

*These notes refer to the Financial Reporting (Departments and Public Bodies) Act (Northern Ireland) 2022 (c.8) which received Royal Assent on 30 March 2022*

# Financial Reporting (Departments and Public Bodies) Act (Northern Ireland) 2022

---

## **EXPLANATORY NOTES**

### **BACKGROUND AND POLICY OBJECTIVES**

3. There are a number of different systems which have an impact on the control and presentation of government expenditure. These include budgetary controls and supply estimates presented to the Assembly for approval and resource accounts prepared by departments at the end of each financial year.
4. These different systems mean that there is significant misalignment between the different bases on which financial information is presented to the Assembly and the public. This makes it difficult to understand the links and inter-relationships between them.
5. In December 2016 the Executive agreed to the Review of Financial Process to simplify financial reporting to better align budgets, estimates and resource accounts.
6. This Act deals with one aspect of that alignment and amends the Government Resources and Accounts Act (Northern Ireland) 2001 to allow the Department of Finance to issue directions on the way departments prepare Supply Estimates. The Act allows the Department of Finance to require departmental estimates and accounts to include the spending of designated Non-Departmental Public Bodies and other central government bodies for which a department has responsibility, thereby aligning with the budgetary treatment.
7. The Act also provides for consultation with HM Treasury prior to the designation of bodies. This consultation is to prevent the designation of a body as related to a Northern Ireland Executive department where the body is funded from a Consolidated Fund other than the Consolidated Fund of Northern Ireland.
8. The Act provides that where an estimate is prepared by other non-departmental bodies or persons, e.g. Northern Ireland Public Services Ombudsman, that the same conditions apply to that body or person as apply to departments. That is, the Department of Finance may direct how such a body or person prepares estimates and may direct that estimates and accounts prepared by that body or

*These notes refer to the Financial Reporting (Departments and Public Bodies) Act (Northern Ireland) 2022 (c.8) which received Royal Assent on 30 March 2022*

person include the spending of any bodies designated by the Department. This does not apply to the Northern Ireland Audit Office.