corporation established and operational**
- **'Soft' market testing of the Ebrington site conducted by Ilex to gauge private sector investment**
- **Cross-departmental oversight group established to support the delivery of the 'One Plan' Regeneration Plan**
- **£2.5 million committed to infrastructure for the UK City of Culture 2013 and cross-departmental oversight group established to deliver funding and support**
- **Tour operator appointed for Crumlin Road Gaol – 17 jobs created and 25,000 visitors in 4 months**
- **Investment Strategy 2011-21 published on planned capital investment of over £13.3 billion and around £1.3 billion invested by departments in 2012/13**
- **38 programmes and projects supported by the Strategic Investment Board including contribution to delivery of 18 Programme for Government commitments**
- **£22.5 million income for the Executive generated by the Asset Management Unit through the disposal of government assets**

The Department has responsibility for the strategic management, regeneration and disposal of former military sites to maximise their value for the Executive and to deliver an integrated and coordinated approach to major infrastructure investment and development. The regeneration programme includes Crumlin Road Gaol in Belfast, Maze/Long Kesh and, through Ilex, Ebrington Barracks in Derry/Londonderry.

The Crumlin Road Gaol was renovated as a public asset helping to transform North Belfast's physical appearance and contributing to the city and wider region in terms of economic prosperity and job creation, improved social conditions and community confidence and cohesion. In 2012/13 Belfast Tours was granted a lease to operate a visitor attraction and conference centre employing 17 staff. Since 19 November 2012 there have been over 25,000 visitors to the Gaol, 75 conferences and events including a wedding reception, concerts, film production, movie screening, business breakfasts, community events and education visits. Planning permission was approved for the development of a boutique distillery, restaurant and a history of whiskey production visitor attraction in A Wing of the Gaol.

The Maze/Long Kesh Development Corporation Board was established on 10 September 2012 with responsibility for the regeneration of the site. The Royal Ulster Agricultural Society relocated to the site and confirmed the hosting of the Society's 2013 Agricultural Show at Maze/Long Kesh. Under the EU PEACE III programme, €20 million of EU funding was accepted by OFMDFM Ministers to help build an international Peace Building and Conflict Resolution Centre on the Maze/Long Kesh site by 2015. An international design team was been appointed to take this forward.

Ilex made substantial progress on the regeneration of the Ebrington former barracks site in Derry/Londonderry including work to refurbish former military accommodation blocks for use as a creative digital industries hub to be used in the interim to host the Turner Prize Exhibition. Work is underway to construct an underground multi storey car park on the site.

The Department continued to manage the three former military sites at St Patrick's Barracks in Ballymena, St Lucia in Omagh and Shackleton Barracks, Ballykelly. Forty seven former military houses at St Patrick's Barracks in Ballymena were sold to the Department for Social Development for use as social housing. The sites also hosted a number of community and sporting events.

The Investment Strategy 2011-21 was approved by the Executive and published in October 2012 setting out a ten year plan for the delivery of new schools, hospitals, roads and other civic infrastructure with a total value of over £13.3 billion. In 2012/13 Departments invested £1.3 billion in capital programmes. The Strategic Investment Board continued to provide advice to Ministers and Departments on major investment projects. It contributed to the delivery of 18 Programme for Government commitments, supporting 38 programmes and projects. In 17 of these it provided the project director or manager.

The Asset Management Unit completed the initial upload of available office accommodation and land information on to the ePIMS central asset register. It supported the completion of departmental Asset Management Plans and prepared an Asset Management Strategy for consideration by the Executive. It also facilitated the achievement of the Executive's £22.5 million target for raising additional capital for reinvestment and identified the remaining £10 million of capital realisations of the Executive's target of £100 million of disposals.

International Relations

- **35 inward visits from international government, political and diplomatic leaders to promote productive and mutually beneficial relationships**
- **9 Ministerial visits to the United States, Brazil, India and China**
- **3 Ministerial visits to Brussels**
- **Government to government relations with the People's Republic of China**

The Brussels and Washington offices maintain a key presence abroad. In EU matters the Department seeks to ensure compliance with regulation, ensure Northern Ireland interests are considered in policy formulation and obtain maximum benefit from EU policies and programmes.

In 2012/2013, the Washington Bureau continued to promote Northern Ireland's interests in North America and successfully directed the first official visit to Brazil by the First Minister and deputy First Minister to promote economic development, trade, tourism, university and sporting links with Latin America's largest economy. There were six other ministerial visits to the United States including the annual St. Patrick's event in Washington and a meeting with senior HBO executives at the "Game of Thrones" Season 3 premiere in Los Angeles, leading to the announcement on HBO's continued investment by committing to a fourth season.

The Bureau also kept Northern Ireland on the agenda of both Congress and the Obama Administration and worked to support the work of Invest NI and Tourism Ireland in attracting Foreign Direct Investment and tourism. It also worked with Department of Health, Social Services and Public Safety to design and manage Northern Ireland's first Connected Health event in Boston. It also worked closely with the State Department and the Irish Embassy to support the success and expansion of the US Ireland Research and Development Partnership. It continued to deliver a range of successful initiatives with partnering organisations including the American Ireland Fund, Wild Geese Network of Irish Scientists, Irish Network DC and Federal Executive Institute.

In Brussels, the Executive's Office continued to provide the focal point for the work of the Barroso Task Force. This included a plenary meeting of European Commission Task Force Members in December 2012 attended by Junior Ministers Bell and McCann which outlined continued economic challenges and reinforced the areas where taskforce support remains highly relevant.

The policy debate in Brussels continued to be dominated by the financial crisis and future levels of budget provision for the EU. In that context, the First Minister and deputy First Minister undertook a broad programme of meetings in June 2012 with senior European politicians. They also spoke at a major conference organised by Commissioner Hahn to

showcase important projects funded by the European Peace Programme. This was followed by the announcement of a further Peace Programme for Northern Ireland and the Border Counties of Ireland.

The Brussels Office also contributed to promoting European engagement through a Senior Civil Service Masterclass on influencing key decisions in Europe. It also continued to promote arts and culture through its 'Brussels Platform', co-organised and co-financed with the Arts Council.

The Office supported 14 ministerial visits and members of Assembly Committees, local government, non-government organisations and other local organisations in their European engagement. It welcomed four additional desk officers to assist departmental engagement with Europe including the drawdown of Competitive EU Programmes in line with Programme for Government commitments.

OFMDFM is also responsible for identifying opportunities, through the coordination of inward visits, for developing productive international partnerships and growing the economy. During 2012/13 the Department managed over 35 inward programmes from visiting international leaders in government, politics, diplomacy and business. These meetings supported a key priority of the Executive to grow the economy and provided important presentational opportunities for Ministers and the opportunity to exchange information and experiences. Diplomatic representatives included Ambassadors and senior political leaders from the People's Republic of China, Russia, Brazil, Colombia, South Korea, United Arab Emirates and Japan. Visits have also been facilitated from the Philippines Peace Negotiating Panel, The Thai Senate, Colombia and Libyan Parliamentarians wishing to learn firsthand about peace negotiations. Following a visit from the Chinese State Counsellor OFMDFM Ministers led a trade mission to China in November 2012.

Equality and Strategy

- **Implementation commenced on Delivering Social Change, a cross-departmental delivery framework to improve children's life chances and address multi-generational poverty**
- **New Delivering Social Change Fund created and six Signature Programmes worth some £26m announced in October 2012**
- **Area plans completed for the nine Social Investment Fund Zones**
- **Over £2 million allocated for financial years 2013-14 and 2014-15 to groups working to support minority ethnic communities and better race relations**
- **Over £10 million allocated to fund good relations activity in 2012/13**
- **Consultation completed on a new Childcare Strategy**
- **Launch of inquiry and investigation into the Historical Institutional Abuse of children**

- **New Victims and Survivors Service in place**
- **Work commenced on a Review of the Gender Equality Strategy**
- **Single Victims Commissioner appointed**
- **Work commenced on the development of a Racial Equality Strategy**
- **New Disability Strategy agreed and launched**
- **Advisory Group on alleviating Hardship established**
- **Report of the Advisory Group on alleviating hardship delivered to Ministers**

Following publication of the Programme for Government in March 2012 a new approach led by OFMDFM to monitor the 82 commitments was implemented including the initiation of remedial measures with relevant Departments to bring programmes experiencing difficulty back on track.

A key element of the Programme for Government for OFMDFM was the Delivering Social Change Framework. The Framework's initial focus was on the needs of children and families to ensure the most urgent and significant problems were addressed, such as poor educational outcomes, poor physical and mental health, economic inactivity, social exclusion and disadvantage. In line with this, Ministers agreed a Children and Young Persons Early Action Document which identified key priorities to be taken forward over the coming years under Delivering Social Change. These key priorities were developed following discussions with key stakeholders.

As well as the work around early action the First Minister and deputy First Minister announced, on 10 October 2012 the development of six signature programmes totalling £26 million to be taken forward by lead Departments. The programmes focus on immediate actions to tackle issues such as improving literacy and numeracy levels, family support and pathways to employment for young people.

Following formation of Steering Groups for the nine Social Investment Zones, final area plans were developed by February 2013. This followed an extensive programme of local engagement.

On 31 March 2013 the responsibility for administering Victims and Survivors financial assistance to individuals transferred to the Victims and Survivors Service from the Northern Ireland Memorial Fund which formally closed for funding applications on this date.

A draft Strategy on Disabilities was developed on behalf of the Executive with support from Disability Action. A child poverty outcomes model was developed to promote improved integration of work across departments. OFMDFM also led the work of the cross-departmental Childcare Project Board on developing a Childcare Strategy to provide integrated, affordable, accessible and good quality childcare. £12 million was secured to support the development of the Strategy over the period of the Comprehensive Spending

Review. Public consultation on the Strategy took place from 5 December 2012 to 5 March 2013.

Working with the Gender Advisory Panel, Equality Practitioners and NISRA, OFMDFM reviewed the Executive's Gender Equality Strategy to inform the remaining years of the Strategy (2013-2016). Ministers and officials held discussions with representatives of lesbian, gay and bi-sexual stakeholders and participated in sector-led forums to discuss a range of issues including the preparation of a consultation on the Sexual Orientation Strategy. Meetings with trans-gender people helped to raise awareness of issues which they consider need to be addressed.

Significant work took place on a strategic approach to Good Relations which would provide an important building block for achieving the vision of a shared and united community and a platform for society to build on the strong progress that has already been made. The Department continued to fund good relations activity. Nine projects are now being supported as a result of the Contested Spaces Programme, jointly funded with Atlantic Philanthropies. £500,000 was administered through Education and Library Boards and Belfast City Council to support summer intervention work among young people. £770,000 was allocated to support continued good relations activity in the North Belfast area and to build on the effective working relationships established within the community. The District Councils Good Relations Programme was allocated £3.3 million to deliver action plans which reflect the current and prioritised good relations issues impacting in each local area. A new Central Good Relations funding scheme was also launched with £400,000 allocated to support productive time bound projects.

Funding of over £2 million was allocated for the next two financial years under the Minority Ethnic Development Fund to groups working to support minority ethnic communities and better race relations. Work also started on the development of the new Racial Equality Strategy through the Racial Equality Panel.

During the year OFMDFM established the Inquiry into Historical Institutional Abuse. Chaired by Sir Anthony Hart, this independent Inquiry will examine if there were systemic failings by institutions or the state in their duties towards those children under 18 in their residential care between the years of 1922 and 1995. Following an announcement on 31 May 2012 on the Chair, four panel members and Terms of Reference the Inquiry was up and running from 1 October 2012 and the legislation came into operation on 9 January 2013. Draft Inquiry into Historical Institutional Abuse Rules were published for public consultation on 28 March 2013. The Inquiry is expected to report in January 2016.

Economic Policy

- **Establishment and operation of Joint Ministerial Working Group on devolution of Corporation Tax**
- **Support for delivery of Executive priority measures to deal with the economic downturn**

The Programme for Government includes a commitment to press for the devolution of corporation tax and reduce its level as a means of stimulating the local economy.

During 2012/13 a post programme evaluation of the impact of the Executive priority measures package to address the economic downturn was initiated. The work of the Joint Ministerial Working Group was also completed. It met four times during the year. Following the final meeting on 18 October 2012 a report was sent to the Prime Minister for his consideration. At a meeting with the First Minister and the deputy First Minister on 26 March 2013 the Prime Minister indicated that no decision on the devolution of corporation tax powers would be made until autumn 2014, after the Scottish referendum. The meeting was adjourned to allow officials to explore how a positive decision could be given legislative effect before the end of the current parliament.

Executive Information Service

- **Over 9 million visits to nidirect**
- **10 advertising campaigns worth over £1 million as well as advice and guidance to non-departmental public bodies**
- **Over 4,800 classified advertisements delivered at a value of £1.6 million with estimated savings of over £258,000**
- **New framework and protocol for campaign advertising established**
- **Approval of Executive's 2013/14 advertising programme**

The Executive Information Service is responsible for ensuring a corporate approach to government communications, out-posting communication professionals to all departments to provide direct support to Ministers and officials. It also manages the nidirect website, the main digital channel for government information and services, and provides the central management and co-ordination of all government campaign and classified advertising.

The nidirect website (www.nidirect.gov.uk) had more than 9 million visits in the last year, for the second year in a row nearly doubling the traffic in the previous year. As well as making government information and services easily available to the citizen, the site continued to show its value as a robust platform for rapid mass communication.

The Government Advertising Unit delivers effectiveness, scrutiny and value for money in the delivery of campaign and classified advertising. During 2012/13 it implemented new controls agreed by the Executive to judge the appropriateness and value for money of all campaigns run by departments, their agencies, non-departmental public bodies and arms-length bodies.

Civil Contingencies

- **Strengthened arrangements to support the Civil Contingencies Group (NI) as the principle emergency preparedness body for the public sector**

The Department has responsibility to promote the development of emergency planning and response arrangements within the public sector to ensure an effective and efficient response to assist the public during and following an emergency affecting the region.

During 2012/13 the Department introduced new and enhanced arrangements to support the Civil Contingency Group (NI). These included strengthened leadership arrangements and an increased capability by extending membership to key agencies and business areas from across the NICS. The enhanced arrangements also provided for improved governance, with Civil Contingency Group (NI) now operating as a programme board. The Group met for the first time under the new arrangements in November 2012, and has begun to progress a substantial multi-agency work programme to address current and future civil contingencies issues.

