

## Department for Infrastructure – Annual Audit of Financial Statements

Northern Ireland’s Comptroller and Auditor General, Mr Kieran Donnelly CB, has highlighted significant challenges to the financial position of Translink and NI Water, in a report on his audit of the 2020-21 accounts of the Department for Infrastructure (DfI).

Mr Donnelly’s report notes that public sector expenditure constraints over recent years have resulted in the annual budget allocation to the DfI falling short of meeting its needs. Against this already challenging backdrop, the Covid-19 pandemic continues to have a major impact on the finances of Translink and NI Water.

During the height of the pandemic, in mid-April 2020, public transport use fell to just 5% of 2019-20 levels. In recognition of the impact on Translink’s income and its wider financial sustainability, the DfI received an enhanced budget for public transport in 2020-21 and was able to provide significantly increased funding to Translink. However, despite the increased funding in 2020-21, uncertainty of funding for future years remains and Translink anticipates a significant loss in 2021-22.

Mr Donnelly commented:

*“As Northern Ireland’s main public transport provider Translink provides an essential public service that is a key component in supporting economic growth and social inclusion. Investment in our public transport network can also contribute to addressing environmental issues such as congestion and climate change. The ongoing funding uncertainty is a significant risk to the financial sustainability of Translink. The Department for Infrastructure and Translink need to work with all departments within the NI Executive and the private sector to develop a long term public transport strategy which considers all options for the delivery of a sustainable public transport network to support the NI economy in the future.”*

NI Water also received additional funding during 2020-21, to address increased costs and the significant loss of income from non-domestic water charges due to the mandatory closure of many businesses throughout the lockdown periods. Funding was also made available to help accelerate the delivery of essential water infrastructure projects, which will begin to address the deficit in wastewater investment that is affecting around 100 areas across Northern Ireland. Whilst the DfI has now confirmed that the funding required by NI Water will be made available during 2021-22, there remains a lack of clarity on the position for future years.

Mr Donnelly commented:

*There has been chronic underfunding for water and wastewater services and funding levels have fallen below the required levels determined by the Utility Regulator. Having the right drinking water and sewerage infrastructure is essential to enable economic growth and development and requires a sustainable funding model. “New Decade, New Approach” recognises the need for urgent investment in wastewater infrastructure which is at, or nearing, capacity in many places across Northern Ireland. That commitment is welcomed and the DfI, NI Water and other stakeholders must continue to work together to develop a sustainable funding model that keeps pace with the need for investment.*

ENDS

### **Notes for Editors**

1. The Comptroller and Auditor General is Head of the Northern Ireland Audit Office (the Audit Office). He, and the NIAO, are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. His reports are published as Assembly papers.
2. The DfI delivers public transport services and water and sewerage services through two separate arm's length bodies – the Northern Ireland Transport Holding Company (known as Translink) and Northern Ireland Water (NI Water).
3. This report is available on the Northern Ireland Audit Office website at [www.niauditoffice.gov.uk](http://www.niauditoffice.gov.uk)
4. The 2020-21 Department for Infrastructure Annual Report and accounts are available on the [DfI website](#)
5. Background briefing can be obtained from the Audit Office by contacting Colette Kane (028 9025 1064) or Suzanne Murphy (028 9025 1125).