
Food Standards Agency Northern Ireland

Resource Accounts 2008-09

(For the year ended 31 March 2009)

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Annual Report

Preparation of Accounts

The Food Standards Agency Northern Ireland (FSANI) forms part of the UK wide Food Standards Agency, a non-ministerial Government department. These accounts have been prepared for FSANI activity only. The FSA also prepares consolidated accounts for the organisation as a whole. The annual report is laid before Parliament under Section 4 of the Food Standards Act 1999. The FSANI accounts have been prepared in accordance with the direction given by the Department of Finance and Personnel.

Statutory Background

The FSA was established on 1st April 2000 by Act of Parliament (Food Standards Act 1999). The main purpose of the agency is:

'To protect public health from risks which may arise in connection with the consumption of food, and otherwise to protect the interests of consumers in relation to food.'

The FSANI was recognised as an independent Northern Ireland Department on 1 April 2004. Prior to that date the FSANI was funded indirectly through the Department of Health, Social Services and Public Safety.

Aims of the Food Standards Agency

Our Strategic Plan to 2010 sets out our key priorities for food safety, public information, labelling and choice, nutrition and diet and food law enforcement over a five year period. Our aim is to be trusted as the UK's most reliable source of advice and information about food. We want to protect and improve the safety of the food people eat, and to make it easier for people to choose a healthy diet.

Over the period covered by our Strategic Plan, we aim to focus on:

- *Food Safety*
reducing foodborne disease further;
deliver proportionate bovine spongiform encephalopathy (BSE) and transmissible spongiform encephalopathy (TSE) controls based on the latest scientific knowledge;
building and maintaining the trust of stakeholders in our handling of food safety issues;
- *Eating for Health and Choice*
enabling consumers to choose a healthier diet and help reduce diet-related disease;
enabling consumers to make informed choices; and
to protect consumers from food fraud and illegal practices.

Our Strategic Plan is published in full on our website at www.food.gov.uk/multimedia/pdfs/strategicplan2010e.pdf

Our vision is: **safe food and healthy eating for all**

We are committed to achieve this through our core values:

- putting the consumer first;
- openness and independence; and
- science and evidence-based.

Management Commentary

a) *The responsibilities of the FSANI*

The FSANI has a wide remit that includes protecting public health, providing information and advice, monitoring and auditing, enforcement of food law, and contributes to the FSA's role in co-ordinating and commissioning research and development and food surveillance, developing policy and legislation and representing the UK on food matters in Europe.

The work of the FSA involves food safety across the whole of the food chain, including:

- inspection and enforcement action to protect consumers;
- monitoring local authority enforcement – auditing and improving local authority performance;
- auditing and monitoring of enforcement by the Department of Agriculture and Rural Development (DARD) of meat and other food controls on behalf of FSANI;
- nutrition – providing advice and guidance on the nutritional composition of food;
- providing information on a healthy, balanced diet, to promote and protect public health;
- food contaminants – defining tolerable levels, risk management and policy;
- the management of food and feed incidents to protect public health and the interests of consumers;
- food additives, contact materials, and novel foods – including safety assessment and surveillance;
- microbiological safety and food hygiene including providing advice on the management of food borne outbreaks and prevention of food borne illness;
- pesticides, veterinary medicines and animal feed – assessing food safety implications; and
- food labelling and standards – developing policy, improving consumer choice and representing the UK in the European Union.

b) *Resource spend in 2008/09*

The comparison of actual resource expenditure to Estimate is shown below:

	2008/09	
	Estimate	Net Operating Cost
	£m	£m
FSA Northern Ireland	<u>9.2</u>	<u>8.6</u>

The comparative figures for 2007/08 are shown below:

	2007/08	
	Estimate	Net Operating Cost
	£m	£m
FSA Northern Ireland	<u>9.3</u>	<u>9.2</u>

The FSA Northern Ireland resource spend for the period was £8,574,000 compared to the estimate of £9,207,000. The underspend was largely due to expenditure on meat hygiene enforcement activity being less than expected and enforcement activity in the area of primary production being less than expected.

c) *Performance Reporting*

The FSA's 2008/09 Annual Report, required by the Food Standards Act 1999, explains in detail the work and achievements of the organisation during the year. It is published with the consolidated resource accounts for the Food Standards Agency. Copies of this report are also available from 'The Stationery Office', and the FSA's website.

Performance during the year is summarised below:

Food Safety

Strategic priorities	Our performance
We will work with industry to achieve a 50% reduction in the incidence of UK produced chickens which test positive for Campylobacter by the end of December 2010.	Although data from the preliminary results have yet to be fully analysed, early indications are that as a result of our interventions the incidence of Campylobacter is down to around 45%.
We will develop effective interventions to tackle food safety problems at source before they become incidents, by the end of December 2010.	<p>We have made good progress on our incident prevention strategy, e.g., the programme board has approved the communications plan; we have signed an information-sharing arrangement with USDA; we have set up an emerging risk team to take forward horizon scanning work; and we have targeted some research organisations to tender for a four month key ingredient project. A plan is in place to develop and validate LC-MS as an alternative to the mouse bioassay for the detection of diarrhetic shellfish toxins.</p> <p>In NI we launched a "Take Note" campaign to increase awareness of the importance of record keeping on-farm in the protection of public health and compliance with food and feed hygiene legislation. An associated "Farm Notes" notebook was developed in consultation with the Ulster Farmers Union and was distributed to farmers at agricultural shows across NI during 08/09.</p> <p>A NI version of a leaflet giving advice to farmers to help them protect their livestock from lead poisoning was also produced for distribution throughout NI.</p>
We will work with industry to achieve a 50% reduction in the incidence of pigs which test positive for Salmonella at slaughter by the end of December 2010.	<p>We are preparing a paper for consultation on the proposed baseline to measure the 50% reduction target. The baseline is likely to be based on data from EU harmonised surveillance and will be backdated. Prototype assessment tools are being piloted by industry and will contribute towards delivery of this target.</p> <p>FSANI have continued to engage with pig producers and processors in NI and were represented at a meeting held at Loughry College on the 2nd of March organised by the NI Salmonella Scheme where there were a number of presentations on best practice in reducing the incidence of salmonella on farm and in the abattoir.</p>