Sustainable Development

- **Framework guidance on the statutory duty for sustainable development completed**
- **Events hosted to raise awareness**
- **Improved collaboration and engagement with other devolved administrations and sectoral partners in Northern Ireland**

The Department has lead policy responsibility for sustainable development which includes the monitoring and reporting of progress on the Executive's priorities outlined in the Sustainable Development Strategy and Implementation Plan. OFMDFM works with all Government departments and external stakeholder groups to progress the development and integration of cross-cutting policies and programmes. It also has strategic responsibility for the delivery of the Executive's sustainability priorities and objectives. Sustainability has been identified as one of three cross-cutting themes in the Programme for Government, along with equality and balanced sub-regional growth.

During 2012/13 work focused on promoting and sharing sustainable development learning, practices and experiences and strengthening partnerships with regional, national and international colleagues. OFMDFM and the Sustainability Champions Network which was established to facilitate, promote and advise on strategic sustainability issues within the NICS, provided cross-departmental advice and support to Ministerial-led groups and Assembly Committees. Externally, the Department continued to work with local government, academia and private sector organisations to progress the overall policy agenda.

OFMDFM also completed a project, in partnership with the Northern Ireland Local Government Association, to develop framework guidance to support the implementation of the Statutory Duty on Departments and Councils to promote the achievement of sustainable development. In collaboration with the United Kingdom Government and the devolved administrations in Scotland and Wales, OFMDFM has continued to develop a collaboration mechanism to support the sharing of knowledge and good practice between jurisdictions and has been involved in a number of meetings and events in support of this.

Freedom of Information

The number of Freedom of Information requests received by OFMDFM in the 2012 calendar year was 139. This was lower than the number received in the previous year (171). Of the requests received, 43% came from members of the public and 32% from the media. The remainder came from businesses, campaigning groups, public representatives, researchers and solicitors. In addition, 10 internal reviews were carried out, and 10 complaints against the Department were investigated by the Information Commissioner. OFMDFM continued to provide a central advisory service to all Departments on compliance with the FOI Act 2000 and the Environmental Information Regulations 2004. In particular, OFMDFM submitted a composite NICS response to the Westminster Justice Select Committee's call for evidence regarding the Post-legislative Scrutiny of the FOI Act.

Information Assurance and Management

OFMDFM strengthened its information assurance governance structures and processes to ensure the continuing protection, legitimate processing and secure disposal of its sensitive business and personal information. The Senior Information Risk Owner issued a revised information security policy, applicable to the Department and sponsored arm's length bodies. An Information Assurance seminar was also held for senior staff at which the Information Commissioner's Office highlighted key areas for continued vigilance.

OFMDFM's records Retention and Disposal schedule was approved by the Assembly and is now being implemented. Furthermore, the processing of personal information was reviewed, so that the Department could renew its registration as a 'Data Controller' with the Information Commissioner's Office. The Departmental Security Officer continued to review and report on resilience, vulnerabilities and risks to the Senior Information Risk Owner and to the Departmental Board. There were no reported personal data incidents

FINANCIAL PERFORMANCE

Table 1: OFMDFM Outturn against Estimate by Category of Spend

2012/13	Estimate £m	Outturn £m	Underspend (Overspend) £m/%	/
Administration Costs	18.682	18.483	0.199	1.07%
Grants/Grant-in-Aid	50.814	49.610	1.204	2.37%
Other Current (including accruing resources)	19.978	18.371	1.607	8.04%
Total Resources	89.474	86.464	3.010	3.36%
Capital	3.886	3.529	0.357	9.19%
Departmental Total	93.360	89.993	3.367	3.61%

The Department's total Resource Outturn for the 2012/13 financial year was £86.464 million against an Estimate of £89.474 million. Total Capital Outturn for the 2012/13 financial year was £3.529 million against an Estimate of £3.886 million.

Table 1 provides a breakdown of the total outturn figure, as compared against Estimate, by category of expenditure.

The majority of the Department's non-administration expenditure was in relation to Grants or Grants-in-Aid in support of the Department's objectives. The Department's grant expenditure totalled £49.610 million, representing 73.0% of non-administration cost expenditure.

Resource Outturn

The Department had a total resource underspend against Estimate provision of £3.010 million, 3.36% of the budget for the year. The Department is committed to improving its overall financial performance and reducing the level of year end underspend.

Analysis of Resource Underspend by Request for Resource

Table 2: Summary of Resource Outturn by Request for Resource

Request for Resource (RfR)	Estimate £m	Outturn £m	Underspend £m/%
RfR A	89.474	86.464	3.010 3.36%
Departmental Total	89.474	86.464	3.010 3.36%

Request for Resources A (RfR A)

Driving investment and sustainable development; making people's lives better through support for equality, human rights and community relations; and the effective operation of the institutions of Government.

The net underspend against RfR A of £3.010 million is due to the combined impact of the underspends in a range of business areas.

- The Department recorded an Administration cost underspend of £0.199 million (1.07%). This underspend arose primarily as a consequence of lower than anticipated (i) salary costs due to vacant posts not being filled by the year end as had been expected and (ii) notional costs.
- The Department recorded a Resource underspend of £2.811 million (4.0%) mainly due to the following underspends:
 - Strategic Sites (AME) (£1.355m):
 - relating to lower than anticipated revaluation charges on the reduction in value of land and buildings at OFMDFM Strategic Sites;
 - Economic Research Institute of Northern Ireland (ERINI) (£0.580m):
 - relating to the release of accruals in respect of dilapidation costs associated with ERINI premises no longer required;
 - Support for Equality, Human Rights and Community Relations (£0.556m):
 - primarily relating to lower than anticipated Foreign Exchange losses on EU Funding; and
 - EU Programme for Peace and Reconciliation (£0.406m):
 - relating to lower than anticipated take up of Peace III expenditure by groups in the last quarter of the financial year.

Management of Administration Costs

The Department is committed to achieving value for money and the delivery of efficiencies in the use of public funds. Departmental administrative expenditure on the following areas reduced in 2012/13 in contrast to 2011/12:

- Office services - reduction of £34,000 (7%) on 2011/12; and
- Contracted out services – reduction of £66,000 (18%) on 2011/12.

Capital Outturn

The Department had a total capital underspend against Estimate provision of £0.357 million, 9.2% of the budget for the year. A substantial proportion of this funding had been transferred to an Arm's Length Body of the Department to provide it with additional spending power. The Department is committed to improving its performance in the management of its capital expenditure.

Analysis of Capital Underspend by Request for Resource

Table 3: Summary of Capital Outturn by Request for Resource

Request for Resource (RfR)	Estimate £m	Outturn £m	Underspend £m/%
RfR A	3.886	3.529	0.357 9.2%
Departmental Total	3.886	3.529	0.357 9.2%

Request for Resources A (RfR A)

Driving investment and sustainable development; making people's lives better through support for equality, human rights and community relations; and the effective operation of the institutions of Government.

The capital underspend against RfR A of £0.357 million (9.2%) was mainly due to lower than anticipated expenditure within Ilex and Crumlin Road Gaol.

Assets Valuation

OFMDFM Land and Buildings are valued annually by Land and Property Services. In the current year OFMDFM impaired its land and buildings by £2.1m (Note 17) which was funded by Annually Managed Expenditure budget.

Table 4: Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

	2012/13	2011/12
	£000's	£000's
Net Resource Outturn (estimates)	86,464	103,601
<i>Adjustments to remove:</i>		
Provision voted for in earlier years		
<i>Adjustments to additionally include:</i>		
Non voted expenditure in the OCS	2,232	
CFER in OCS	-445	-428
Net Operating Cost Accounts	88,251	103,173
<i>Adjustments to remove:</i>		
Capital Grants to local authorities		
Capital Grants financed from Capital Modernisation Fund		
EU Income & Related Adjustments		
Voted expenditure outside the budget	-40,799	-22,405
<i>Adjustments to additionally include:</i>		
Other CFERs	445	428
Resource Consumption of Non Departmental Public Bodies	35,684	19,788
Capital receipts	3	
Capital grants	-2,150	-
Resource Budget Outturn (Budget)	81,434	100,984
<i>of which</i>		
DEL	77,339	74,090
AME	4,095	26,894

Net Cash Requirement

The net cash requirement for 2012/13 was £80.891 million. This is £3.841 million lower than the estimated net cash requirement of £84.732 million. The Resource Outturn underspend of £3.010 million (as detailed at Table 2), the capital underspend of £0.357 million (as detailed at Table 3), and changes in working capital and non cash costs, reduced the net cash requirement by £3.841 million against the estimated net cash requirement of £84.732 million.

Savings Delivery Plans

The Department developed and published a series of savings plans to deliver these savings, and to provide additional spending capacity for priority programmes within the constraints of the Budget 2010 allocations for OFMDFM. These Savings Delivery Plans intend to achieve savings of £7.33million, £8.36 million, £9.37 million and £10.39 million for the 4 years of the Budget 2010 period. In 2012/13 OFMDFM achieved total savings of £8.68m. This was in excess of the total annual proposed savings of £8.36m as set out in the original Savings Delivery Plans.

POST BALANCE SHEET EVENTS

There have been no significant events since the balance sheet date that would affect these accounts. The financial statements were authorised for issue by the Accounting Officer on 27 June 2013.

MANAGEMENT

Responsibility for the Department has been jointly exercised by the First Minister and deputy First Minister, who are supported in all aspects of their responsibilities by two Junior Ministers. Dr Malcolm McKibbin has held the position of Head of the Civil Service and Permanent Secretary of OFMDFM since 17 October 2011. Noel Lavery was the Departmental Accounting Officer from 4 January 2010 to 28 February 2013. Stephen Boyd was interim Accounting Officer from 1 March to 7 April 2013. Dr Mark Browne was appointed as Departmental Accounting Officer from 8 April 2013.

OFMDFM Departmental Board

The Departmental Board is chaired by the Head of the Civil Service acting in his capacity as Permanent Secretary of OFMDFM. It supports the delivery of effective Corporate Governance and operates within best practice guidelines outlined in HM Treasury's *Corporate Governance in Central Government Departments: Code of Good Practice (2005)*. The Board takes an objective long-term view of the business of the Department, leading its strategic planning process and assisting the Permanent Secretary and the Accounting Officer in meeting their corporate governance responsibilities for the Department.

The roles and responsibilities of the Departmental Board and its sub committees are detailed in the Governance Statement at Page 39.

During 2012/13 the Departmental Board comprised the following members:

- Malcolm McKibbin, Permanent Secretary
- Noel Lavery, Accounting Officer and Director of Resources, Regeneration, International Relations and Institutional Review until 28 February 2013
- George Thorley, Independent Board Member
- Brenda King, First Legislative Counsel from 30 April 2012
- Stephen Grimason, Director of the Executive Information Service
- Neill Jackson, Head of Executive Division
- Mary Bunting, Joint Secretary (North), North South Ministerial Council Joint Secretariat replaced by Colm Shannon on 1 October 2012
- Denis McMahon, Director of Equality and Strategy Directorate
- Alan Maitland, Director of Corporate Services
- Stephen Boyd, Director of Finance (and Interim Accounting Officer from 1 March 2013)

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 and published its Disability Action Plan (www.ofmdfmi.gov.uk) following consultation with representative groups. The Department has also established a Disability Focus Group and a network of Disability Contact Officers who have received disability awareness training.

Equal Opportunities

As an Equal Opportunity employer OFMDFM is fully committed to the elimination of all forms of discrimination, harassment and victimisation. It has a statutory obligation under Section 75 and Schedule 9 of the Northern Ireland Act 1998 to ensure that it carries out its various functions having due regard to the need to promote equality of opportunity between nine social categories, including persons of different religious belief, political opinion, racial group, age, marital status, sexual orientation, gender, persons with/without a disability and persons with/without dependants. It is also required to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion, and racial group.

These statutory obligations are implemented through the Equality Scheme, (approved by the Equality Commission) which shows how OFMDFM proposes to fulfil these duties, and by carrying out equality screening and, where necessary, equality impact assessments on policies. The purpose of these two processes is to ascertain whether the policy has any potential positive or negative implications for equality of opportunity on one or more of the nine listed categories. OFMDFM's new equality scheme has been submitted to the Equality Commission.

Employee Involvement

OFMDFM places considerable reliance on engagement and involvement of its employees. It makes every effort to ensure that staff are kept informed of plans and developments through a formal monthly team briefing process, staff brief, intranet, circulars and publication of corporate and business plans. Staff have access to the NICS Welfare Services, an Employee Assistance Programme and trade union membership.

The Department continues to use the established Whitley process for staff consultation. The Departmental Whitley Committee provides an agreed forum for discussion and is attended by both employer and trade union representatives.

Learning and Development

During 2012/2013, there was significant emphasis on improving leadership and management skills, and building up financial expertise. Work continued on the Departmental Improvement Plan which supported efforts to achieve accreditation at IIP Bronze level in 2013.

Absence management

Table 5 shows sick absence statistics for the last three years. Validated end of year information for 2012/13 is not yet available from the Northern Ireland Statistics and Research Agency, but absence levels have reduced from the previous year and the Department is on track to achieve its target of 7.8 days.

OFMDFM continued to place a high priority on absence management and had a wide variety of support mechanisms in place to help staff who were sick, including Occupational Health Service, Welfare Services and Carecall who provide independent counselling services. A Workplace Health and Fitness programme ran throughout the year, with over 20 health and fitness events including nutrition, fitness, cardio vascular checks and advice on specific health issues. As part of its commitment to improving the health and wellbeing of staff OFMDFM also worked with the new NICS Well programme which provided a supporting infrastructure through the NICS Health and Wellbeing Charter, the WELL Support Team, a network of WELL Champions and WELL website.

Table 5: OFMDFM and NICS Sick Absence Statistics

Data provided by Northern Ireland Statistics and Research Agency

	2009/2010		2010/11		2011/2012	
	OFMDFM	NICS	OFMDFM	NICS	OFMDFM	NICS
Days Lost per Staff Year	7.6	11	5.4	10.7	8.7	10.1
% of Staff with no recorded absence	59.5	50.1	67.3	51.8	65.9	53.7
Long term absence						
% of staff with one or more long-term absence	6.2	10.3	5.2	10.8	7.7	10.4
% of working days lost due to long-term absence	68.5	70	67.7	72	75.5	71.3
Average duration (working days)	66.1	62.8	61.1	61.2	72	58.6

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. 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 the later.

The Department's performance in relation to the payment of invoices within 30 days has significantly increased, for the fourth successive year. The Department incurred no interest charges as a result of the late payment of bills. In 2012/13 an average of 85% of invoices were paid within 10 days; this represents continuous improvement on previous years (Table 6).

