

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

COMMENTARY ON SECTIONS

Section 1: Estimates: Inclusion of resources used by designated bodies

Sub-section (1) provides that the section amends the Government Resources and Accounts Act (Northern Ireland) 2001 (“the GRAA(NI) 2001”).

Sub-section (2) inserts new sections 8A and 8B into the GRAA(NI) 2001 after section 8. The provisions are as follows:

New section 8A(1) gives the Department of Finance powers to give directions regarding how a government department must prepare a Supply Estimate for approval by the Assembly in respect of a financial year.

New section 8A(2) gives the Department of Finance powers to direct that the departmental Supply Estimate include information relating to resources expected to be used by any body that is a designated body in relation to that department.

New section 8A(3) provides that a body is a designated body in relation to a government department either if it is designated by an order made by the Department of Finance or it falls within a description of a body designated in relation to the department by a Department of Finance order.

New section 8A(4) provides for a body to be designated either for a particular financial year or generally.

New section 8A(5) refers to consultation with the Treasury, where necessary, before designating a body or description of a body. This consultation reflects current practice when a designation order is being made by the Treasury. The intention is to designate a body that is wholly funded from the Consolidated Fund of Northern Ireland and the consultation referred to will occur if, exceptionally, the potential exists for a body to receive payment directly from another Consolidated Fund.

New section 8A(6) provides that in determining for any purpose whether a body has a particular relationship with a government department, the fact that a departmental Supply Estimate includes information relating to that body, or

departmental resource accounts include information relating to the body, is to be disregarded. This provision is intended to make it clear that designating a body does not of itself alter the existing relationship between that body and the government department.

New section 8A(7) provides that an order under subsection (3) will be subject to the negative resolution procedure.

New section 8B(1) provides that section 8A also applies to any other body or person (subject to subsection (2)) for which an estimate is prepared for approval by the Assembly, with appropriate modifications, in the same way as it applies to a Northern Ireland department.

New section 8B(2) notes that subsection (1) does not apply to the Northern Ireland Audit Office.

Subsection (3) amends section 9(1) of the GRAA(NI) 2001. Section 9(1), as amended, will require a government department to include the resources used or acquired, held or disposed of by any designated body when preparing resource accounts.

Subsection (4) amends section 10(1) of the GRAA(NI) 2001. That section requires the Comptroller and Auditor General to examine resource accounts received from a department with a view to satisfaction on certain matters. Section 10(1), as amended, will require the Comptroller and Auditor General to examine resource accounts received from a department with a view to being satisfied that, amongst other things, the financial transactions of the department and the financial transactions of any body designated under section 8A are in accordance with any relevant authority.

Subsection (5) amends section 2(2) of the Public Services Ombudsman Act (Northern Ireland) 2016. Section 2 of the Public Services Ombudsman Act (Northern Ireland) 2016 states that the Ombudsman is not subject to the direction or control of a Minister, the Secretary of State, a Northern Ireland department, the Assembly, or the Assembly Commission. Section 2(2)(d), inserted by section 1(5) of the Act, will note that this is subject to the power of the Department to issue directions in relation to estimates for the Ombudsman.