Strategic priorities	Our performance
<p>Working with stakeholders, we will provide guidance and support to help small catering businesses. By the end of December 2010, all food businesses are working actively to achieve compliance with food safety management requirements with at least 75% fully compliant.</p>	<p>The direction of travel is satisfactory but the target is unlikely to be achieved. The target of 75% fully compliant businesses is ambitious and a more realistic figure would be around 60%. This was always an aspirational target and consideration is being given to asking the Board to agree a more realistic target.</p> <p>In NI we have continued to provide guidance and support for District Councils and in 08/09 additional packs of the Safe Catering Pack were made available to Councils to provide free of charge to businesses.</p> <p>We also developed a mechanism for food businesses to reorder Safe Catering record books through TSO.</p> <p>FSANI have been working with key lecturing staff in the Catering and Hospitality departments within the 6 new Regional Further Education Colleges to introduce Safe Catering to catering students. A partnership has been agreed between FSANI and local District Council Environmental Health departments to deliver this project.</p>
<p>We will develop and pilot a tool that allows the effectiveness of slaughterhouse procedures on the risk of contamination of carcasses to be assessed by the end of 2009.</p>	<p>The Board agreed a revised target for this work. The toolkit has been launched. It scores the impact of certain processing practices. The target is on course to be completed by the end of 2009.</p>
<p>We will implement an action plan to deliver recommendations of the Food Fraud Task Force which fall within the period of this Strategic Plan.</p>	<p>This target is complete.</p> <p>FSANI and former NI members of the Illegal Meat Task Force decided that the remit of the NI group should be widened to reflect the new remit of the UK Food Fraud Advisory Unit . The name of the group changed to Food Fraud Advisory Unit in NI and will not duplicate the work of the UK unit. However it will keep updated with developments in food fraud and provide local support to enforcers in NI investigating suspected food fraud activity. Currently the Food Fraud Advisory Unit NI has two representatives who sit on the UK Food Advisory Unit.</p>
<p>We will promote and aid development of a sensitive, rapid and cost effective live test for TSEs by the end of December 2010.</p>	<p>A cost-effectiveness analysis is being commissioned to determine whether, were an ante-mortem test available and added to the EU list of approved tests, this would be of benefit to the UK Government. The target is to be in a position to take a strategic decision on the future of this work by December 2009.</p>

Eating for Health and Choice

Strategic priorities	Our performance
<p>We will work with health departments and other stakeholders to reduce the average salt intake of UK adults from the current 9.5g to 6g per day by the end December 2010 and to reduce the salt intake of children, in line with Scientific Advisory Committee on Nutrition age-specific recommendations, also by end December 2010. We will monitor progress to ensure that we remain on course to achieve the target.</p>	<p>We have considered consultation responses and secured internal agreement to targets for 2010 and 2012. Detailed stakeholder discussions have been carried out to ensure a robust impact assessment that deals with concerns raised by some businesses and BERR.</p> <p>The programme of actions to drive salt reduction remains on track, but will (almost certainly) not achieve the necessary behaviour change required to meet the target by 2010.</p>
<p>We will work with health departments and other stakeholders to develop and implement, by the end December 2008, a strategy for calorie intakes which contributes to achieving a balance between calorie intake and energy output.</p>	<p>We have worked to deliver the saturated fat campaign, including extensive media activity and work with stakeholders. Pre-consultation discussions with stakeholders on reformulation and portion size are near to completion.</p> <p>At a strategic level we continued to work at a cross-departmental level on the co-ordination and implementation of the recommendations from the Fit Futures report.</p> <p>An FSANI official chairs the Food and Nutrition sub group of the Obesity Prevention Steering Group. This group has been tasked with developing short, medium and long term outcomes for an Obesity Prevention Framework for NI.</p> <p>FSANI also embarked on a scheme to support local food initiatives by offering grants to NI District Councils, Group Environmental Health Committees and the NI Food Liaison Group. The initiatives had to promote the Agency's strategic targets (to reduce population intakes of salt and saturated fat, and to help maintain consumers' energy balance) and show partnership working with food business, catering colleges and consumers. Seven successful applications were awarded.</p>
<p>We will work with health departments and other stakeholders to reduce average intake of saturated fat (for everyone from age five upwards) from the current level of 13.4% to below 11% of food energy by end of December 2010.</p>	<p>The programme of actions to drive saturated fat reduction remains on track, but will (almost certainly) not achieve the necessary behaviour change required to meet the target by 2010.</p>
<p>By end of December 2008 we will have completed an independent evaluation of the impacts of front of pack labelling on consumer purchasing behaviour and knowledge and begun discussions on future approaches with stakeholders.</p>	<p>The initial draft report of the independent evaluation has been received and we are collating FSA expert comments to assist the independent panel's consideration of the draft.</p>

Effective Delivery

Strategic priorities	Our performance
<p>For UK-related regulations, achieve a 25% reduction (on 2005 baseline) by the end of April 2010 of the administrative burden over whose implementation the UK has some control.</p>	<p>We have made significant progress on reducing the administrative burden. Through more proportionate traceability guidance and the Safer Food Better Business initiative we had delivered savings of £44m by end March 2009.</p> <p>However, administrative burdens introduced in legislation after the baseline was set have added to the reduction target and we now need to achieve £136m of saving if we are to reach our £68m target.</p> <p>The focus of our work over the next year will be to deliver the £81m of potential savings identified. Together with the £44m already delivered will result in total savings of £125m, leaving us short by £11m, but still a substantial achievement.</p> <p>This assessment was included in our Simplification Report and Plan 2008/09 published in December. Both Treasury and BERR ministers have recognised that delivery of 90% of our target would be a significant achievement given the scale of the challenge.</p> <p>In addition, we hope that post-2010 we will secure further administrative burden reduction through further simplification and successful negotiation in Europe.</p>

We know that the expectations of taxpayers and service users will not stand still; we have therefore started a project on developing a new performance framework that will result in continuous improvement in our performance. The project is making steady progress and is on track to deliver a robust performance framework to support our strategic priorities from April 2010.