Table 6: OFMDFM Prompt Payment Performance 2012/13 and 2011/12

Prompt Payments Rates	2012/13		2011/12	
	OFMDFM	NICS	OFMDFM	NICS
Total number of invoice payments	6,075	199,877	6,026	186,681
Number of invoice payments 30 days and under	5,854	194,583	5,707	180,066
Percentage paid within 30 days (%)	96%	97%	95%	96%
Number of invoice payments 10 days and under	5,162	181,525	4,977	166,300
Percentage paid within 10 days (%)	85%	91%	83%	89%

Auditors

The Department's Accounts are audited by the Comptroller and Auditor General for Northern Ireland in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. The audit of the financial statements for 2012/13 resulted in a notional audit fee of £65,760 and is included in the administration costs in the operating cost statement. A fee of £2,351 was also paid to the Northern Ireland Audit Office in respect of the 2012/13 National Fraud Initiative exercise.

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

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

A handwritten signature in black ink, appearing to read 'Mark Browne', with a long horizontal line underneath it.

Mark Browne
Accounting Officer

26 June 2013

DEPARTMENTAL REMUNERATION REPORT

Remuneration Policy

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a restructured SCS pay settlement broadly in line with the Senior Salaries Review Board report which he commissioned in 2010. The commitment to a Pay and Grading Review for SCS was the second phase of the equal pay settlement approved by the Executive.

The Permanent Secretary of the Department is also Head of the Civil Service. Pay of the Permanent Secretary of the Department is determined as part of the Permanent Secretary remuneration arrangements in Whitehall.

Service Contracts

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

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

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

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management of the Department.

Remuneration Ministers (Audited)

	2012/13		2011/12	
	Salary £'s	Benefits in kind (to nearest £100)	Salary £'s	Benefits in kind (to nearest £100)
Mr P Robinson	71,434	NIL	71,434	NIL
Mr M McGuinness	71,434	NIL	63,490* (71,434, full year equivalent)	NIL
Mr Jonathon Bell	19,609	NIL	18,818 (19,609 full year equivalent)	NIL
Ms Martina Anderson (to 10 June 2012)	3,867 (19,609 full year equivalent)	NIL	18,818 (19,609 full year equivalent)	NIL
Ms Jennifer McCann (from 11 June 2012)	9,633 (12,000 full year equivalent)	NIL	-	-

*Mr McGuinness took unpaid leave from 20 September 2011 to 30 October 2011 to contest the Irish presidential election. Mr J O'Dowd deputised and received no remuneration in addition to his salary as Minister of Education and Member of the Northern Ireland Assembly.

Senior Civil Servants (Audited)

	2012/13			2011/12		
	Salary £'000	Bonus Payment £'000	Benefits in kind (to nearest £100)	Salary £'000	Bonus Payment £'000	Benefits in kind (to nearest £100)
Dr Malcolm McKibbin <i>Head of the Department</i>	140-145	NIL	NIL	60-65 (140-145 full year equivalent)	NIL	NIL
Ms Brenda King <i>Director (from 30 April 2012)</i>	95-100 (100-105 full year equivalent)	NIL	NIL	-	-	-
Mrs Mary Bunting** <i>Director (to 28 September 2012)</i>	50-55 (90-95 full year equivalent)	NIL	NIL	90-95	NIL	NIL
Mr Stephen Grimason <i>Director</i>	90-95	NIL	NIL	90-95	NIL	NIL
Mr Noel Lavery** <i>Director (to 28 February 2012)</i>	80-85 (85-90 full year equivalent)	NIL	NIL	85-90	NIL	NIL
Dr Denis McMahon <i>Director</i>	80-85	NIL	NIL	55-60 (80-85 full year equivalent)	NIL	NIL

Mr George Thorley <i>Independent (Non Executive Board Member)</i>	10-15	NIL	NIL	0-5	NIL	NIL
Mr Neill Jackson <i>Director</i>	65-70	NIL	NIL	65-70	NIL	NIL
Mr Alan Maitland <i>Director</i>	60-65	NIL	NIL	15-20 (60-65 full year equivalent)	NIL	NIL
Mr Stephen Boyd <i>Director</i>	60-65	NIL	NIL	25-30 (55-60 full year equivalent)	NIL	NIL
Mr Colm Shannon <i>Director (from 1 October 2012)</i>	30-35 (60-65 full year equivalent)	NIL	NIL	-	-	-

**In line with the SCS pay award arrangements for 2012, staff who, after assimilation to the new pay scales, received less than 1% consolidated increase to their salary received a non-consolidated pensionable payment to bring them up to the equivalent value of 1%. Two officials received a non-consolidated pensionable payment in the pay band £0-£5,000.

	2012/13	2011/12
Band of Highest Paid Director's Total Remuneration	£140k-£145k	£150k-£155k
Median Total Remuneration	£30,825.00	£30114.96
Ratio	4.6	5.1

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

The Office of the First Minister and deputy First Minister was under the joint direction and control of the First Minister, Peter Robinson and the deputy First Minister, Martin McGuinness. Their salaries and allowances were paid by the Northern Ireland Assembly and have been treated therefore as a notional cost in these resource accounts. These amounts do not include costs relating to the Ministers' roles as MLAs/MPs which are disclosed elsewhere.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument. None of the above received any benefits in kind.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. No bonuses were paid in 2012/13.

Pay Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in OFMDFM in the financial year 2012/13 was £140,000-£145,000 (2011/12: £150,000-£155,000). This was 4.6 times (2011/12: 5.1 times) the median remuneration of the workforce, which was £30,825 (2011/12: £30,115).

In 2012/13, one employee (2011/12: 1 employee) received remuneration in excess of the highest-paid director. As only one employee is involved in each of the last two years, provision of a remuneration range would allow identification of the amount received by the individual. This could be challenged under the Data Protection Act. Accordingly, it has been decided not to disclose the amount received.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The movement in the ratio between 2012/13 and 2011/12 is primarily the result of the appointment of a new Head of Department at a lower point on the relevant pay scale.

Off Payroll Payments Engagements

The Department had no 'off-payroll' engagements at a cost of over £58,200 per annum in place as at 31 January 2012.

Pension Benefits

Ministers (Audited)

	Accrued pension at age 65 as at 31 March 2012	Real increase in pension at age 65	CETV at 31 March 2012	CETV at 31 March 2011***	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mr P Robinson	10-15	0-2.5	195	156	22
Mr M McGuinness	5-10	0-2.5	150	120	18
Mr Jonathon Bell	0-5	0-2.5	11	6	3
Ms Martina Anderson (to 10 June 2012)	0-5	0-2.5	5	4	1
Ms Jennifer McCann (from 11 June 2012)	0-5	0-2.5	8	5	2

***The actuarial factors used to calculate CETVs were changed in 2012/13. The CETVs at 31 March 2012 and 31 March 2013 have both been calculated using the new factors, for consistency. The CETV at 31 March 2012 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

Ministerial pensions

Pension benefits for Ministers are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2012 (AMPS). The scheme is made under Section 48 of the Northern Ireland Act 1998. As Ministers will be Members of the Legislative Assembly they may also accrue an MLA's pension under the AMPS (details of which are not included in this report). The pension arrangements for Ministers provide benefits on a "contribution factor" basis which takes account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as a Member for each year of service as a Minister. Pension benefits as a Minister are based on the accrual rate (1/50th or 1/40th) multiplied by the cumulative contribution factors and the relevant final salary as a Member.

Benefits for Ministers are payable at the same time as MLA's benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Ministers pay contributions of either 7% or 12.5% of their Ministerial salary, depending on the accrual rate. There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose and representing the balance of cost. This is currently 21.6% of the Ministerial salary.

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

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This is the increase in accrued pension due to the Department's contributions to the Assembly Members Pension Scheme and excludes increases due to inflation and contributions paid by the Minister, and is calculated using common market valuation factors for the start and end of the period.

Senior Civil Servants (Audited)

	Accrued pension at age 60 as at 31 March 2013 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31 March 2013	CETV at 31 March 2012	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Dr Malcolm McKibbin <i>Head of the Department</i>	60-65 plus 185-190 lump sum	7.5-10 plus 27.5-30 lump sum	1267	1014	194	Nil
Ms Brenda King <i>Director (from 30 April 2012)</i>	30-35 plus 100-105 lump sum	12.5-15 plus 35-37.5 lump sum	549	335	192	Nil
Mrs Mary Bunting <i>Director (to 28 September 2012)</i>	40-45 plus 125-130 lump sum	0-2.5 plus 0-2.5 lump sum	978	965	0	Nil
Mr Stephen Grimason <i>Director</i>	15-20 plus 45-50 lump sum	0-2.5 plus 2.5-5 lump sum	330	289	22	Nil

Continued	Accrued pension at age 60 as at 31 March 2013 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31 March 2013	CETV at 31 March 2012*	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mr Noel Lavery <i>Director (to 28 February 2012)</i>	20-25 plus 15-20 lump sum	0-2.5 plus (0-2.5) lump sum	349	328	10	Nil
Dr Denis McMahon <i>Director</i>	20-25 plus Nil lump sum	0-2.5 plus Nil lump sum	310	271	19	Nil
Mr Neill Jackson <i>Director</i>	25-30 plus 85-90 lump sum	0-2.5 plus 0-2.5 lump sum	606	562	11	Nil
Mr Alan Maitland <i>Director</i>	30-35 plus 95-100 lump sum	0-2.5 plus 0-2.5 lump sum	749	695	13	Nil
Mr Stephen Boyd <i>Director</i>	10-15 plus 35-40 lump sum	0-2.5 plus 2.5-5 lump sum	189	161	18	Nil
Mr Colm Shannon <i>Director (from 1 October 2012)</i>	30-35 plus Nil lump sum	0-2.5 plus Nil lump sum	549	540	1	Nil

****The actuarial factors used to calculate CETVs were changed in 2012/13. The CETVs at 31 March 2012 and 31 March 2013 have both been calculated using the new factors, for consistency. The CETV at 31 March 2012 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

Northern Ireland Civil Service Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions. Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index. Prior to 2011, pensions were increased in line with changes in the Retail Prices Index. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is an 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the Consumer Prices Index. For 2013, public service pensions will be increased by 2.2% with effect from 8 April 2013.

Employee contributions are determined by the level of pensionable earnings. The current rates are as follows:

Members of **classic**

Annual pensionable earnings (full-time equivalent basis)	New 2013 contribution rate before tax relief
Up to £15,000	1.50%
£15,001-£21,000	2.70%
£21,001-£30,000	3.88%
£30,001-£50,000	4.67%
£50,001-£60,000	5.46%
Over £60,000	6.25%

Members of **premium, nuvos and classic plus**

Annual pensionable earnings (full-time equivalent basis)	New 2013 contribution rate before tax relief
Up to £15,000	3.50%
£15,001-£21,000	4.70%
£21,001-£30,000	5.88%
£30,001-£50,000	6.67%
£50,001-£60,000	7.46%
Over £60,000	8.25%

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

65 for members of **nuvos**. Further details about the Civil Service Pension arrangements can be found at the website www.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 Civil Service Pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

Approved and signed



Mark Browne
Accounting Officer

26 June 2013

SUSTAINABILITY REPORT

The Department continues to promote sustainable development through its operational activities and policy responsibilities. The Sustainability Statement prepared by the Department's Sustainability Champion, and contained within the Executive's Sustainable Development Implementation Plan identifies the Department's efforts in contributing to the priorities and objectives identified in the Sustainable Development Strategy. This Statement was approved by the Departmental Board and endorsed by the Head of the Civil Service in his dual role as Permanent Secretary of OFMDFM.

The primary aims of the Statement are to:

- increase departmental awareness and build sustainable development intelligence;
- introduce governance structures for monitoring and reporting sustainability performance;
- build relationships/partnerships to support delivery of priorities;
- mainstream sustainability into decision-making processes; and
- achieve efficiencies through the application of sustainable development principles.

The Departmental Board is committed to the regular review of sustainable development practices and activities with the Sustainable Development Champion reporting periodically.

Internal Activities

The Department continues to monitor progress on delivery of its sustainability targets, through its Sustainability Action Plan which includes a commitment to raise awareness through the publication of intranet articles and sustainability themed briefings. The departmental Sustainability Champion participates in the OFMDFM/DHSSPS/DOJ 'Sustainability Champions Group' and chairs the cross-departmental Stormont Estate Workplace Travel Plan Consortium. Sustainable behaviours are promoted through encouraging staff to travel by sustainable methods and the mandatory use of 100% recycled paper. It is also proposed to extend recycling to include glass and compostable waste in Castle Buildings subject to existing facilities management contractual arrangements. The Department is considering printer provision with a view to extending the use of multi-function devices as fully as possible. The Sustainability Champions Group is working to produce an Energy Reduction Plan for Castle Buildings. The Stormont Estate has a dedicated staff allotment site and as such this provides opportunities to promote sustainable living.

Strategic Policy

The Department continues to lead on strategic policy for sustainable development and take forward work designed to promote, encourage and embed sustainability across and beyond government. The Department has worked over the course of the last year to assist local government organisations in furthering understanding of the statutory obligations emanating from the *Northern Ireland (Miscellaneous Provisions) Act 2006*. This has resulted in the publication of new guidance for public authorities affected by the legislation, and it is the Department's intention to promote this through an extended engagement exercise.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITY

Under the Government Resources and Accounts Act (Northern Ireland) 2001 DFP has directed the Office of the First Minister and deputy First Minister 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 Department and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

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

The Permanent Secretary is normally appointed by DFP as Accounting Officer of a Department. However, due to the unique circumstances in OFMDFM where the Permanent Secretary of the Department is also the Head of the Civil Service, the role of Accounting Officer has been delegated to a Deputy Secretary.

The responsibilities of an Accounting Officer, including the 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 Department's assets, are set out in the Accounting Officers' Memorandum issued by DFP and published in Managing Public Money Northern Ireland.

GOVERNANCE STATEMENT

1. Introduction

This statement is given in respect of the Departmental Resource Account for 2012/13. It reflects the Department's governance, risk management and internal control arrangements for directing and controlling its functions and how assurance is provided to support me in my role as Accounting Officer for the Office of the First Minister and deputy First Minister (OFMDFM).

The following statement, whilst primarily focussing on the Department, incorporates issues within its Arms Length Bodies (ALBs).

2. Compliance with Corporate Governance Code

Departments are expected to apply the principles of HM Treasury's *Corporate governance in central government departments: Code of good practice (2005)* ('the Code') unless good governance can be achieved by other means. OFMDFM complies with the principles of good practice in the Code and continues to further strengthen its governance arrangements.

Corporate Governance refers to the way in which organisations are directed and controlled. OFMDFM's governance framework, which ensures the effectiveness of the direction and control of the Department, is set out in the following paragraphs.

