

The Executive Office – Annual Report and Accounts 2019-20

Mr Kieran Donnelly CB, Comptroller and Auditor General (C&AG), has issued a report on the results of his audit of the 2019-20 accounts of The Executive Office (TEO).

The report focuses on the accounting treatment of two new schemes introduced by legislation during the year 2019-20:

1. The Historical Institutional Abuse (Northern Ireland) Act 2019 which will provide compensation to those who, as children, experienced abuse in residential institutions in Northern Ireland between 1922 and 1995.
2. The Victims' Payments Regulations 2020 which will provide payments to those people who experience permanent disablement, at a level of 14% functionality or more, from an injury sustained in a Troubles-related incident.

Under the legislation for both schemes, TEO has responsibility for making payments.

Mr Donnelly's report notes that, while no payments were made for either scheme during the financial year 19-20, the accounts presented for audit made a provision for potential future payments of £539 million (£105 million for victims' payments and £434 million for HIA). However, due to a number of factors, primarily the lack of historic data on which to base future forecasts, there was insufficient evidence to provide assurance that these estimates were reliable. As a result TEO agreed to remove the estimated expenditure from the 2019-20 accounts and to, instead, disclose the obligations due under the schemes in the notes to the accounts. This is the appropriate accounting treatment and accords with accounting standards.

Mr Donnelly commented:

"The scale of this adjustment was unusually high. I have recommended that TEO continues to seek information relevant to these schemes and to refine the models they are developing to support the reliable measurement of future probable payments under these schemes. I will monitor progress on this issue and consider any implications for the audit of the Annual Report and Accounts for 2020-21."

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. This report is available on the Audit Office website at www.niauditoffice.gov.uk.
3. Background briefing can be obtained from the Audit Office by contacting Suzanne Walsh (028 9025 1021).