Structure and Organisation

The FSA is a non-Ministerial Government Department. Staff are accountable through a Chief Executive to the Board, rather than directly to Ministers. The Board consists of a Chair, Deputy Chair and up to 12 members. The Chair and Deputy Chair were appointed by the Secretary of State for Health, Scottish Ministers, the National Assembly for Wales and Northern Ireland Ministers. Two Board Members were appointed by Scottish Ministers, one by the National Assembly for Wales, and one by Northern Ireland Office Ministers. These members have special responsibility for Scottish, Welsh and Northern Irish issues. The other eight members were appointed by the Secretary of State for Health.

The Board is responsible for the FSA's overall strategic direction, for ensuring that legal obligations are fulfilled, and for ensuring that decisions and actions take proper account of scientific advice as well as the interests of consumers and other stakeholders. The annual increase in Board Members' remuneration is based on that recommended for office holders by the Senior Salaries Review Body. Senior Civil Service (SCS) staff salaries are uplifted in line with the central (Cabinet Office) SCS performance based pay and review system.

The Board is accountable to Parliament through the Secretary of State for Health, to Health Ministers in Scotland and Wales, and to the Minister of Health, Social Services and Public Safety in Northern Ireland.

The FSA Board

During the year, the following were members of the non-executive FSA Board:

Dame Deirdre Hutton – FSA Chair

Dr Ian Reynolds – FSA Deputy Chair

Other Board members:

Professor Graeme Millar – Chair of the Scottish Food Advisory Committee

Professor Bill Reilly

John W Spence – Chair of the Welsh Food Advisory Committee

Dr Maureen Edmondson – Chair of the Northern Ireland Food Advisory Committee

Tim Bennett

Michael Parker

Chris Pomfret

Nancy Robson

Sandra Walbran

Clive Grundy

Margaret Gilmore

Professor Sue Atkinson CBE

FSA Management Team

Day to day management of the FSA is exercised through the Executive Management Board (EMB). Membership during the year was as follows:

Tim Smith – Chief Executive

Richard Calvert – Director of Strategy and Resources

David Statham – Director of Consumer Protection & Enforcement (until 30th September 2008)

Vivienne Collette – Director of Legal Services

Dr Andrew Wadge – Director of Food Safety & Chief Scientist

Terrence Collis – Director of Communications

Brian Davies – Human Resources Director (until 5th November 2008)

Allan Hutton – Finance Director (until 30th June 2008)

Gill Fine – Director of Consumer Choice and Dietary Health

Dr George Paterson – Director of FSA Scotland

Morris McAllister – Director of FSA Northern Ireland (until 30th September 2008)

Gerry McCurdy – Director of FSA Northern Ireland (from 1st October 2008)

Steve Wearne – Director of FSA Wales

Steve McGrath – Chief Executive of the Meat Hygiene Service

All senior officials have been appointed under the rules laid down by the Civil Service Commissioners, with the exception of Tim Smith. The Cabinet Office agreed to his appointment until March 2011. Salary and pension details of the Board and the EMB are disclosed in the Remuneration Report.

Corporate Governance

Parliamentary Accountability

The Food Standards Agency is a non Ministerial government department. It is headed by an independent Chair, with an external board responsible for the overall strategy of the organisation. The Board provide independent advice to Health Ministers on food related issues.

The FSA Board

The FSA Board members are independent non-executives. They join the Board following open recruitment, and are expected to follow the Nolan principles of public life. The FSA maintains a register of Board Member details and interests. This is available on our website www.food.gsi.gov.uk/aboutus/ourboard/boardmem.

The FSA Board meets around 10 times per year. Many of these Board meetings are held in public, across the United Kingdom, to ensure that consumers have their say in policy decisions made by the agency. The minutes of these Board Meetings are available on the FSA's website.

The FSA also has an Executive Management Board (EMB) which is chaired by the Chief Executive. This Board is made of executive staff and ensures that the policies promoted by the FSA External Board are put into effect.

Internal Controls

The FSA has put in place arrangements to provide assurance on risk management, governance and internal control:

- the FSA has an Audit Committee chaired by an independent non-executive. The Chair of the Audit Committee reports regularly to the main FSA Board;
- the FSA's Internal Audit function operates in accordance with Government Internal Audit Standards; and
- the FSA has a Risk Committee which was established to improve the organisation's risk identification, modelling and management. The members of the Risk Committee are drawn from both the Executive and the Board.

The NI Food Advisory Committee

The FSANI has a Food Advisory Committee which is in place to provide advice and information to the Agency on its functions. It is chaired by the NI Board Member and the FSA Board is required by statute to take account of their advice in its work. The committee members are listed below:

Northern Ireland – Advisory Committee Members

Maureen Edmondson (Chair)	Barbara Livingstone
Paul Archer (until 31st July 2008)	Dr John Moore
Tony McCusker	Michael Walker
Jack Pearce (until 31st August 2008)	Alan Bingham
Dr Alex McGarel (until 5th September 2008)	Dr David McCleery
Dorothy Black (from 1st August 2008)	David Mark (from 1st September 2008)

FSA Audit Committee

The FSA has an Audit Committee to advise the Accounting Officer in relation to issues of control, governance and assurance. The Chair of the Audit Committee produces an annual report to the FSA Board on the work of the Audit Committee.

During the year, the membership of the FSA Audit Committee was:

Professor Graeme Millar – Chair

Michael Parker

Chris Pomfret

John W Spence

Tim Bennett

Clive Grundy

Richard Harbord – external non FSA Board Member

The FSA audit committee merged with the MHS audit committee on September 2008.

The Audit Committee discussed a range of issues during the year, including internal audit work in the following areas:

- MHS Service Level Agreement
- Finance Systems and Frameworks Review
- IT Procurement
- Human Resources
- Procurement
- FSA Westminster assurance
- FSA Scotland assurance
- FSA Wales assurance
- FSA Northern Ireland assurance
- Information Security (ISO 27001)
- FSA Wales programme expenditure
- Fraud Awareness
- IFRS

The FSA Risk Committee seeks to establish improved risk modelling and management across the organisation. This committee is chaired by Chris Pomfret, and includes a mix of executive and non executive staff as members. Although risk management is under constant review, the following have been identified as significant risk categories which could impinge on the FSA achieving its aims and objectives:

- achieving effective co-operation of the food industry;
- operating effectively in Europe and other international arenas;
- ensuring the FSA remains an independent organisation;
- developing the staff and skills the FSA needs to carry out its functions; and
- effective financial management.