In compliance with the Code, OFMDFM has established key organisational structures which support the delivery of Corporate Governance in the Department:

- the Ministers;
- the Departmental Board;
- the Accounting Officer;
- the Audit and Risk Committee (ARC); and
- the Finance Sub-Committee.

These key organisational structures within the Department's Corporate Governance Framework, along with an overview of their responsibilities and performance in year, are explained in detail in the relevant sections below.

The Department's Corporate Governance Framework was reviewed in year and was revised, following consultation with the Departmental Board and ARC.

The Department is responsible for sixteen sponsored bodies, oversight of which is managed by sponsor divisions responsible for the provision of advice on, and monitoring of adherence to, all aspects of accountability and good governance.

The Department's governance and accountability procedures in relation to its Arm's Length Bodies, and the assurance that these provide, is discussed in detail in the relevant section below.

3. Corporate Governance Responsibilities and Performance

Ministers

The First Minister and the deputy First Minister lead the Department and are responsible and accountable to the Northern Ireland Assembly for the policies, programmes and actions of the Department. They may designate their Junior Ministers to assist them in carrying out their duties.

Accounting Officer

As Accounting Officer, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the Department's policies, aims and objectives. I also have responsibility for the propriety and regularity of the public finances voted to the Department and for safeguarding those public funds and Departmental assets, in accordance with the responsibilities assigned to me in *Managing Public Money Northern Ireland*.

In my role as Accounting Officer, I function with the support of the Departmental Board ('the Board'). This includes highlighting to the Board specific business implications or risks and, where appropriate, the measures that could be employed to manage these risks or implications.

I am also required to combine my Accounting Officer role with my responsibilities to the Ministers, which include providing advice on the allocation of departmental resources and the setting of appropriate financial and non-financial performance targets for ALBs.

Departmental Board

The Departmental Board is chaired by the Head of the Civil Service (HOCS), acting in his capacity as Permanent Secretary of OFMDFM. It supports the delivery of effective Corporate Governance and operates within best practice guidelines outlined in HM Treasury's *Corporate Governance in Central Government Departments: Code of Good Practice (2005)*. The Board takes an objective long-term view of the business of the Department, leading its strategic planning process and assisting the Permanent Secretary and the Accounting Officer in meeting their corporate governance responsibilities for the Department.

The Terms of Reference of the Board make clear its responsibility to establish and oversee the Department's Corporate Governance arrangements. Notwithstanding this, all tiers of management have commensurate responsibilities for ensuring that good governance practices are followed at an organisational/business level.

Under the direction and control of the Ministers, the key aspects of the Board's role include:

- setting the strategic direction for the Department, including its vision, values and strategic objectives, and overseeing the implementation of the Department's strategic and business plans, performance against its Programme for Government commitments, Budget and Investment Strategy;
- developing, promoting and overseeing the implementation of policies and programmes in line with the Department's strategic direction;
- leading and overseeing the process of change and encouraging innovation, to enhance the Department's capability to deliver;
- monitoring performance on Programme for Government commitments via the Department's Delivery Plans, corporate plans, budgets and targets, and assessing and managing the strategic risk to delivery;
- overseeing the strategic management of the Department's staff, finance, information and physical resources, including setting training and health and safety priorities;
- establishing and overseeing the implementation of the Department's corporate governance arrangements, including risk management;
- ensuring effective sponsorship of the Department's ALBs; and
- overseeing and monitoring the Department's progress against all of its equality of opportunity, good relations and human rights obligations.

The Board operates as a collegiate forum, under the leadership of HOCS, to manage the running of the Department. It ensures that appropriate strategic planning processes are in place to provide the Ministers with high quality policy advice and to secure the delivery of Ministerial policy decisions and effective operational management of their implementation. The Board operates in an advisory and consultative capacity, offering guidance when sought. It does not usually direct any of its members on how their business areas should be run; day-to-day operational matters are the responsibility of the Directors and Heads of Division in OFMDFM.

Each Executive Board Member:

- is the main policy advisor to Ministers for their area of responsibility, subject to the overall direction of HOCS;
- participates in the high-level corporate decision-making process as a member of the Board;
- contributes to corporate governance arrangements within the Department; and
- supports HOCS.

Departmental Board meetings were held monthly during 2012/13. The members and their records of attendance are set out below.

Board Member	Title	Number of Meetings Attended	Out of a Possible
Malcolm McKibbin	Head of the NI Civil Service and Permanent Secretary	12	12
Noel Lavery	Accounting Officer and Director of Resources, Regeneration, International Relations and Institutional Review	11	11
Denis McMahon	Director of Equality and Strategy Directorate	11	12
Stephen Grimason	Director of the Executive Information Service	10	12
Stephen Boyd	Director of Finance	10	12
Alan Maitland	Director of HR & Corporate Services	12	12
Neill Jackson	Head of Executive Division	12	12
Brenda King	Head of the Office of Legislative Counsel;	10	11
George Thorley	Independent Board Member	11	12
Mary Bunting	Joint Secretary (North), North South Ministerial Council Joint Secretariat	2	6
Colm Shannon	Joint Secretary (North), North South Ministerial Council Joint Secretariat	4	6

In order to achieve its objectives, a forward plan is maintained which schedules matters for consideration by the Board.

The Board received quarterly reports on the delivery of departmental plan objectives; financial management and budget monitoring; performance of ALBs; human resource priorities; and resilience of security and information assurance, contingency planning and business continuity planning. It also received regular updates on OFMDFM's Programme for Government Delivery Plans. All reports/papers conform to a standard layout to ensure the appropriate focus on key issues. Financial and performance data is extracted from the accounting and operational systems and is therefore subject to regular, planned internal

quality assurance checks, independent audits and external assurance (for example, from the Northern Ireland Audit Office).

The Department Board redesigned its key information reports at the beginning of 2012/13 to improve the quality of information and to allow the Board to make better informed decisions. The Board considers the information provided to be sufficient to allow it to discharge its strategic planning and corporate governance responsibilities.

The Board carried out a review of its own performance in March 2013 which resulted in a positive outcome. Key areas for improvement were agreed.

The Board is supported by a secretariat, located within the Head of the Civil Service Office, which is responsible for organising the agenda for monthly Board meetings and ensuring HOCS and Board members are provided with timely information to support full discussion at each meeting. These requirements are set out in the protocol in the Board's terms of reference.

In line with best practice, the operational procedures of the Departmental Board are kept under continuous review. A review of the Department's Corporate Performance Framework was undertaken in April 2012. This review resulted in significant changes to the Corporate Performance Framework including revisions to the forward plan, the format and content of future agendas and papers, and, as a consequence, the way in which the Board performed. Changes included improvements in the reporting systems, including the introduction of horizon scanning, a new quarterly report on the OFMDFM Programme for Government Delivery Plan, a more comprehensive corporate quarterly report on human resource issues, and the introduction of half-yearly reports on resilience and security which enable Board discussion on issues such as civil contingencies, business continuity, IT assurance and security.

The Board includes one Independent Board Member (IBM) who ensures all aspects of strategy and delivery of policy are scrutinised for effectiveness and efficiency. In particular, the Independent Board Member:

- is involved in the monitoring of performance and progress of the Department, including the use of human and financial resources;
- maintains a critical overview of the Department's financial controls and procedures for assessing and managing risk, drawing on their wider experience; and
- challenges the quality of the policy formulation process.

HOCS carried out an annual performance assessment of the IBM before he was reappointed in August 2012.

The IBM is responsible for chairing the Departmental ARC and reporting ARC matters to the Board.

Board Sub-Committees

The Board is supported and advised in its role by two sub-committees - an Audit and Risk Committee and a Finance Sub-Committee.

Departmental Audit and Risk Committee

The Departmental ARC does not have executive powers and its membership is independent of the Department.

The purpose of the ARC is to support the Accounting Officer in monitoring Departmental risk, control and governance systems (including financial reporting). Additionally, the Committee will give advice to the Accounting Officer on the adequacy of the coverage of audit arrangements (internal and external) to provide the required assurances. The Terms of Reference for the ARC were reviewed and amended in year, following consultation with the Committee and Departmental Board members.

Membership of the OFMDFM Audit and Risk Committee in 2012/13 comprised:

- Chairman and Independent Board Member; and
- two Independent Members.

The Committee met four times during 2012/13. All meetings were attended by all members. A minimum of two members of the ARC is required to form a quorum.

ARC meetings are normally attended by the Accounting Officer, Finance Director, the Head of Internal Audit and a Northern Ireland Audit Office (NIAO) representative. However, the Audit and Risk Committee may ask any other Departmental officials to attend to assist with its discussions on any particular matter.

In line with best practice set out in the HMT Audit Committee Handbook, the Chair of the ARC set an agreed core work programme for each of its meetings, which included:

- review of the corporate risk register;
- scrutiny of the annual Departmental accounts;
- review of the Departmental Stewardship Statement;
- consideration of internal audit strategy;
- review of internal and external audit findings;
- review of the Direct Award Contracts report;
- monitoring and challenging the Fraud Investigation Oversight Group progress report; and
- monitoring of residual audit and Public Accounts Committee recommendations.

The Department provided regular reports to the ARC on business planning, risk management and assurance in the Department, and accountability and assurance for its ALBs. The Committee also received regular reports on progress against the outstanding audit recommendations (internal and external) and those from the Public Accounts Committee. The information was improved in year to include high level summaries and quarterly progress reports.

In addition, the ARC considered and commented on individual issues of internal governance and their implications for wider governance arrangements. This included in particular, a review of the proposed financial governance, accountability, fraud, and risk management procedures associated with two new and complex areas of expenditure - the Social Investment Fund and the Historical Institutional Abuse Inquiry.

The Chair of the ARC presented regular reports to the Department Board throughout the year on the work of ARC and the main governance issues considered by the Committee.

Each year ARC conducts a self-appraisal against guidelines issued by the National Audit Office. The overwhelming assessment of the Committee members is that it operates in accordance with the good practice principles set out by the National Audit Office. Findings of the self assessment are presented to ARC for action as appropriate.

Finance Sub-Committee

The Board has established a Finance Sub-Committee (FSC) with the overall objective of improving financial management within OFMDFM, through the exercise of financial oversight and control on behalf of the Board. It exercised a challenge and scrutiny role over major spending proposals, including outline business cases for the Social Investment Fund and the Historical Institutional Abuse Inquiry. The FSC met thirteen times during the year and its minutes were reported to the Board by the Accounting Officer.

4. Internal Control and Risk Management

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.

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 Ministers.

The system of internal control has been in place in OFMDFM for the year ended 31 March 2013 and up to the date of approval of the Annual Report and Accounts, and accords with Department of Finance and Personnel (DFP) guidance.

A key element of the system of internal control is the ‘Stewardship Statement’ process. This process requires each Director (and Senior Accountable Officer in the Department’s ALBs) to provide a quarterly stewardship statement, informed by those prepared by their staff in the Department and ALBs. These statements are used as a basis for the authorisation, by the Principal Accounting Officer, of the annual “Governance Statement”.

There are also a number of other processes which contribute to corporate governance in the Department:

- the corporate and business planning process, including Programme for Government commitments and the associated performance monitoring and reporting system (Delivery Plans) by the Board and managers throughout the Department;
- the Performance Management System;
- HR policies designed to ensure the Department complies with employment law and has the appropriate numbers of staff with suitable skills to meet its objectives;
- budgets & priorities setting and In-Year Monitoring process;
- the Departmental Anti-Fraud Policy and Response Plan, incorporating Departmental Arrangements for Whistle Blowing, details responsibilities regarding the prevention of fraud and the procedures to be followed in the event of a fraud being detected or suspected. This document relates to fraud and loss within the Department and its sponsored bodies;
- the Strategic Sites Oversight Board, which is chaired by the IBM, looked at issues raised by the Public Accounts Committee in relation to the Military Sites. The Board reported back in February 2013 with a series of recommendations and actions in response to the PAC report; and
- the Fraud Investigation Oversight Group met twelve times in 2012/13 to oversee the investigation of whistle-blowing allegations, allegations of financial irregularity, relevant PSNI action and options for action if funds have been obtained fraudulently.

Managing risk is particularly important in OFMDFM, given the Department undertakes a wide range of services and activities either directly or via its ALBs, many of which are sensitive and tend to take place in challenging operational areas, which impacts on the mechanisms deployed to manage risk, and the risk appetite.

The risk appetite defines the level of exposure that the Department is willing to accept. If the risk appetite is low, the Board will not be prepared to accept risks which have been assessed as having a high or medium rating.

The Departmental Board has a low appetite for risks which are likely to:

- endanger or significantly impact upon the delivery of the Department's Programme for Government commitments or other strategic objectives; or
- create significant adverse publicity or reputational damage for Ministers or the Department; or
- result in an overspend or under spend of significant proportions.

The Board tolerates a degree of risk towards projects or initiatives which:

- are innovative;
- have the potential for significant additional benefit to the delivery of Programme for Government commitments; and
- where the risks have been fully stated and accepted with an appropriate business case agreed; and
- where the risks will be fully managed.

To assist in the Risk Management Process, the Department has developed a Corporate Risk Register which is scrutinised through a quarterly Corporate Performance report to the Departmental Board. The Register:

- identifies the Department's high level risks; and
- analyses the risks related to the current OFMDFM Departmental Plan.

The major risk types identified by the Department are failure to deliver on objectives, reputational risk, financial, and significant breach or loss of data. No new risks were identified during the 2012/13 financial year.

The Corporate Risk Register identifies the risk owner for each of these risks and reinforces the inextricable link between risk management and the business planning process. Directors are required to review their Directorate Risk Register on a quarterly basis as part of the Corporate Performance Report, report to the Departmental Board on any amendments, and review and revise the Risk Register as necessary. All new business activities are assessed for key risks and controls are then put in place.

The Corporate Risk Register is endorsed by the Accounting Officer and Departmental Board and is subject to regular revision, through scrutiny by the Audit and Risk Committee, and including lessons learned from the previous reporting year. In 2012/13, a review of how the OFMDFM Board manages corporate risk was undertaken. The outcome of this was a more

focused strategic approach to risk management, identifying five key strategic corporate risks to replace the thirteen risks previously identified in 2011/12. The review also introduced horizon scanning, in conjunction with discussion on the Corporate Risk Register, when Board members have the opportunity to identify and consider any emerging external risks/threats that could affect the Department's capacity to deliver on its Programme for Government /Departmental Plan commitments.

The Department undertakes an annual review of protective security reporting at the end of June each year. No lapses were reported in June 2012. The Department strengthened reporting in this area through the stewardship statements in year, no significant lapses have been reported in the core Department or its ALBs. The Accounting Officer sought and received assurances from ALB accounting officers in respect of their internal audit's view of information governance.

