

House of Commons
Committee of Public Accounts

**EXCESS VOTES
(NORTHERN IRELAND)
2001–02**

Eighth Report of Session 2002–03

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*Together with the
Proceedings of the Committee
relating to the Report*

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Committee of Public Accounts

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Contacts

All correspondence should be addressed to The Clerk of the Committee of Public Accounts, Committee Office, 7 Millbank, London SW1P 3JA. The telephone number for general inquiries is: 020-7219-5708. The Committee’s e-mail address is: pubaccomm@parliament.uk.

Footnotes

In the footnotes of this Report, references to oral evidence are indicated by ‘Q’ or ‘Qq’ followed by the question number; references to the written evidence are indicated by the page number as in ‘Ev’.

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EIGHTH REPORT

The Committee of Public Accounts has agreed to the following Report:

EXCESS VOTES (NORTHERN IRELAND) 2001–02

EXCESSES

1. Seventeen Northern Ireland Departments and Pension Schemes were granted Supply Estimates for 2001–02. Of these, three incurred Excesses in the use of resources totalling £6.3 million. [This represents 0.06% of total net resources of £9,891 million authorised for use by the Northern Ireland Assembly]. The details of the excesses are summarised in the table below.

2. There were no Excesses in the application of cash.

Figure 1: Summary of 2001–02 Excess Votes (Northern Ireland)

Department	Resource Excess £	Cash Excess £	Amounts to be Voted	
			Resource £	Cash £
Department of Finance & Personnel Vote A (Request for Resources B)	4,775,837.85 (4.9%)	–	4,775,837.85	–
Office of the First Minister & Deputy First Minister (Request for Resources A)	173,645.00 (1.1%)	–	173,645.00	–
Department of Social Development (Request for Resources B)	1,341,092.93 (0.5%)	–	1,341,092.93	–
Totals	6,290,575.78	–	6,290,575.78	–

Note: Percentages are in relation to limits authorised by the Northern Ireland Assembly in the Appropriation Act.

3. We see no objection to the sums set out above being provided by Excess Votes but draw attention in the following paragraphs to matters concerning the above excesses.

4. In all three cases the excesses arose due to a misunderstanding of the new resource budgeting and accounting requirements. Resource-based Supply places new demands on Departments' planning and control of expenditure. Departments are now required to forecast the resource they will consume in delivering services, including changes in the value of assets and liabilities for which they are responsible. We recognise the new challenges faced by Departments under resource-based supply. However, Departments have a duty to plan and watch their expenditure in such a way that it will not exceed the amounts provided by the Northern Ireland Assembly or Parliament. We expect Departments to plan and control their consumption of resources within the limits authorised through the Appropriation Act.

5. Accounting Officers have a personal responsibility to observe limits on expenditure laid down by the Northern Ireland Assembly or Parliament whether in resource terms or in cash. They should give the highest priority to satisfying themselves that their Departments are able to fulfil that responsibility within the new accrual accounting standard on which their Estimates are now based.

DETAILS OF THE EXCESSES IN 2001–02

Department of Finance and Personnel Vote A: Excess on Request for Resources B

6. The Committee has considered the Comptroller and Auditor General's Report on the Excess in the accounts of the Department of Finance and Personnel Vote A. Expenditure on Request for Resources B (Supporting and Enhancing the business performance of Northern Ireland Departments and their Agencies) exceeded the authorised account by £4.78 million.

7. The excess arose because of a failure to allow fully for non-cash expenditure such as depreciation and cost of capital in preparing Estimates.

8. The Department is taking action to improve its financial management which should help it to avoid incurring an excess in future. It has strengthened its core financial teams with additional professional accounting staff. It is also carrying out a full review of both general and fixed asset accounting procedures.

Office of the First Minister and Deputy First Minister: Excess on Request for Resources A

9. The Committee has considered the Comptroller and Auditor General's Report on the Excess in the Accounts of the Office of the First Minister and Deputy First Minister. Expenditure on Request for Resources A (Assisting the executive in making and implementing well-informed and timely policy decisions and improving public services) exceeded the authorised amount by £0.174 million.

10. The Office of the First Minister and Deputy First Minister assumed responsibility for funding the North South Ministerial Council, the Civic Forum and the Planning Appeals Commission and Water Appeals Commission on 26 June 2001. Prior to this date responsibility for funding these bodies rested with other departments. The Office of the First Minister and Deputy First Minister took estimate provision from the date of the transfer to 31 March 2002 but were required, under the provisions of the Northern Ireland Resource Accounting Manual, to account for the cost of funding these functions for the period 1 April 2001 to 31 March 2002.

11. The Excess arose because the Office of the First Minister and Deputy First Minister took estimate provision for the period 1 July 2001 to 31 March 2002 but was required to account for the expenditure for the period 1 April 2001 to 31 March 2002.

Department for Social Development: Excess on Request for Resources B

12. The Committee has considered the Comptroller and Auditor General's Report on the Excess in the accounts of the Department for Social Development. Expenditure on Request for Resources B (Promoting measurable improvement to housing in Northern Ireland) exceeded the authorised amount by £1.3 million.

13. The Excess arose because of an error in the classification between capital and operating receipts. The Department did not recognise early enough that the Northern Ireland Resource Accounting Manual did not allow capital receipts of £1.9 million to be treated as operating income. The issue came to light too late in the year to be reflected in the Department's Supplementary Estimate.

MINUTES OF PROCEEDINGS OF
THE COMMITTEE OF PUBLIC ACCOUNTS

SESSION 2002–03

WEDNESDAY 5 MARCH 2003

Members present:

Mr Richard Bacon
Mr Geraint Davies
Mr David Rendel

Mr Gerry Steinberg
Mr Alan Williams

In the absence of the Chairman, Mr Alan Williams was called to the Chair.

Sir John Bourn KCB, Comptroller and Auditor General, was further examined.

The Committee deliberated.

Mr Brian Glicksman, Treasury Officer of Accounts, was further examined.

* * * * *

Draft Report (Excess Votes (Northern Ireland) 2001–02), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 4 read and agreed to.

Paragraph 5 read, amended and agreed to.

Paragraphs 6 to 13 read and agreed to.

Resolved, That the Report be the Eighth Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That the provisions of Standing Order No. 134 (Select Committees (Reports)) be applied to the Report.

* * * * *

[Adjourned until Wednesday 12 March at half past Three o'clock.]

REPORTS BY THE COMMITTEE OF PUBLIC ACCOUNTS
SESSION 2002–03

		<i>Publication Date</i>
1	Collecting the Television Licence Fee (HC 118)	18/12/02
	Government Reply (Cm 5770)	06/03/03
2	Dealing with pollution from ships (HC 119)	09/01/03
	Government Reply (Cm 5770)	06/03/03
3	Tobacco Smuggling (HC 143)	10/01/03
	Government Reply (Cm 5770)	06/03/03
4	Private Finance Initiative: redevelopment of MOD Main Building (HC 298)	30/01/03
5	The 2001 outbreak of Foot and Mouth Disease (HC 487)	14/03/03
6	Ministry of Defence: Exercise Saif Sareea II (HC 502)	12/03/03
7	Excess Votes 2001–02 (HC 503)	19/03/03
8	Excess Votes (Northern Ireland) 2001–02 (HC 504)	19/03/03

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