Funding of the FSA

The FSA is a non-Ministerial Government Department. The Northern Ireland operations of the FSA are funded through resource based supply by the Department of Finance and Personnel.

Staff Relations

The FSANI attaches considerable importance to securing the full involvement of all staff in its work. Staff are encouraged to use their own initiative to enhance the work of the FSA. Senior management meet formally at regular intervals with trade union representatives. The Chief Executive holds regular open meetings to which all staff are invited and encouraged to attend. 'Feedback' provides staff with a quarterly update on the work of the organisation. Staff and other stakeholders also receive "FSA News", published every two months. The Director of FSANI also holds regular staff meetings.

Pensions

Employees of the FSANI are UK rather than NI civil servants and are members of the Principal Civil Service Pension Scheme (PCSPS). This is a Central Government unfunded pension scheme. Pension payments are made through the PCSPS resource account.

The FSA Board are not civil servants and are therefore not members of the PCSPS. However, some Board Members have similar pension arrangements independent of the PCSPS.

Equal Opportunities

The FSANI aims to be a modern and equitable employer, and recognises and encourages the potential of a diverse workforce. The FSA is committed to equal opportunities and aims to ensure that everyone who works for or with the FSA should be treated fairly and with respect. Consequently, no employee or job applicant will be discriminated against either directly or indirectly on such grounds as race, gender, marital status, nationality, ethnicity, colour, religion, political beliefs, disability, age, sexual orientation, responsibility for dependants, working pattern or position in the organisation. The FSANI operates a guaranteed interview scheme for people with disabilities (as defined by the Disability Discrimination Act 1995) who meet the minimum essential criteria for the appointment. The FSANI employs 1 member of staff who has declared a disability.

Supplier Payment Policy

It is Government policy that all departments and agencies should pay all invoices not in dispute within 30 days of receipt, or the agreed contractual terms if otherwise specified. Since January 2009, following Treasury guidance, it has been the FSA's policy to pay all invoices not in dispute within 10 days of receipt. During the year, until December 2008, in excess of 94% of invoices were paid on time. Since January 2009, when the policy was changed to payment within 10 days, in excess of 96% of invoices were paid on time.

Environmental Policy

We are fully committed to conserving energy, water and other resources and reducing waste. FSANI monitor the energy efficiency of the office against targets set in the FSA Sustainable Development Action Plan. At present, 90% of FSANI waste is recycled.

Financial Instruments

The FSA has no borrowings and relies primarily on departmental grants for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

Auditors

The accounts have been audited by the Comptroller and Auditor General in accordance with schedule 4 of the Food Standards Act 1999. The audit fee for the year was £15,500. The National Audit Office sub-contracted the FSA's audit to KPMG LLP on a two year contract.

I am not aware of any relevant information that has not been made available to the auditors. I have taken all necessary steps to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

Going Concern

The FSA has significant net liabilities. The accounts, however, are prepared on a going concern basis since, as a government department, its funding is underwritten by the Treasury.

Reporting of sickness absence data

The provisional figure for staff absence as a result of physical and mental illness including injuries, disability or other health problems is approximately 4.0 days per employee compared with 2.1 and 2.6 for the previous two years.

Reporting of personal/sensitive data losses and/or incidents

There have been no losses of either personal or sensitive data during the financial year. The FSA has put in place systems to minimise the risk of loss of this type of data, and the issue is discussed regularly at the Audit Committee.

Important Events which have occurred since the end of the Financial Year

No such events have occurred since the end of the financial year.

Remuneration Report

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at www.ome.uk.com.

Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for mis-conduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Salary and Pension Entitlements

Full details of the remuneration and pension interests of FSA Board Members and the Executive Management Board are detailed below and are subject to audit:

a) *Remuneration:*

Executive Management Board

Bands	2008-09		2007-08	
	Salaries inc Bonuses £5,000 (£000)	Bonuses £5,000 (£000)	Benefits in Kind £1,000 (£000)	Salaries & Other Allowances £5,000 (£000)
Morris McAllister Director, FSA Northern Ireland (until 30 September 2008)	55-60 (85-90 full year equivalent)	5-10	–	90-95
Gerry McCurdy Director, FSA Northern Ireland (from 1 October 2008)	40-45 (85-90 full year equivalent)	10-15	–	N/A

Remuneration

'Remuneration includes gross salary; performance pay or bonuses; overtime; reserved rights to London Weighting or London allowances; recruitment and retention allowances, private office allowances and any other allowances to the extent that it is subject to UK taxation. This report is based on payments made by the Department and thus recorded in these accounts.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the department and treated by HM Revenue and Customs as a taxable emolument.

(b) Pension benefits:

Executive Management Board

		2008-09					
		Real	Total	Total	CETV at	CETV at	Real
		increase	accrued	accrued	31 March	31 March	Increase
		in Pension	Pension	lump sum	2009	2008	in CETV
		at age 60	at age 60	at age 60			
			31 March	31 March			
			2009	2009			
					(£000)	(£000)	(£000)
		£2,500	£5,000	£5,000			
		(£000)	(£000)	(£000)			
Morris McAllister	Director, FSA Northern Ireland	0-2.5	40-45	130-135	1,064	1,027	-
Gerry McCurdy	Director, FSA Northern Ireland	2.5-5	30-35	95-100	687	570	71

Executive Management Board

		2007-08					
		Real	Total	Total	CETV at	CETV at	Real
		increase	accrued	accrued	31 March	31 March	Increase
		in Pension	Pension	lump sum	2008	2007	in CETV
		at age 60	at age 60	at age 60			
			31 March	31 March			
			2008	2008			
					(£000)	(£000)	(£000)
		£2,500	£5,000	£5,000			
		(£000)	(£000)	(£000)			
Morris McAllister	Director, FSA Northern Ireland	0-2.5	40-45	130-135	1,097	954	21

A number of FSA Board members benefit from a by analogy pension scheme similar to the PCSPS.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30th July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (**classic**, **premium**, or **classic plus**); or a 'whole career' scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (**partnership** pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1st October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31st March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

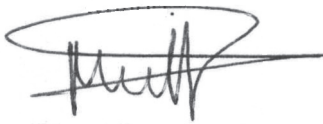
Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouses's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