In terms of Information Risk, safeguarding the Department's information and its subsequent effective use supports the Department in the delivery of its objectives. Central to achieving this is the effective management of information risk.

As part of an ongoing process to identify and control risks to information, the Department has continued to implement a Departmental Action Plan to enhance its Information Assurance arrangements and practices, and to provide a comprehensive framework to address risks. I am Senior Information Risk Owner and continue to lead in this important work.

During 2012/13 the Department confirmed the effectiveness of its ALB's information assurance systems.

The Department's performance in responding to Freedom of Information requests was monitored by the Information Commissioner from January to March 2013. The period of monitoring has now concluded.

Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal governance. My review of the effectiveness of this system is informed by the work of the Internal Audit Service and the executive directors within the Department, who have responsibility for the development and maintenance of the internal framework. I also consider the comments made by NIAO in its Report To Those Charged With Governance and other reports. I have been advised on the implications of the results of my review of the effectiveness of the system of internal control, by the Departmental Board and the ARC, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

5. Sources of Independent Assurance

The Department relies on Independent Assurance from the following sources:

- Internal Audit; and
- the Northern Ireland Audit Office.

Internal Audit

Internal Audit Service (IAS) provides independent assurance by providing an independent opinion on the adequacy and effectiveness of the Department's system of internal control to the Accounting Officer and ARC.

The Internal Audit work programme includes the assessment of the completeness and effectiveness of the Department's corporate governance arrangements. OFMDFM's IAS is provided by DFP's Internal Audit Unit.

The Accounting Officer and the Board are independently advised by the DFP Head of Internal Audit who operates in accordance with Government Internal Audit Standards. The primary role of Internal Audit is to provide the Accounting Officer and the Board with an independent and objective opinion on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the Department's agreed objectives.

Internal Audit has played a crucial role in the review of the effectiveness of risk management, controls and governance in OFMDFM by:

- focusing audit activity on the key business risks;
- being available to guide managers and staff through improvements in internal controls;
- auditing the application of risk management and control as part of Internal Audit reviews of key systems and processes; and
- providing advice to management on internal governance implications of proposed and emerging changes.

In 2012/13 an External Quality Assessment was completed of the internal audit service, provided by DFP Internal Audit Unit, to OFMDFM. The service was assessed at Level 3 – Operating. The assessment made some recommendations for improvement which are currently being taken forward by the Department and the Head of Internal Audit.

IAS undertook sixteen risk based audit assignments, three specific management requests, a review of corporate governance against HM Treasury Standards, a review of internal audit provision to OFMDFM's ALBs and a validation of targets achieved by Government Advertising Unit. Internal Audit also continued to provide advice to the Fraud Investigation Oversight Group. The Head of Internal Audit provided a satisfactory opinion in thirteen areas, substantial opinions in a further two areas and was fully satisfied that Government Advertising Unit had accurately reported on the achievement of targets. He was also satisfied

that the provision of an internal audit service to OFMDFM's ALBs generally operated within the Government Internal Audit Standards and that OFMDFM operate a robust corporate governance framework within the requirements of HM Treasury.

The Head of Internal Audit provided a **satisfactory** level of assurance for 2012/13 covering governance, risk and controls.

Northern Ireland Audit Office

The Department is also subject to independent scrutiny from the Northern Ireland Audit Office. The Audit Office is independent of Government and is tasked by the Assembly to hold the Northern Ireland Departments and their Agencies to account for their use of public money. The Comptroller and Auditor General works closely with the Assembly's Public Accounts Committee which can require Accounting Officers and senior officials to account for their actions in relation to the stewardship of public funds.

6. Governance and Accountability of OFMDFM's ALBs

The Department's sixteen ALBs are key to the delivery of its objectives, and governance of them is fundamental to the Department.

The ALBs use their own governance structures developed in line with Managing Public Money Northern Ireland, Departmental and other requirements, and guidance. Each ALB, which sits outside the Departmental Accounting Boundary, publishes its own individual governance statement within its Annual Report and Accounts. ALB Boards have corporate responsibility for ensuring that their organisation fulfils its statutory responsibilities, aims and objectives set by the Department/Ministers, including promoting the efficient, economic and effective use of staff and other resources. As Principal Accounting Officer, I have a duty to satisfy myself that all ALBs have adequate governance systems and procedures in place to promote the effective, efficient conduct of their business and to safeguard financial propriety and regularity.

In fulfilling its sponsorship and oversight role the following key governance arrangements are in place to provide effective sponsorship of the Department's ALBs and assurance to Ministers and the Accounting Officer:

- ALB Sponsorship Manual;
- Management Statement and Financial Memorandum/Memorandum of Understanding;
- Accountability and Liaison meetings;
- Annual governance meetings;
- Performance Management;
- Stewardship Statements; and
- Budgets and Priorities setting and In-Year Monitoring process.

An ALB Sponsorship Manual is in place for use by Departmental Sponsor Teams. The guidance and arrangements described within the Manual have been developed to meet the responsibilities placed on the Department, under Managing Public Money NI, for the sponsorship of ALBs operating under its control.

Each ALB has a Management Statement/Financial Memorandum, or Memorandum of Understanding, in place and a nominated sponsor team within the Department. Specific risk based delegated authority levels have been set for each ALB.

Accountability and Liaison meetings are held on a quarterly basis (or more frequently if considered necessary) between the Senior Sponsor and the ALB Accounting/Senior Accountable Officer. The quarterly meetings are structured to cover all relevant governance issues affecting the organisation and provide an accountability mechanism to support this Governance Statement.

Two separate Governance sessions involving ALBs were held in 2012/13. In August 2012, the Department met with the Chairs of the ALBs Audit Committees to explain the changes that the Department was making to its ARC systems and procedures. A further meeting on these issues was held with the CEOs of the Department's ALBs.

The performance of ALBs is reviewed by the Departmental Board, through the ALB Performance report, on a quarterly basis. These reports cover performance against plans; finance; risk management; consultancy expenditure and staffing matters.

Quarterly Stewardship Statements from all OFMDFM ALBs, are completed by the ALB Accounting/Senior Accountable Officers and are reviewed by the sponsor team and Corporate Governance Branch.

Collectively these actions provide the Department with assurance that individual ALBs are effectively discharging their functions and that public money is being properly used to deliver the objectives and targets set, while ensuring compliance with the requirements of regularity, propriety and value for money.

7. Internal Governance Divergences

Prior Year Issues

Last year OFMDFM reported two cases of irregular expenditure due to breaches of approval in the 2010/11 financial year. One of these breaches resulted in irregular expenditure of £369,066 in this financial year. The other project concluded in 2011/12 and resulted in no further irregular expenditure.

Current Year Issues

Whistle Blowing and Investigations

During the 2012/13 financial year, the Department managed twenty four special investigations arising from whistle-blowing allegations, or suspicions of financial irregularity or mismanagement. Twenty two of these investigations related to OFMDFM's funding, either directly, via the Community Relations Council or the Northern Ireland Memorial Fund, or through third party organisations in the victims and survivors sector, minority ethnic sector and community relations sector. Two further allegations relating to the Northern Ireland Commissioner for Children and Young People and the Commission for Victims and Survivors were investigated.

Eight of these investigations were reported in the 2012/13 financial year. As a result of these investigations six cases have been referred to the PSNI. No evidence of fraud or irregularity was found in two of the cases investigated. Twenty two cases will be carried forward into the next financial year.

The Fraud Investigation Oversight Group, established in August 2010, continues to meet on a monthly basis.

Governance Units

The establishment of governance units within the Finance and Equality Directorates, along with updated guidance on the policy and procedures for the approval of OFMDFM expenditure and the revision of delegated limits, have strengthened the Department's governance. It has been reinforced with the formation of a Finance Forum, to share best practice and guidance across the Department and its ALBs.

Adherence to Procurement and Appraisal Procedures

Progress has been made in the overall awareness of governance procedures and in the quality of the content of businesses cases prepared. This is evidenced by the noted improvements within DFP's Annual Compliance Report on the Use of Consultants 2011/12, issued in January 2013.

Similarly OFMDFM's test drilling exercises on business cases undertaken in 2011/12, found that improvements had been made, addressing many of the shortcomings that were highlighted in the findings of previous departmental test drills.

Issues Arising as a Result of the Audit of Sponsored Bodies

NIAO qualified its opinion on the 2010/11 accounts of Ilex Urban Regeneration Company, on the basis of regularity. The qualification of Ilex's accounts remained in 2011/12 due to irregular expenditure because of problems that had arisen in the past but no significant new failures were identified. Ilex did not obtain the necessary approvals for six projects, from its sponsor departments or DFP, which resulted in irregular expenditure of £404k being incurred during 2010/11.

Furthermore, Ilex did not obtain approval for the change in scope of the Ebrington Parade Ground which resulted in irregular expenditure incurred within OFMDFM accounts, of £3.4 million in 2010/11 and £4.5 million in 2011/12.

During 2012/13 a further phase of the project has resulted in additional irregular expenditure, in the Department's accounts, of £369k.

DSD's Internal Audit Service provided a limited assurance opinion in respect of their review of Ilex for 2010/11. DSD Internal Audit Service conducted a follow up to this report in 2011/12 and although there were some improvements a limited level of assurance remained.

During 2012/13 follow up reviews of Ilex systems have recorded significant improvement and resulted in a satisfactory audit opinion being provided.

An action plan to address key governance issues was developed by officials to improve assurance which included the reduction of delegations for expenditure at the Ebrington site, and monthly accountability meetings held by the two sponsor departments with Ilex. Significant progress has been made to address the weaknesses identified. The Department identified an issue in relation to duplicate drawdown requests by Ilex and requested DFP Internal Audit Service to investigate. Following their report all recommendations have been implemented by Ilex.

The Victims and Survivors Service was set up at the beginning of the year. Internal Audit carried out its first review of the organisation providing a limited assurance opinion in the draft report. Management are considering the findings and will respond accordingly.

With the exception of the issues identified above, no significant issues have arisen as a result of the audit of sponsored bodies.

Internal Audit undertook an external quality assurance review of the Internal Audit provision in the Department's ALBs. The purpose of the review was to provide, me as Accounting Officer, with an opinion on the adequacy and effectiveness of service delivery of the internal audit service provided to OFMDFM's Arms Length Bodies and an opinion on compliance with the Government Internal Audit Standards. Internal Audit is satisfied that the internal audit service providers to the Department's ALBs are operating within the requirements of the Government Internal Audit Standards.

Internal Audit is also satisfied that ALBs have established properly constituted Audit and Risk Committees and that these are complying with HM Treasury Guidance and DFP DAOs.

New Issues for 2012/13

OFMDFM and DSD Accounting Officers appeared before the Public Accounts Committee on 25 April 2012 on a Value for Money Report by the Northern Ireland Audit Office on the

Transfer of Former Military Sites to the Northern Ireland Executive and issues related to the qualification of Ilex's 2010/11 Resource Accounts. The Department is currently taking forward the resulting PAC Recommendations.

8. Ministerial Directions

No Ministerial Directions were issued in the 2012/13 financial year.

9. Conclusion

OFMDFM has a rigorous system of accountability on which I rely, as Accounting Officer, to form an opinion on the probity and use of public funds, as detailed in *Managing Public Money NI*.

Its Internal Audit Service undertook a review of the Department's corporate governance systems on which the Head of Internal Audit provided a **substantial** level of assurance.

Having considered the accountability framework within the Department and its ALBs, and in conjunction with assurances given to me by the ARC, I am content that the Department has operated a sound system of internal governance during the period 2012/13.



Mark Browne
Accounting Officer

26 June 2013

Office of the First Minister and deputy First Minister

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

I certify that I have audited the financial statements of the Office of the First Minister and deputy First Minister for the year ended 31 March 2013 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. I have also audited the Statement of Assembly Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

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

Scope of the audit of the financial statements

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

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Assembly Supply properly presents the outturn against Assembly control totals and that those totals have not been exceeded.

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

Opinion on Regularity

In my opinion, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 13 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2013 and of its net operating cost, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions issued thereunder.

Opinion on other matters

In my opinion:

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

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

Report of the Comptroller and Auditor General to the Northern Ireland Assembly


My audit of the Office of the First Minister and deputy First Minister's accounts in 2011-12 identified two issues on which I qualified my audit opinion on regularity. This report provides an update on these issues.

Breach of approval granted by DFP for spending on the Maze Long Kesh Remediation Phase II project

The original approval for this project by DFP was rescinded because the amount of the contract entered into by the Department was significantly different from the original amount approved by DFP. The resulting expenditure was deemed to be irregular (2011-12 £1,566,090, 2010-11 £3,000,027). As the project was completed in the 2011-12 financial year, no further expenditure has been incurred by the Department on this project in 2012-13. I have therefore removed my qualification in this regard.

Ilex Urban Regeneration Company Ltd (Ilex) – withdrawal of DFP approval on Ebrington Barracks expenditure

The required approval was not requested from DFP for changes to the parade ground and car park component of this project, therefore DFP approval for all expenditure on the parade ground and car park was withdrawn and thus deemed to be irregular. In 2012-13, the irregular expenditure amounts to £369,066 (2011-12 £4,593,260, 2010-11 £3,427,583). As the amount of irregular expenditure incurred in 2012-13 is not considered to be material, I have decided not to qualify my audit opinion on regularity regarding this issue.


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

27 June 2013

Office of the First Minister and deputy First Minister
Statement of Assembly Supply
for the year ended 31 March 2013

Summary of Resource Outturn		Estimate						2012-13 Outturn	2011-12
Request for Resources		Gross expenditure	Accruing Resources	Net Total	Gross expenditure	Accruing Resources	Net Total	Net total outturn compared with Estimate saving/ (excess)	Prior-year outturn
Note		£000	£000	£000	£000	£000	£000	£000	£000
RfR A	2	106,360	(16,886)	89,474	102,097	(15,633)	86,464	3,010	103,601
Total Resources		106,360	(16,886)	89,474	102,097	(15,633)	86,464	3,010	103,601
Non-operating Accruing Resources				2,154			2,153	1	-

Net cash requirement 2012-13		Estimate			Outturn			2012-13 Net total outturn compared with estimate	2011-12 Outturn
Note		£000			£000			£000	£000
Net cash requirement	4	84,732			80,891			3,841	88,415

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 2012-13		Outturn 2012-13		
	Income	Receipts	Income	Receipts	
	£000	£000	£000	£000	
Total	5	105	<i>105</i>	445	283

The notes on pages 63 to 84 form part of these accounts

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

Office of the First Minister and deputy First Minister
Statement of Comprehensive Net Expenditure
for the year ended 31 March 2013

		2012-13			Restated 2011-12
	Note	Staff Costs £000	Other Costs £000	Income £000	Total £000
Administration costs:					
Staff costs	9	12,798			12,798
Other administration costs	10		5,685		5,685
Operating income	12			(279)	(279)
Programme costs					
Staff costs	9	7,174			7,174
Programme costs	11		78,672		78,672
Income	12			(15,799)	(15,799)
Net Operating Cost for the year ended 31 March 2013					
	3	19,972	84,357	(16,078)	88,251
Other Comprehensive Net Expenditure					
Net (gain)/loss on revaluation of Property Plant and Equipment	13				423
Net (gain)/loss on revaluation of Intangibles	14				(1)
Net (gain)/loss on revaluation of available for sale financial assets					-
Non-operating (gain)/loss from the transfer of function*	1.19				4,530
					4,952
Total Comprehensive Net Expenditure for the year ended 31 March 2013					
					93,203
					105,486

* Transfer of net assets to the Maze Long Kesh Development Corporation on 10 September 2012.