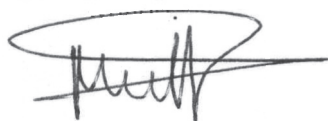


Tim Smith
Chief Executive and Accounting Officer

29 June 2009

Statement of Accounting Officer's Responsibilities

1. Under the Government Resources and Accounts Act (Northern Ireland) 2001, the Food Standards Agency (the Department) is required to prepare resource accounts for each financial year. This is to conform with a Treasury direction detailing the resources acquired, held, or disposed of during the year and the use of resources by the Department during the year.
2. The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department, the net resource outturn, resources applied to departmental strategic objectives, recognised gains and losses, and cash flows for the financial year.
3. HM Treasury has appointed the Chief Executive as Principal Accounting Officer of the Department with overall responsibility for preparing the Department's accounts and for transmitting them to the Comptroller and Auditor General.
4. In preparing the accounts, the Principal Accounting Officer is required to comply with the Financial Reporting Manual (FReM) prepared by HM Treasury, and in particular to;
 - a. observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
 - b. make judgements and estimates on a reasonable basis;
 - c. state whether applicable accounting standards, as set out in the FReM, have been followed, and disclose and explain any material departures in the accounts; and
 - d. prepare the accounts on a going-concern basis.
5. The responsibilities of an Accounting Officer (including responsibility for the propriety and regularity of the public finances, for keeping proper records and for safeguarding the Department's assets) are set out in the Accounting Officer Memorandum issued by HM Treasury and published in Government Accounting. Under the terms of the Accounting Officer's Memorandum, the relationship between the Department's Principal Accounting Officer and the MHS Agency Accounting Officer, together with their respective responsibilities, is set out in writing.



Tim J Smith
Chief Executive and Accounting Officer
29 June 2009

Statement on Internal Control

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Food Standards Agency (FSA)'s policies, aims and objectives, whilst safeguarding the public funds and FSA's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*. This statement covers the whole of the FSA, i.e. the Westminster-funded FSA (including the Meat Hygiene Service), FSA Scotland, FSA Wales, and FSA Northern Ireland.

The FSA is a non-Ministerial Government Department, operating at arm's length from Ministers, and led by a non-executive Board appointed to act in the public interest. I and members of the FSA Executive Management Board attend meetings of the FSA Board. I also meet with the FSA Board Chair and Deputy Chair each week.

I have been appointed as Accounting Officer for the Westminster-funded FSA by Her Majesty's Treasury and for FSA Northern Ireland by the Department of Finance and Personnel (DFP). I also act in this capacity for FSA Wales and FSA Scotland. Although the activities of these offices are funded through the devolved authorities, they remain part of the United Kingdom FSA. The FSA has a single executive agency, the Meat Hygiene Service (MHS), which operates in Great Britain. The Chief Executive of the MHS has been appointed as Agency Accounting Officer for the MHS. As Agency Accounting Officer, he is responsible to me and to Parliament for the MHS's use of resources in carrying out its functions in accordance with his delegated authorities.

The FSA has in place the key elements of an effective system of internal control including:

- an Executive Management Board, chaired by myself and comprising all UK Directors, which normally meets monthly;
- a strategic plan which sets out the FSA's main aims and objectives for 2005-2010;
- Internal Audit arrangements, which comply with Government standards, including a risk-based audit programme linked to the strategic risks of the organisation and audit of corporate governance and controls in the devolved offices;
- regular reports by Internal Audit, which include an independent annual opinion of the adequacy and effectiveness of the organisation's system of internal control together with recommendations for improvement;
- an Audit Committee, constituted in line with HM Treasury's Audit Committee Handbook, to advise me as Accounting Officer. The Committee meets four times a year with a non-executive chair who reports to the FSA Board on the work of the Committee;
- a Risk Committee which provides advice, support and challenge in relation to organisational risks and embedding a risk-aware culture across the FSA;
- a risk management process that includes regular discussions about risk at corporate and group levels;
- business and financial planning processes (corporate and local business plans) which explicitly take into consideration group performance, resources and business risk;
- monthly financial performance reports which are discussed at the Executive Management Board;
- signed quarterly reports from budget managers on how they manage their budgets within their delegated authority, to meet their objectives and their compliance with corporate governance responsibilities;
- assurance from the Chief Executive of the Meat Hygiene Service on internal controls; and
- clear rules and procedures on the FSA Intranet, which are regularly reviewed and updated.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of FSA's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the FSA for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

3. Capacity to handle risk

The FSA management team has incorporated risk management and internal controls into the organisation's business planning and they are reviewed and reported on regularly throughout the year. Risk owners formally review risks at least once a quarter and report back to the FSA Board through the organisation's quarterly Performance Management Report.

The responsibility for managing the principal risks on a day to day basis is assigned to Senior Managers and they are required to ensure that adequate attention is given to this task.

A programme of training and support for the business planning process has been developed. This includes training on risk management. The business planning process is reviewed each year and amended to reflect lessons learnt and to build in examples of best practice.

We also have representatives on the Risk Improvement Group. This is a cross-government group which shares good practice and the lessons learned in other departments.

Additionally, a Risk Committee was established to review how the FSA identifies, models and manages risk. The committee is made up of both executive and non-executive members, and has close links to the Audit Committee. The committee has overseen the process to fully integrate risk management in our planning and performance management for 2008/09.

4. The risk and control framework

In the FSA the main processes which we have in place for identifying, evaluating and managing risks are as follows:

- **High level risks:** these are identified and monitored by the Executive Management Board and formally reviewed on a quarterly basis. They are also included in the corporate high level risk register. Ownership of each risk has been allocated to a Director who is responsible for managing the likelihood and impact of the risk;
- **Group level risks:** these are identified and monitored by Directors and their senior management teams. All Directors are accountable for ensuring risks are identified and managed within their group, and where appropriate, risks are escalated to the high-level risk register;
- **Major project risks:** these are managed to project management standards and are included in a risk register. We use project management techniques based on PRINCE methodology for IT and other applications. In addition there are well defined and documented procedures (and a specific IT system) for the procurement and management of the FSA's £17m research portfolio; and
- **Local risks:** the FSA has decided that lower level risk registers would not be proportionate and local managers have discretion as to how these risks are managed.