The notes on pages 63 to 84 form part of these accounts.

**Office of the First Minister and deputy First Minister
Statement of Financial Position**

<i>as at 31 March 2013</i>		2012-13		Restated 2011-12	Restated as at 01 April 2011
	Note	£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	13	14,940		21,035	29,445
Intangible assets	14	54		1	3
Total non-current assets			14,994	21,036	29,448
Current assets					
Assets classified as held for sale	16	-		2,683	-
Inventories		-		-	574
Trade and other receivables	18	14,281		16,603	14,088
Cash and cash equivalents	19	245		195	282
Total current assets			14,526	19,481	14,944
Total assets			29,520	40,517	44,392
Current liabilities					
Trade and other payables	21	(18,854)		(20,757)	(19,916)
Provisions	22	(15)		(15)	(97)
Total current liabilities			(18,869)	(20,772)	(20,013)
Non-current assets plus/less net current assets/liabilities			10,651	19,745	24,379
Non-current liabilities					
Other payables	21	(10)		(17)	(2)
Total non-current liabilities			(10)	(17)	(2)
Total assets less liabilities			10,641	19,728	24,377
Taxpayers' equity & other reserves					
General fund			10,178	18,796	23,773
Revaluation reserve			463	932	604
Total equity			10,641	19,728	24,377

The notes on pages 63 to 84 form part of these accounts



Accounting Officer

26 June 2013

Office of the First Minister and deputy First Minister

Statement of Cash Flows
for the year ended 31 March 2013

Cash flows from operating activities	Note	2012-13	Restated
		£000	2011-12
			£000
Net operating cost	3	(88,251)	(105,830)
Adjustments for non-cash transactions	9,10,11	8,191	30,666
(Increase)/decrease in trade and other receivables	18	2,322	(2,515)
<i>Less movements in receivables relating to items not passing through the SCNE</i>	18	6	(864)
Increase/(decrease) in inventories			574
Increase/(decrease) in trade payables	21	(1,910)	856
<i>Less movements in payables relating to items not passing through the SCNE</i>	21	1,275	2,021
Use of provisions	22	-	-
Net cash outflow from operating activities		(78,367)	(75,092)
Cash flows from investing activities			
Purchase of property, plant and equipment	13,14,21	(4,395)	(13,069)
Proceeds on disposal of property, plant and equipment		2,153	-
Net cash outflow from investing activities		(2,242)	(13,069)
Cash flows from financing activities			
From the Consolidated Fund - current year	20	80,863	88,391
From the Consolidated Fund - prior year		23	887
Net financing		80,886	89,278
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		277	1,117
Receipts due to the Consolidated fund which are outside the scope of the Department's activities		-	-
Payments of amounts due to the Consolidated fund		(227)	(195)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		50	922
Cash and cash equivalents at the beginning of the period	19	195	(727)
Cash and cash equivalents at the end of the period	19	245	195

The notes on pages 63 to 84 form part of these accounts

Office of the First Minister and deputy First Minister
Statement of Changes in Taxpayers' Equity
for the year ended 31 March 2013

	Note	General Fund	Revaluation Reserve	Total Reserves
		£000	£000	£000
Balance at 31 March 2011		20,548	604	21,152
Net Assembly Funding - drawn down	20	88,391	-	88,391
Net Assembly Funding - deemed		-	-	-
Supply (payable)/receivable adjustment	18	23	-	23
CFERs payable to the Consolidated Fund	6,7	(428)	-	(428)
Comprehensive expenditure for the year		(103,173)	344	(102,829)
Non-cash charges - auditors remuneration	10	54	-	54
Non-cash charges - other notional costs	9,10,11	3,326	-	3,326
Movements in Reserves Additions Recognised in Statement of Comprehensive Expenditure				
Transfers between reserves		16	(16)	-
Transfers of assets from other departments		9,471	-	9,471
Balance at 31 March 2012		18,228	932	19,160
Changes in accounting policy		568	-	568
Restated balance at 1 April 2012		18,796	932	19,728
Net Assembly Funding - drawn down	20	80,863	-	80,863
Net Assembly Funding - deemed		-	-	-
Supply (payable)/receivable adjustment	18	29	-	29
CFERs payable to the Consolidated Fund	6,7	(445)	-	(445)
Comprehensive expenditure for the year		(88,251)	(423)	(88,674)
Non-cash charges - auditors remuneration	10	66	-	66
Non-cash charges - other notional costs	9,10,11	3,604	-	3,604
Movements in Reserves Additions Recognised in Statement of Comprehensive Expenditure				
Transfers between reserves		46	(46)	-
Transfers of net assets to development corporation		(4,530)	-	(4,530)
Balance at 31 March 2013		10,178	463	10,641

The notes on pages 63 to 84 form part of these accounts.

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts

1 Statement of accounting policies

The financial statements have been prepared in accordance with the 2012-13 Government Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be the 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.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare an additional primary statement. The **Statement of Assembly Supply** and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

- 1 (a) In line with Department of Finance and Personnel advice, Prior Period Adjustments (PPAs) arising from the reclassification of two Arm's Length Bodies (Community Relations Council for Northern Ireland and Northern Ireland Memorial Fund) were not included in Spring Supplementary Estimates for 2011-12 on the basis that PPA numbers could have been misleading. The impact of these accounting policy changes on the Supply outturn in respect of 2011-12 are shown at 1 (b).
- 1 (b) The reclassification of Arm's Length Bodies has had the following effect on Resource outturn in 2011-12. The Statement of Assembly Supply and related notes have not been restated for this effect as advised by the Department of Finance and Personnel

	2011-12
	£'000
Net Resource Outturn (Statement of Assembly Supply)	103,601
Reclassification of Arm's Length Bodies	2,657
Adjusted Net Resource Outturn	106,258

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

1.2 Property, Plant and Equipment and Intangible Assets

The minimum level for capitalisation of a tangible fixed asset is £1,000. 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 property, plant and equipment holdings more accurately.

On initial recognition property, plant and equipment and intangible assets are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as "under construction" are recognised in the balance sheet to the extent that money has been paid or a liability has been incurred.

All property, plant and equipment and intangible assets are carried at fair value. Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Standards prepared and published by the Royal Institution of Chartered Surveyors (RICS). Full professional valuations of land and buildings are undertaken at specific intervals, but at least every five years. Land and buildings are revalued annually, between valuations, either by reassessment or using indices provided by Land and Property Services (LPS). All valuations are carried out by LPS an external valuer as defined in the Appraisal and Valuation Standards referred to above.

Operational properties are valued on the basis of existing use value, unless they are specialised, in which case they are valued on a depreciated replacement cost basis. Properties surplus to requirements are valued on the basis of open market value less any material directly attributable selling costs. With the exception of the above and items under construction, fair value is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS).

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

1.2 *Property, Plant and Equipment and Intangible Assets cont.*

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 Statement of Comprehensive Expenditure.

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.

1.3 *Depreciation*

Property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight line basis over their estimated useful lives. Depreciation is charged in the month of acquisition.

No depreciation is provided on freehold lands since they have unlimited or very long estimated useful lives. Items under construction are not depreciated until they are commissioned.

Properties that are surplus to requirements and not in use are not depreciated. Capital expenditure on leasehold improvements is depreciated over the remaining term of the lease.

Asset lives are normally in the following ranges

-Telecoms Equipment	5 - 10 years
-Motor Vehicles	4 years
-Computer Equipment	3-6 years
-Plant and Machinery	6-10 years
-Office Equipment	5-10 years
-Furniture and Fittings	5-10 years
-Computer Systems	3-6 years
-Freehold Buildings	25 years
-Leasehold Buildings	length of lease

The overall useful life of the Department's buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on these assets at the same rate as if separate components had been identified and depreciated at different rates.

1.4 *Stocks*

Stocks are valued at the lower of cost or net realisable value.

1.5 *Research and development*

Expenditure on research and development will be written off in the year of expenditure through the Statement of Comprehensive Net Expenditure.

1.6 *Operating income including income receivable from the European Union*

Operating income is income which related 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 resources 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.

Operating income is analysed under the following headings in the Statement of Comprehensive Net Expenditure;

- Administration Income
- Programme Income

All receipts from the EU are separately identified and shown as income in the notes to the Statement of Comprehensive Net Expenditure. EU income is received in arrears, expenditure having been initially funded by the Department.

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

1.7 Administration and programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. 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 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 and Personnel.

1.8 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 Statement of Comprehensive Expenditure

1.9 Employee Benefits including 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 9. 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 scheme, the Department recognises the contributions payable for the year. A separate scheme statement is prepared for PCSPS (NI) as a whole.

1.10 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 lessor 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 Statement of Comprehensive Net Expenditure over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

1.11 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 at the balance sheet date.

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

1.12 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 of HM Treasury (currently between -1.8% and 2.2% depending on when the cash flow occurs).

1.13 Contingent liabilities

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

- items over £250,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to the Assembly by 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 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 IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

1.14 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property plant and equipment. VAT is recoverable on a Departmental basis.

1.15 Disclosure of Figures

The Office of the First Minister and deputy First Minister have no other entities within the accounting boundary which require consolidation. The accounts have been presented as a single entity.

1.16 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when, it is extinguished.

The Department has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

In accordance with IAS 39 Financial Instruments: Recognition and Measurement trade receivables, cash and other receivables are classified as 'loans and receivables'. Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

The Department assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired. Based on historic experience receivables that are past 'due beyond 361 days' are generally not recoverable.

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

1.16 *Financial Instruments cont.*

The Department measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making the collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics. Impairment losses are recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the Statement of Comprehensive Net Expenditure to the extent that a provision was not previously recognised.

Financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

1.17 *Comparatives*

Comparative figures for the 2011-12 year are shown for those items listed in the primary schedules and associated notes, in compliance with the disclosure requirements of FReM unless otherwise stated. Comparative figures throughout the financial statements have been changed to reflect the reclassification of Arm's Length Bodies except for those items excluded in line with 1 (a) and 1 (b). The effect of this change is that previously the grant paid to the bodies was treated as accrual expenditure in the accounts, however as NDPBs their funding is considered to be financing and is treated on a cash basis.

The opening Statement of Financial Position for 2011-12 has been restated. The effect on the closing 2011-12 other liabilities position is a reduction of £568k.

1.18 *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*

The IASB has issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards have an effective date of January 2013, and EU adoption is due from 1 January 2014. The application of these IFRS changes is subject to further review by Treasury and the other relevant authorities before due process consultation.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A review of the NI financial process is currently under discussion with the Executive, which will bring NI departments under the same adaptation. Should this go ahead, the impact on departments is expected to focus around the disclosure requirements under IFRS 12. The impact on the consolidation boundary of NDPB's and trading funds will be subject to review, in particular, where control could be determined to exist due to exposure to variable returns (IFRS 10), and where joint arrangements need reassessing.

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

1.19 Maze Long Kesh (MLK) Development Corporation

During the 2012-13 financial reporting period, responsibility for the development of the MLK site transferred from the Department to a new Development Corporation which is classified as a Non-Departmental Body (NDPB). The effective date of the transfer is 10th September 2012, the date of the appointment of the Board.

In accordance with FReM, 'absorption' accounting is applied to the transfer as the Corporation is considered to be an NDPB of the Department. This treatment does not require retrospective restatement. Assets are transferred at net book value and this represents a change in equity. Although not recognised specifically in IFRS, it is permissible with the scope of IAS 8 as interpreted by FReM as reflecting the substance of business combinations under common control.