The Food Standards Agency operates within the framework of the Food Standards Act 1999; and within a strong framework of EU law.

In matters of public health the FSA takes a precautionary approach to risk which means that action may be taken before there is conclusive proof of a hazard. Actions taken will be proportionate to the best judgement of the risk based on the best evidence available and will be reviewed if new evidence emerges.

Our risk environment involves managing risks which impact on the public. The Board of the FSA holds all its policy decision-making meetings in public. The venues and agendas are published in advance and the papers are publicly available. Board meetings are webcast live via our website, and the webcasts are also archived on our website as publicly available video-on-demand.

We regard consultation with our stakeholders as an essential part of fulfilling our core values. We are required by statute to consult on our activities with those affected by our decisions. As well as a great deal of informal contact with stakeholders, the FSA carries out formal written public consultations as part of the development of policy. We also conduct stakeholder fora on key issues where we invite key stakeholders to meet and discuss differing points of view.

One of our core values is to put consumers first and we involve consumers in a variety of ways to alert the FSA to key issues of current or emerging consumer concern; comment on the FSA's strategic objectives and forward plan; and provide the FSA with feedback on the effectiveness of our policies in responding to consumer concerns.

In relation to internal risks, the FSA have a clear set of rules and procedures (Rules and Tools). This covers all aspects of finance, procurement and general areas of governance. We have also strengthened our procedures in areas such as data security. The FSA takes the management of data security seriously. No losses of sensitive or personal data were reported during the year. The FSA has ISO 27001 accreditation. An internal audit on the management of information was recently conducted and that did not uncover any material weaknesses.

5. Review of effectiveness

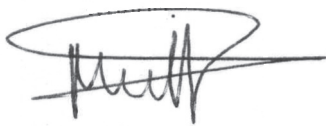
As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the FSA who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The FSA makes stringent efforts to maintain and review the effectiveness of the system of internal control. Additional measures to strengthen controls will be incorporated if gaps are identified. The FSA recognises the importance of effective and secure data handling across government. Our assessment is that the risk of personal or sensitive information loss by the FSA remains low. However, we intend to implement additional security and management measures as part of our IS Strategy to further strengthen our current position.

The FSA's Internal Audit arrangements include a risk-based audit programme, agreed with the Audit Committee, linked to the strategic risks of the organisation. These audit arrangements comply with Government Internal Audit standards. Work undertaken by Internal Audit during the year largely focused on FSA's corporate functions. The areas reviewed included financial frameworks, IT contracting, procurement and human resources. The service level agreement between the FSA and MHS was also audited. Controls and procedures were generally found to be acceptable. However, in the areas of procurement, IT contracting and official controls charging in relation to government customers, these areas were found to be requiring significant improvement.

Internal audit also conducted a year end audit of the FSA information security arrangements. This audit was based on the current mandatory Cabinet Office security policy framework. The above section on information control is consistent with the conclusions of the internal audit review.

Finally, Internal Audit also conducted audits in the FSA's devolved offices. The audit in FSA Northern Ireland of financial systems did not raise any significant issues. However, during the year financial audits on FSA Scotland and Wales did identify areas that required further strengthening. These have also been reflected in the year end financial audit of the Westminster Office.

A handwritten signature in black ink, appearing to read 'Tim J Smith', with a large, sweeping flourish above the name.

Tim J Smith
Chief Executive and Accounting Officer

29 June 2009

FOOD STANDARDS AGENCY (NORTHERN IRELAND)

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of the Food Standards Agency (Northern Ireland) for the year ended 31 March 2009 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statement of Parliamentary Supply, the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the Statement of Net Operating Costs by Departmental Strategic Objectives and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

The Accounting Officer is responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel for Northern Ireland directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Department of Finance and Personnel for Northern Ireland directions issued under the Government Resources and Accounts Act (Northern Ireland) 2001. I report to you whether, in my opinion, the information, which comprises Management Commentary, FSA Board and Environmental Policy sections included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Department has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by Department of Finance and Personnel for Northern Ireland regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Department's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Department's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises the remaining sections of the Annual Report and the unaudited part of the Remuneration Report. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the

Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Department's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and directions made thereunder by Department of Finance and Personnel for Northern Ireland, of the state of the Department's affairs as at 31 March 2009, and the net cash requirement, net resource outturn, net operating cost, net operating costs applied to departmental strategic objectives, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Department of Finance and Personnel for Northern Ireland directions issued under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- information which comprises Management Commentary, FSA Board and Environmental Policy sections included in the Annual Report, is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General

3 July 2009

National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS

Statement of Parliamentary Supply

for the year ended 31 March 2009

		2008-09						2007-08	
		Estimate			Outturn			Net total outturn compared with Estimate	Prior year outturn
Resources	Note	Gross Expenditure	A-in-A	Net Total	Gross Expenditure	A-in-A	Net Total	Net total outturn compared with Estimate saving/ (excess)	Prior year outturn
		£000	£000	£000	£000	£000	£000	£000	£000
Request for resources 1 2		12,592	(3,385)	9,207	11,863	(3,289)	8,574	633	9,212
Total resources		12,592	(3,385)	9,207	11,863	(3,289)	8,574	633	9,212

		2008-09			2007-08	
		Note	Estimate	Outturn	Net total outturn compared with Estimate saving/ (excess)	Prior year Outturn
			£000	£000	£000	£000
Net cash requirement		4	9,697	8,847	850	8,911

Summary of income payable to the Consolidated Fund

There was no surrender of excess appropriations-in-aid or Consolidated Fund Extra Receipts payable to the Consolidated Fund.

Explanation of variances between Estimates and Outturn

The FSA Northern Ireland resource spend for the period was £8,574,000 compared to the estimate of £9,207,000. The underspend was largely due to expenditure on meat hygiene enforcement activity being less than expected and enforcement activity in the area of primary production being less than expected.

The notes on pages 28 to 42 form part of these accounts.

Operating Cost Statement

for the year ended 31 March 2009

			2008-09	2007-08
	Note	Staff Costs	Other Costs	Income
		£000	£000	£000
Programme Costs:				
Staff costs	5	1,306	–	–
Other operating costs	7	–	829	–
Monitoring and Surveillance	7	–	9,728	–
Operating income	8	–	–	(3,289)
Totals		1,306	10,557	(3,289)
Net Operating Cost	9	–	–	9,212
		8,574		9,212

All income and expenditure are derived from continuing operations.

The notes on pages 28 to 42 form part of these accounts.

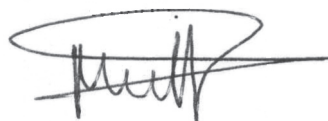
Statement of recognised gain and loss
for the year ended 31 March 2009

		2008-09	2007-08
	Note	<u>£000</u>	<u>£000</u>
Net gain on revaluation of tangible fixed assets	16	–	2
Net gain on revaluation of intangible fixed assets		–	–
Recognised gains and losses for the financial year		<u>–</u>	<u>2</u>

The notes on pages 28 to 42 form part of these accounts.

Balance Sheet
as at 31 March 2009

	Note	£000	2008-09 £000	£000	2007-08 £000
Fixed assets:					
Tangible assets	10	147		145	
			147		145
Current assets:					
Debtors	11	1,005		1,803	
Cash at bank and in hand	12	851		2,164	
		1,856		3,967	
Creditors (amounts falling due within one year)	13	(2,487)		(4,466)	
Net current liabilities			(631)		(499)
Total assets less current liabilities			(484)		(354)
Provisions for liabilities and charges	14		-		(395)
Net liabilities			(484)		(749)
Taxpayers' equity					
General fund	15		(484)		(749)
Revaluation reserve	16		-		-
			(484)		(749)



Tim J Smith
Chief Executive and Accounting Officer
29 June 2009

The notes on pages 28 to 42 form part of these accounts.

Cash Flow Statement

for the year ended 31 March 2009

		2008-09	2007-08
	Note	£000	£000
Net cash outflow from operating activities	17a	(8,806)	(8,890)
Capital expenditure and financial investment	17b	(41)	(21)
Financing	17d	7,534	9,485
(Decrease)/increase in cash in the year		(1,313)	574

The notes on pages 28 to 42 form part of these accounts.

Statement Of Net Operating Costs by Departmental Strategic Objectives

for year ended 31 March 2009

	Gross	2008-09 Income	Net
	£000	£000	£000
Food Safety			
To continue to reduce foodborne illness	10,766	(3,289)	7,477
To reduce further the risks to consumers from chemical contamination (including radiological) of food.			
Eating for Health			
To make it easier for all consumers to choose a healthy diet, and thereby improve quality of life by reducing diet-related disease.	784	–	784
Choice			
To enable consumers to make informed choices	313	–	313
Net operating costs	11,863	(3,289)	8,574

for year ended 31 March 2008

	Gross	2007-08 Income	Net
	£000	£000	£000
Food Safety			
To continue to reduce foodborne illness	11,400	(3,161)	8,239
To reduce further the risks to consumers from chemical contamination (including radiological) of food.			
Eating for Health			
To make it easier for all consumers to choose a healthy diet, and thereby improve quality of life by reducing diet-related disease.	480	–	480
Choice			
To enable consumers to make informed choices	493	–	493
Net operating costs	12,373	(3,161)	9,212

The FSA aims are described in more detail in the agencies Strategic Plan to 2010.

The above costs have been apportioned to individual aims on a divisional basis which reflects the resources consumed.

These costs include staff costs as explained in note 5 to the accounts.

The notes on pages 28 to 42 form part of these accounts.

Notes to the accounts

1. Statement Of Accounting Policies

1.1 Basis of Preparation

The Food Standards Agency Northern Ireland (FSANI) is part of the UK wide Food Standards Agency. It was previously funded through the Department of Health Social Services and Public Safety. However, on 1 April 2004, it was set up as a Northern Ireland Department in its own right.

The financial statements have been prepared in accordance with the Government's Financial Reporting Manual (FRm) issued by Department of Finance and Personnel (DFP). The accounting policies contained in the FRm follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

In addition to the primary statements prepared under UK GAAP, the FRm also requires the Department to prepare two additional primary statements. The Statement of Parliamentary Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement. The consolidated Statement of Operating Cost by Departmental Aim and Objectives and supporting notes analyse the Department's income and expenditure by the objectives agreed with Ministers.

Where the FRm permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the particular circumstances of the Food Standards Agency for the purpose of giving a true and fair view has been selected. The Food Standards Agency's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The FSANI balance sheet at 31st March 2009 shows a negative taxpayer's equity of £484,000. This reflects the inclusion of liabilities falling due in future years, which are to be financed mainly by drawings from the UK Consolidated Fund. Such drawings will be from grants of supply approved annually by the NI Assembly to meet the Agency's Net Cash Requirement. Under the Government Resources and Accounts Act 2000, no money can be drawn from the Fund other than required for the service of the specified year or retained in excess of that need. All unspent monies, including those derived from the Agency's income are surrenderable to the fund.

In common with other government departments, the future financing of the Agency's liabilities is accordingly to be met by future grants of Supply, and the application of future income, both to be approved annually by the NI Assembly. Such approval for amounts required for 2009-10 has already been given and there is no reason to believe that future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Following the decision of HM Treasury to commit fully to full compliance with International Financial Reporting Standard (IFRS) 1 'First Time Adaption of International Financial Reporting Standards', the Agency, in common with other government departments, will prepare next year's financial statements in accordance with the 2009-10 IFRS based (iFRm) Financial Reporting Manual.

1.2 Accounting Convention

These accounts have been prepared under the historical cost convention. In previous years, modified historic cost accounting has been used to revalue fixed assets in line with the current cost. However, this was stopped from 1 April 2008.

1.3 Tangible Fixed Assets

These accounts have been prepared under the historic cost convention. On 1 April 2008 The Food Standards Agency revised its capitalisation policy. From that date all individual or grouped tangible fixed assets with a purchase cost in excess of £5,000 (including irrecoverable VAT and delivery) are capitalised at cost. Individual

or grouped tangible fixed assets that were purchased prior to 1 April 2008 with a purchase cost of between £2,000 and £5,000 (including irrecoverable VAT and delivery) will continue to remain as capitalised assets. The revision in capitalisation policy has now led to the FSA having a relatively small asset base.

Consequently the revaluation adjustments are immaterial and for this reason, we have decided to discontinue revaluations and also write back all previous revaluations. As permitted by the 2008-09 FReM, 5.2.7h) and j), depreciated historical cost is now used as a proxy for current value on the basis that this realistically reflects consumption of the asset.