As the transfer of the development of MLK occurred during the financial reporting period, performance until 9th September 2012 is recorded in the accounts of the Department. This is set out below:

	£'000
Programme	
Staff costs	83
Other programme costs	570
Income (treated as CFERs)	(13)
Net Operating Cost	<u>640</u>

Net assets transferred to the MLK Development Corporation on 10th September 2012 at carrying value with the corresponding impact on taxpayer's equity were as follows:

	£'000
Assets and liabilities	
Property, plant and equipment	4,612
Assets held for sale	550
Trade and other payables	(632)
Assets less liabilities	<u>4,530</u>
Taxpayers' equity	
General fund	4,495
Revaluation reserve	35
Total taxpayers' equity	<u>4,530</u>

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

2 Analysis of net resource outturn by function

	Outturn						Estimate		Net total outturn compared with Estimate adjusted for virements	Prior-year outturn
	Admin	Other current	Grants	Gross resource expenditure	Accruing resources	Net total	Net total with Estimate	Net total outturn compared		
Request for resources A :										
Departmental Expenditure in DEL										
A1 Support for the Government and Other Services	10,185	4,445	50	14,680	(262)	14,418	14,379	(39)	(12)	13,764
A2 North/South Ministerial Council	-	758	-	758	-	758	763	5	5	728
A3 Planning Appeals Commission and Water Appeals Commission	-	2,333	-	2,333	(80)	2,253	2,022	(231)	(20)	2,258
A4 Attorney General for Northern Ireland	1,410	-	-	1,410	-	1,410	1,453	43	43	1,353
A5 Reinvestment and Reform Initiative	-	918	-	918	-	918	911	(7)	-	2,005
A6 Support for Equality, Human Rights and Community Relations	3,218	6,505	2,219	11,942	(40)	11,902	12,458	556	311	10,280
A7 Community Relations	-	-	5,584	5,584	(945)	4,639	4,824	185	185	3,859
A8 EU Programme for Peace and Reconciliation	-	-	19,075	19,075	(14,306)	4,769	5,175	406	406	5,778
A9 Victims and Survivors	-	44	(59)	(15)	-	(15)	79	94	94	1,198
A10 Social Investment Fund	-	600	-	600	-	600	600	-	-	1
Annually Managed Expenditure (AME)										
A11 Strategic Sites	-	4,095	-	4,095	-	4,095	5,450	1,355	1,355	26,976
<i>Settlement of NICS Equal Pay Claims</i>	-	-	-	-	-	-	-	-	-	(82)
Non-Budget										
A12 Strategic Investment Board	-	-	6,265	6,265	-	6,265	6,287	22	22	5,951
A13 Ilex	-	-	1,692	1,692	-	1,692	1,692	-	-	1,823
A14 Economic Research Institute of Northern Ireland	-	-	(330)	(330)	-	(330)	250	580	330	605
A15 Northern Ireland Commissioner for Children and Young People	-	-	1,494	1,494	-	1,494	1,494	-	-	1,563
A16 Equality Commission for Northern Ireland	-	-	6,200	6,200	-	6,200	6,450	250	-	6,525
A17 Commission for Victims and Survivors	-	-	815	815	-	815	1,048	233	209	1,016
A18 Northern Ireland Judicial Appointments Commission	-	-	1,307	1,307	-	1,307	1,334	27	27	1,446
A19 Northern Ireland Commissioner for Older People	-	-	609	609	-	609	635	26	26	96
A20 Northern Ireland Memorial Fund	-	-	3,811	3,811	-	3,811	3,741	(70)	-	2,505
A21 Community Relations Council	-	-	9,146	9,146	-	9,146	9,163	17	17	10,573
A22 Victims and Survivors Service	-	-	2,976	2,976	-	2,976	2,861	(115)	-	-
A23 Maze Long Kesh Development Corporation	-	-	3,062	3,062	-	3,062	2,723	(339)	-	-
A24 Notional Charges	3,670	-	-	3,670	-	3,670	3,682	12	12	3,380
Total RfR A	18,483	19,698	63,916	102,097	(15,633)	86,464	89,474	3,010	3,010	103,601
Resource Outturn	18,483	19,698	63,916	102,097	(15,633)	86,464	89,474	3,010	3,010	103,601

Key to Request for Resources

RfR A

Driving investment and sustainable development; making people's lives better through support for equality, human rights and community relations; and the effective operation of the institutions of Government

The net underspend of £3 010million against RfR A is primarily due to underspends in Strategic Sites (AME) (£1 355m), Economic Research Institute of Northern Ireland (£0 580m), Support for Equality, Human Rights and Community Relations (£0 557m), EU Programme for Peace and Reconciliation (£0 406m)

The net cash requirement for 2012-13 was £80 891million This was £3 841million lower than the estimated net cash requirement of £84 732million This is mainly due to a resource underspend of £3 010million, a capital underspend of £0 357million, transfer of capital receipts £2 150 million and accruals adjustments of £1 675million

Detailed explanations of the variances are given in the Financial Performance (pages 18 to 22) of the Management Commentary.

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

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

3.1 Reconciliation of net resource outturn to net operating cost

	Note	2012-13		2011-12
		Outturn £000	Supply Estimate £000	Outturn compared with Estimate £000
Net resource outturn	2	86,464	89,474	103,601
Non supply income (CFERs)	5	(445)	(105)	(428)
Non supply transfer of capital receipt	11	2,150	-	-
Non supply expenditure (unrealised foreign exchange loss)	11	82	-	(82)
Net operating cost		88,251	89,369	103,173

3.2 Outturn against final Administration Budget

Note	2012-13		2011-12
	Budget £000	Outturn £000	Outturn £000
Gross Administration Budget	18,682	18,483	18,407
Administration expenditure excluded from the Administration cost limit	(3,682)	(3,670)	(3,380)
Net outturn against final Administration Budget	15,000	14,813	15,027

4 Reconciliation of net resource outturn to net cash requirement

Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate saving/ (excess) £000
Resource Outturn	89,474	86,464	3,010
Prior period adjustment	-	-	-
Capital :			
- Acquisition of property plant and equipment	6,040	3,533	2,507
Non-operating Accruing Resources :			
- Proceeds of asset disposals	(2,154)	(2,153)	(1)
Accruals adjustments :			
- Non-cash items	(10,628)	(8,191)	(2,437)
- Changes in working capital other than cash	2,000	1,231	769
- Changes in payables falling due after more than one year	-	7	(7)
Provisions	-	-	-
Net cash requirement	84,732	80,891	3,841

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

5 Analysis of income payable to the Consolidated Fund

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

	Note	2012-13 forecast		2012-13 outturn	
		Income £000	Receipts £000	Income £000	Receipts £000
Operating income and receipts - excess Accruing Resources		-	-	-	-
Other operating income and receipts not classified as Accruing Resource		105	<i>105</i>	445	<i>283</i>
Subtotal	6	105	<i>105</i>	445	<i>283</i>
Non-operating income and receipts - excess Accruing Resources	7	-	-	-	-
Other non-operating income and receipts not classified as Accruing Resources	7	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund		-	-	-	-
Excess cash surrenderable to the Consolidated Fund		-	-	-	-
Total income payable to the Consolidated Fund		105	<i>105</i>	445	<i>283</i>

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

	Note	2012-13 £000	2011-12 £000
Operating income	12	16,078	15,460
Gross income		16,078	15,460
Income authorised to be Accruing Resources	2	15,633	15,032
Operating income payable to the Consolidated Fund	5	445	428

7 Non-operating income - Excess Accruing Resources

	Note	2012-13 £000	2011-12 £000
Proceeds on disposal of property, plant and equipment		-	-
Other miscellaneous income		-	-
Non-operating income - excess accruing resources		-	-

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

8 Statement of Operating Costs by Operating Segment

The principal activities of the Department comprise: Support for the Executive and; Human rights, equality and community relations. This is reflected in the high-level structure under which the Department reports performance to the Department of Finance and Personnel and HM Treasury.

"Support for the Executive" embraces provision of advice and guidance to Ministers, managing the Programme for Government, maintaining a presence in Brussels and Washington and delivering an integrated investment strategy, including the regeneration of former military and security sites. "Human rights, equality and community relations" comprises the development and implementation of a cross-departmental strategy to tackle poverty and social exclusion, promote equality and improve people's lives. The Accounting Officer receives detailed monthly reports for each business area in the Department which are aggregated to show performance over principal activities.

		2012-13			Restated 2011-12		
	Note	Support for the Executive £000	Equality £'000	Total £000	Support for the Executive £000	Equality £000	Total £000
Gross Expenditure	9,10,11	38,899	65,430	104,329	48,791	72,499	121,290
Income	12	(460)	(15,618)	(16,078)	(522)	(14,938)	(15,460)
Net Expenditure		38,439	49,812	88,251	48,269	57,561	105,830
Total assets	13,14,19, 20,21	12,884	16,636	29,520	21,514	19,003	40,517

8.1 Reconciliation between Operating Segments and SoCNE / SoFP

	Note	2012-13			Restated 2011-12		
		Support for the Executive £000	Equality £'000	Total £000	Support for the Executive £000	Equality £000	Total £000
Total net expenditure per statement of comprehensive net expenditure by operating segment		38,439	49,812	88,251	48,269	57,561	105,830
Reconciling items:							
Income		-	-	-	-	-	-
Expenditure		-	-	-	-	-	-
Total net expenditure per Statement of Comprehensive Net Expenditure		38,439	49,812	88,251	48,269	57,561	105,830

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

9 Staff numbers and related costs

Staff costs comprise :

	2012-13			2011-12	
	Permanently employed staff * £000	Others £000	Ministers** £000	Total £000	Total £000
Wages and salaries	14,527	800	176	15,503	14,638
Social security costs	1,252	54	20	1,326	1,211
Other pension costs	2,979	125	39	3,143	2,937
Total net costs	18,758	979	235	19,972	18,786

of which:	Charged to Administration £000	Charged to Programme £000	Total £000
Total net costs	12,798	7,174	19,972

* Permanently employed staff includes the cost of the Department's Special Advisors, all eight of whom are paid in the band (£57,873-£90,900)
** Ministers' salary costs are notional

The Principal Civil Service Pension Scheme Northern Ireland (PCSPS (NI)) is an unfunded multi-employer 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 2010 and details of this valuation are available in the PCSPS(NI) resource accounts.

For 2012-13, employers' contributions of £2,872,604 were payable to the PCSPS (NI) (2011-12: £2,768,107) at one of four rates in the range of 18% to 25% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. However, HM Treasury has instructed the scheme to cease further work on the March 2010 valuation. A new valuation scheme based on data as at 31 March 2012 is currently being undertaken by the Actuary to review employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2013-14, the rates will remain in the range 18%-25%. The contribution rates are set to meet the cost of the benefits accruing during 2012-13 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £nil (2011-12: £nil) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £nil, 0.8% 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.

Three persons (2011-12: no one) retired early on ill-health grounds. The total additional accrued pension liabilities in the year amounted to £1,896,750 (2011-12: £nil).

9.1 Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the Department as well as other bodies included within the Departmental resource account.

	2012-13				2011-12	
	Permanently employed staff number	Other staff number	Ministers number	Special Advisers number	Total number	Total number
Core Departmental staff in post	309	27	4	8	348	333
North South Ministerial Council	10	-	-	-	10	11
Planning Appeals Commission and Water Appeals Commission	38	-	-	-	38	38
Commissioner for Public Appointments for Northern Ireland	3	-	-	-	3	2
The Inquiry into Historical Institutional Abuse	6	-	-	-	6	-
Attorney General for Northern Ireland	15	-	-	-	15	13
Staff engaged on capital projects*	-	-	-	-	-	-
Total for RfR A	381	27	4	8	420	397

* The Department does not employ any staff exclusively for capital projects.

Office of the First Minister and deputy First Minister

Notes to the Departmental resource accounts cont.

9.2 Reporting of Civil Service and other compensation schemes - exit packages

Comparative data for 2011-12 is shown in brackets

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	- -	- -	- -
£10,000-£25,000	- -	- -	- -
£25,000-£50,000	- -	- (2)	- (2)
£50,000-£100,000	- -	- -	- -
£100,000-£150,000	- -	- -	- -
£150,000-£200,000	- -	- -	- -
Total number of exit packages by type	- -	- (2)	- (2)
Total resource cost £,000	- -	- 57	- 57

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

10 Other Administration Costs

	2012-13	2011-12
	£000	£000
Rental under operating leases	145	119
Non-cash items :		
Depreciation	110	103
Reversal of diminution in value of property plant and equipment	(4)	(1)
Profit on disposal	(3)	-
Auditors' remuneration and expenses	66	54
Office accommodation	1,781	1,580
Other notional charges	1,589	1,509
Other expenses (see analysis below)	2,001	1,736
Total	5,685	5,100

Auditors remuneration relates fully to audit work. A further fee of £2,351 was also paid to the Northern Ireland Audit Office in respect of the 2012/13 National Fraud Initiative exercise.

	2012-13	2011-12
	£000	£000
<i>Analysis of other expenses is as follows</i>		
<i>Consultancy</i>	81	30
<i>Professional Costs</i>	163	159
<i>Other (including hospitality)</i>	175	156
<i>Office Services (including advertising, communications and stationery)</i>	442	476
<i>Non Capital purchases</i>	34	14
<i>Contracted Out Services</i>	299	365
<i>Accommodation costs</i>	166	156
<i>Staff related costs (including travel and subsistence and training)</i>	641	380
	<u>2,001</u>	<u>1,736</u>

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

11 Programme Costs

	2012-13	Restated 2011-12
	£000	£000
EU Programme Spend	14,306	14,629
Grants	51,760	46,698
Accommodation Costs	955	1,152
Consultancy Costs	945	1,019
Contracted Out Services	2,411	1,529
Non Capital Purchases	14	11
Office Services	1,001	869
Professional Costs	249	122
Rentals under operating leases	580	624
Staff related costs	316	254
Other (a)	1,717	607
<u>Non Cash Costs</u>		
Provision	-	(82)
Depreciation	337	321
Diminution in Value of property, plant and equipment	4,095	26,944
Profit on Disposal	(14)	-
Bad debt written off (b)	-	2,707
Total	78,672	97,404

(a) Other includes an exchange loss of £719,538 (2011-12 - exchange loss of £233,349).

(b) On advice from EU Division of DFP, the whole debtor balance relating to the EU Peace II programme was written off in 2011-12. An amount of £159,097.95 was received upon finalisation of the programme in 2012-13 and will be surrendered to the Consolidated Fund.

12 Income

	2012-13	2011-12
	£000	£000
EU-related Income	14,597	14,629
Atlantic Philanthropies	945	-
Recovery of Seconded Costs	220	257
Planning and Water Appeals Commission	80	143
Rental Income	112	74
Claw back of grant	-	269
Miscellaneous Other Operating Income	124	88
Total	16,078	15,460

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts

13 Property, plant and equipment

	Land £000	Buildings £000	Dwellings £000	Transport Equipment £000	Plant and Machinery £000	Information Technology £000	Furniture and Fittings £000	Payments on Account & Assets under Construction £000	Total £000
Cost or valuation									
At 1 April 2012	17,256	3,103	-	68	315	138	899	-	21,779
Additions	353	1,902	-	38	86	52	53	994	3,478
Reclassifications	22	972	-	-	-	-	-	(994)	-
Transfers (a)	(3,800)	(779)	-	(31)	(1)	-	(38)	-	(4,649)
Disposals	-	-	-	(1)	(9)	(9)	(5)	-	(24)
Impairment (b)	-	(2,198)	-	-	-	-	-	-	(2,198)
Revaluation charged to SCNE (b)	(1,487)	(558)	-	-	-	-	-	-	(2,045)
Revaluation (b)	(454)	(6)	-	2	13	3	20	-	(422)
At 31 March 2013	11,890	2,436	-	76	404	184	929	-	15,919
Depreciation									
At 1 April 2012	-	292	-	12	200	101	139	-	744
Charged in period	-	270	-	17	38	18	101	-	444
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers(a)	-	(14)	-	(9)	-	-	(15)	-	(38)
Disposals	-	-	-	-	(9)	(9)	(2)	-	(20)
Impairment (b)	-	(91)	-	-	-	-	-	-	(91)
Revaluation charged to SCNE (b)	-	(58)	-	-	(3)	-	-	-	(61)
Revaluation (b)	-	(8)	-	-	3	1	5	-	1
At 31 March 2013	-	391	-	20	229	111	228	-	979
Carrying amount									
At 31 March 2013	11,890	2,045	-	56	175	73	701	-	14,940
At 31 March 2012	17,256	2,811	-	56	115	37	760	-	21,035
Asset financing :									
Owned	11,890	2,045	-	56	175	73	701	-	14,940
Carrying amount at 31 March 2013	11,890	2,045	-	56	175	73	701	-	14,940

(a) Transfer of assets to the Maze Long Kesh Development Corporation created on 10 September 2012

(b) Revaluations were undertaken in respect of Ebrington Barracks; former St Patrick's Barracks, Ballymena; Shackleton Ballykelly; St Lucia Omagh and the Crisis Management Centre as at 31 March 2013 by Land & Property Services. Valuations reflect the current situation in the property market in Northern Ireland. Previous year valuations are shown in brackets. Ebrington was valued at £4,300,000 (£4,860,000) for land and £390,000 (£390,000) for buildings. Former HMP Belfast was revalued at £1,665,000 (£1,775,000) for land and £835,000 (£975,000) for buildings. St Patrick's was valued at £3,550,000 (£4,750,000) for land. Shackleton was valued at £1,500,000 (£1,500,000) for land. St Lucia was valued at £750,000 (£750,000) for land. The Crisis Management Centre was valued at £125,000 (£140,000) for land and £125,000 (£125,000) for buildings.

Office of the First Minister and deputy First Minister

Notes to the Departmental resource accounts

13 Property, plant and equipment

	Land £000	Buildings £000	Dwellings £000	Transport Equipment £000	Plant and Machinery £000	Information Technology £000	Furniture and Fittings £000	Payments on Account & Assets under Construction £000	Total £000
Cost or valuation									
At 1 April 2011	10,665	2,449	-	12	254	131	556	15,856	29,923
Additions (a)	7,912	3,446	1,725	56	13	6	363	7,773	21,294
Reclassifications	-	18,758	-	-	37	-	(37)	(18,758)	-
Transfers	3,876	-	(1,725)	-	9	3	8	(4,871)	(2,700)
Disposals	-	-	-	-	(9)	-	-	-	(9)
Revaluation (b)	413	(89)	-	-	10	(1)	8	-	341
Impairment charged to SCNE (b)	(5,610)	(21,461)	-	-	1	(1)	1	-	(27,070)
At 31 March 2012	17,256	3,103	-	68	315	138	899	-	21,779
Depreciation									
At 1 April 2011	-	175	-	3	169	84	47	-	478
Charged in period	-	249	17	9	33	18	96	-	422
Reclassifications	-	-	-	-	8	-	(8)	-	-
Transfers	-	-	(17)	-	(3)	1	2	-	(17)
Disposals	-	-	-	-	(9)	-	-	-	(9)
Revaluation (b)	-	(6)	-	-	3	(1)	1	-	(3)
Impairment charged to SCNE (b)	-	(126)	-	-	(1)	(1)	1	-	(127)
At 31 March 2012	-	292	-	12	200	101	139	-	744
Carrying amount									
At 31 March 2012	17,256	2,811	-	56	115	37	760	-	21,035
At 31 March 2011	10,665	2,274	-	9	85	47	509	15,856	29,445
Asset financing :									
Owned	17,256	2,811	-	56	115	37	760	-	21,035
Carrying amount at 31 March 2012	17,256	2,811	-	56	115	37	760	-	21,035

(a) Additions include £9,471,000 in respect of former military sites transferred without payment to the Department during the financial year, of which £2,700,000 (less £17,500 depreciation) were subsequently transferred to assets held for sale

(b) Revaluations were undertaken in respect of the Maze Long Kesh sites; former HMP Belfast ; Ebrington Barracks; former St Patrick's Barracks, Ballymena; Shackleton, Ballykelly; St Lucia Omagh and the Crisis Management Centre as at 31 March 2012 by Land & Property Services. Valuations reflect the current situation in the property market in Northern Ireland. Previous year valuations are shown in brackets. Maze Long Kesh was revalued at £3,480,000 (£3,950,000) for land and £500,000 (£500,000) for buildings. The land figure excludes £550,000 transferred to assets held for sale. Ebrington was valued at £4,860,000 (£4,800,000) for land and £390,000 (£200,000) for buildings. Former HMP Belfast was revalued at £1,775,000 (£1,775,000) for land and £975,000 (£575,000) for buildings. St Patrick's was valued at £4,750,000 for land. Shackleton was valued at £1,500,000 for land. St Lucia was valued at £750,000 (£1,050,000) for land. The Crisis management Centre was valued at £140,000 (£140,000) for land and £125,000 (£125,000) for buildings.

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

14 Intangible Assets

Intangible assets comprise software developed in-house and system development software purchased externally.

	Total £'000
Cost or valuation	
At 1 April 2012	180
Additions	55
Disposals	(3)
Revaluations charged to SCNE	-
Revaluations	1
At 31 March 2013	233
Amortisation	
At 1 April 2012	179
Charged in period	2
Disposals	(2)
Revaluations charged to SCNE	-
Revaluations	-
At 31 March 2013	179
Carrying amount at 31 March 2012	1
Carrying amount at 31 March 2013	54
Asset Financing	
Owned	54
Finance Leased	-
Contracts	-
Carrying amount at 31 March 2013	54
	Total £'000
Cost or valuation	
At 1 April 2011	174
Additions	-
Disposals	(2)
Revaluations charged to SCNE	-
Revaluations	8
At 31 March 2012	180
Amortisation	
At 1 April 2011	171
Charged in period	2
Disposals	(2)
Revaluations charged to SCNE	-
Revaluations	8
At 31 March 2012	179
Carrying amount at 31 March 2011	3
Carrying amount at 31 March 2012	1
Asset Financing	
Owned	1
Finance Leased	-
Contracts	-
Carrying amount at 31 March 2012	1

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

15 Financial Instruments

As the cash requirements of the department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore exposed to little credit, liquidity or market risk.

16 Assets Held for Sale

	2012-13 £000	2011-12 £000
At 1 April 2012	2,683	-
Transfer in from non current assets	-	2,683
Transfer out to non current assets	-	-
Transfer of carrying value (a)	(550)	-
Disposal of carrying value (b)	(2,133)	-
At 31 March 2013	-	2,683

(a) Land held for sale transferred to the Maze Long Kesh Development Corporation

(b) Land and dwellings at the former St Patrick's Barracks, Ballymena sold to the Department for Social Development for social housing

17 Impairments

	2012-13 £000	2011-12 £000
Amounts charged to the Statement of Comprehensive Net Expenditure	2,107	26,943
	2,107	26,943

18 Trade receivables and other current assets

	2012-13 £000	2011-12 £000
Amounts falling due within one year:		
Trade receivables	32	95
Deposits and Advances	2,845	2,511
Other Receivables	613	616
Prepayments & Accrued Income	1,701	2,166
Supply Debtor	29	23
Amounts due from EU	8,802	10,954
VAT	258	238
	14,280	16,603
Amounts falling due after more than one 1 year:		
Deposits and Advances	1	-
	14,281	16,603

Trade receivables and other current assets contains £371,215 (2012 - £209,090) which will be surrendered to the Consolidated Fund when received.

18.1 Intra-Government Balances

	2012-13 £000	2011-12 £000	2012-13 £000	2011-12 £000
	Amounts falling due within one year		Amounts falling due after one year	
Balances with other central government bodies	433	428	-	-
Balances with local authorities	-	-	-	-
Balances with NHS bodies	27	27	-	-
Balances with public corporations and trading funds	1	1	-	-
<i>Subtotal</i> : intra-government balances	461	456	-	-
Balances with bodies external to government	13,819	16,147	1	-
Total receivables as 31 March	14,280	16,603	1	-

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

19 Cash and Cash equivalents

	2012-13 £000	2011-12 £000
Balance at 1 April	195	(727)
Net change in cash and cash equivalent balances	50	922
Balance at 31 March	<u>245</u>	<u>195</u>
The following balances at 31 March were held at:		
Commercial banks and cash in hand	245	195
Balance at 31 March	<u>245</u>	<u>195</u>
The balance comprises		
Cash	245	195
Overdraft	-	-
	<u>245</u>	<u>195</u>

20 Reconciliation of net cash requirement to increase/decrease in cash

	Note	2012-13 £000	2011-12 £000
Net cash requirement	4	(80,891)	(88,415)
From the Consolidated Fund (Supply) - current year		80,863	88,391
Difference in prior year supply Dr/Cr calculation		23	887
Amounts due to the Consolidated fund received in a prior year end and paid over		(219)	(160)
Amounts due to the Consolidated fund received and not paid over		274	219
Prior Period adjustment		-	-
Increase/(decrease) in cash		<u>50</u>	<u>922</u>

21 Trade payables and other current liabilities

	2012-13 £000	Restated 2011-12 £000	Restated as at 01 April 2011 £000
Amounts falling due within one year:			
Bank Overdraft	-	-	1,009
Trade payables	32	852	288
Other payables	1	-	15
Accruals and deferred income*	9,090	9,611	10,115
Non Current Asset Accruals	2,106	2,968	4,213
Amounts due to EU	6,980	6,898	4,081
Amounts issued from the Consolidated fund for supply but not spent at year end	-	-	-
Consolidated fund extra receipts due to be paid to the Consolidated Fund			
Received	274	219	160
Receivable	371	209	35
	<u>18,854</u>	<u>20,757</u>	<u>19,916</u>
Amounts falling due after one year:			
Other payables, accruals and deferred income	10	17	2
	<u>18,864</u>	<u>20,774</u>	<u>19,918</u>

21.1 Intra-Government Balances

	2012-13 £000	Restated 2011-12 £000	Restated as at 01 April 2011 £000	2012-13 £000	Restated 2011-12 £000	Restated as at 01 April 2011 £000
Amounts falling due within one year			Amounts falling due after one year			
Balances with other central government bodies	1,660	3,420	5,142	-	-	-
Balances with local authorities	1,740	1,569	2,817	-	-	-
Balances with NHS bodies	-	-	175	-	-	-
Balances with public corporations and trading funds	-	-	-	-	-	-
<i>Subtotal</i> : intra-government balances	<u>3,400</u>	<u>4,989</u>	<u>8,134</u>	-	-	-
Balances with bodies external to government	15,454	15,768	11,782	10	17	2
Total payables at 31 March	<u>18,854</u>	<u>20,757</u>	<u>19,916</u>	<u>10</u>	<u>10</u>	<u>2</u>

*Accruals of £631,673 were transferred to Maze Long Kesh Development Corporation through reserves

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

22 Provisions for liabilities and charges

2011-12	Equal Pay £'000	Total £'000
Balance at 1 April 2011	97	97
Provided in the year	-	-
Provisions not required written back	(82)	(82)
Provisions utilised in the year	-	-
Borrowing costs	-	-
Balance at 31 March 2012	<u>15</u>	<u>15</u>

2012-13	Equal Pay £'000	Total £'000
Balance at 1 April 2012	15	15
Provided in the year	-	-
Provisions not required written back	-	-
Provisions utilised in the year	-	-
Borrowing costs	-	-
Balance at 31 March 2013	<u>15</u>	<u>15</u>

22.1 Equal Pay

This provision represents the department's share of the settlement pay made to staff at AA, AO, EO11 and analogous grades in the NICS as the result of an agreement with NIPSA in respect of Equal Pay.

The bulk of staff have now agreed to the settlement and the associated taxation obligations to HMRC have been discharged. As it is possible that a small number of additional settlements could arise, none of the unutilised balance has been released in the current financial year.

Office of the First Minister and deputy First Minister

Notes to the departmental resource accounts cont.

23 Capital and other commitments

23.1 Capital Commitments	2012-13	2011-12
	£000	£000
Contracted capital commitments at 31 March not otherwise included in these financial statements		
Property, plant and equipment	6,293	-
Intangible assets	-	-
	<u>6,293</u>	<u>-</u>

23.2 Commitments under leases

23.2.1 Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods

	2012-13	2011-12
	£000	£000
Obligations under operating leases for the following periods comprise :		
Buildings:		
Not later than one year	814	589
Later than one year and not later than five years	2,954	2,305
Later than five years	2,932	2,347
	<u>6,700</u>	<u>5,241</u>
Other :		
Not later than one year	11	19
Later than one year and not later than five years	15	7
Later than five years	-	-
	<u>26</u>	<u>26</u>

23.2.2 Finance leases

The department has no finance lease commitments

23.3 Commitments under PFI contracts and other service concession arrangements

The Department has no commitments under PFI contracts

23.4 Other financial commitments

The department has entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements), relating to grant payments and amounts committed in relation to contracted services. The payments to which the department is committed are as follows:

	2012-13	2011-12
	£000	£000
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>-</u>

24 Financial Guarantees, Indemnities and Letter of Comfort

The Department has not entered into any quantifiable guarantees, indemnities or provided letters of comfort

Office of the First Minister and deputy First Minister

Notes to the Departmental resource accounts cont.

25 Contingent liabilities disclosed under IAS 37

There is currently one Judicial Review case pending against the Planning Appeals Commission Water Appeals Commission, which falls within the Departmental boundary

In addition there is currently one amount in dispute with a contractor working on regeneration projects for OFMDFM. It is not known when, or at what value if any, settlement will be reached in this case

26 Losses and special payments

26.1 Losses Statement

	2012-13	2012-13	2011-12	2011-12
	Number	£000	Number	£000
Total - Losses	43	4	16	2,708

These losses are made up of non refundable charges and asset write offs. 2011-12 losses were made up of a debtor write off, non refundable charges, rental payments and asset write offs

Details of 2011-12 cases over £250,000 are as below:

A debtor balance of £2,707,261 relating to the EU Peace II programme was written off as, although the programme is not to be finalised until 2012-13, European Division of DFP has advised that OFMDFM is unlikely to receive any further payments (See also Note 11)

26.2 Special Payments

There were no special payments

27 Related-party transactions

The Office of the First Minister and deputy First Minister has had a number of material transactions with 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. The Department is also the sponsor of NDPBs and companies Limited by Guarantee, as referred to in the Annual Report

28 Third-party assets

The Department has no third-party assets

29 Entities within the Departmental boundary

The entities within the boundary during the period were as follows :

a) Supply financed agencies	None
b) Other entities	North/South Ministerial Council Planning Appeals Commission and Water Appeals Commission (www.pacni.gov.uk) Office of the Commissioner for the Public Appointments for Northern Ireland (www.ocpani.gov.uk) Office of the Attorney General for Northern Ireland (www.attorneygeneralni.gov.uk)

30 Events after the Reporting Period

There have been no significant events since the balance sheet date that would affect these accounts

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 27 June 2013

Copies available from:

<http://www.ofmdfmi.gov.uk/index/about-ofmdfm/about-the-department/financial-information.htm>

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