Under FRS15, the FSA has taken the decision to move to historic cost accounting with effect from 1 April 2008. Therefore assets are no longer revalued as under modified historic cost accounting. This change brings FSA's fixed asset policy in line with the International Financial Reporting Standards which do not use MHCA. This will provide relative comparative figures which are more reliable and easily understood.

1.4 Depreciation and Amortisation

Freehold land and assets in the course of construction are not depreciated. All other assets are depreciated from the month following the date of acquisition. Depreciation and amortisation is provided at rates calculated to write-off the valuation of tangible and intangible fixed assets respectively by applying the straight-line method over the following estimated useful lives:

Tangible assets:	
Computer servers and computer equipment	4 years
Office machinery	7 years
Furniture, fixtures and fittings	7 years
Vehicles	4 years

Intangible assets:	
Computer software and software licences	7 Years

1.5 Research and Development

Expenditure on research is not capitalised. It is treated as an operating cost in the year in which it is incurred. Expenditure on development in connection with a product or service which is to be supplied on a full cost recovery basis is capitalised if it meets those criteria specified in SSAP 13. Other development expenditure is capitalised if it meets the criteria specified in the FReM which are adapted from the SSAP 13 to take account of the not-for-profit context. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. Fixed assets acquired for the use in research and development are depreciated over the life of the associated project, or according to the asset category if the asset is to be used for subsequent production work.

Most research projects have a retention clause to ensure the satisfactory delivery of the final report. The FSA's policy is to accrue for the final retention amount, if the work had been completed at the year end.

1.6 Operating Income

Operating income is income which relates directly to the operating activities of the FSANI. The FSANI has income from Meat Hygiene Inspection work.

1.7 Administration and Programme Expenditure

The Operating Cost Statement is analysed between administration and programme costs. The department has no administration costs because FSA NI staff are GB rather than NI Civil Servants.

1.8 Cost of Capital

A charge, reflecting the cost of capital utilised by FSANI, is included in operating costs. The charge is calculated at the Government's standard 3.5% rate on all assets less liabilities except for cash balances with the Office of the Paymaster General (PMG) and liabilities surrendered to the consolidated fund.

1.9 Pensions

FSA NI employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is a defined benefit scheme and is unfunded and non-contributory. FSA Northern Ireland recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS.

1.10 Early Departure Costs

FSANI is required to meet the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The department provides in full for this cost when the early retirement programme and similar schemes have been announced and are binding on the department.

1.11 Operating Leases

Operating leases are charged to the operating cost statement on a straight-line basis over the term of the lease.

1.12 Audit Costs

A charge reflecting the cost of the audit is included in the operating costs. The FSANI is audited by the Comptroller and Auditor General (C&AG), with the work subcontracted to KPMG. No charge is made by the C&AG for this service, but a non cash charge representing the cost of the audit is included in the accounts.

1.13 Value Added Tax

The net amount of Value Added Tax (VAT) due to or from HM Revenue Customs is shown as a debtor or creditor on the balance sheet. Irrecoverable VAT is charged to the operating cost statement, or if it is incurred on the purchase of a fixed asset it is capitalised in the cost of the asset.

1.14 Provisions

The Department provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Provisions are recognised in the accounts where;

- a) there is a present obligation as a result of a past event;
- b) it is probable that a transfer of economic benefits will be required to settle the obligation and;
- c) a reliable estimate can be made of the amount.

Provisions have not been discounted, as the resulting adjustment is not considered material to these accounts. Contingencies are disclosed in the notes to the accounts unless the possibility of transfer in settlement is remote.

1.15 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with FRS 12, the Department discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote.

Where the time value of money is material, contingent liabilities which are required to be disclosed under FRS 12 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by FRS 12 are stated at the amounts reported to Parliament.

1.16 Financial Assets and Liabilities

FSA holds the following financial assets and liabilities:

- 1) Assets
 - Cash and cash equivalents
 - Trade Receivables – current
 - Trade Receivables – non-current
- 2) Liabilities
 - Trade and other payables
 - Other payables > 1 year
 - Provisions arising from contractual arrangements

Financial Assets and Liabilities are accounted for under IAS32, Financial Instruments: Presentation, IAS39 Financial Instruments: Recognition and Measurement and IFRS7 Financial Instruments: Disclosure. Cash balances are measured as the amounts received in FSA's bank account. FSA does not currently have cash equivalents. Trade Receivables have been measured at amortised cost using an effective interest method with impairment review carried out on a monthly basis. Trade and other payables are measured at fair value, with use of agreed invoiced amount, or management estimate in the case of accrued expenditure, forming the basis for valuation.

Cash balances are recorded at current values. Account balances are set-off only where there is a formal agreement with the bank to do so. Interest earned on bank accounts and interest charged on overdrafts are recorded as, respectively, 'Interest receivable' and 'Interest payable' in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

All other financial instruments are held for the sole purpose of managing the cash flow of the FSA on a day to day basis or arise from the operating activities of the FSA.

2. Analysis of Net Resource Outturn by section

	Admin	Other current	Grants	Gross Resource Expenditure	A in A	Net total	Estimate	2008-09 Net Total outturn compared with Estimate	2007-08 Prior Year Outturn
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Request for Resources									
Function FSA NI	–	11,863	–	11,863	(3,289)	8,574	9,207	633	9,212
Total	–	11,863	–	11,863	(3,289)	8,574	9,207	633	9,212

The FSA Northern Ireland resource spend for the period was £8,574,000 compared to the estimate of £9,207,000.

3a Reconciliation of net resource outturn to net operating cost

	Outturn £000	Supply Estimate £000	2008-09 Outturn compared with Estimate £000	2007-08 Prior Year Outturn £000
Net Resource Outturn	8,574	9,207	633	9,212
Net Operating Cost	8,574	9,207	633	9,212

3b Outturn against final Administration Budget

The Food Standards Agency Northern Ireland has no administration cost limit.

4. Reconciliation of resources to cash requirements for the year ended 31 March 2009

	Note	Estimate £000	Outturn £000	2008-09 Net Total Outturn compared with estimate savings/ (excess) £000	2007-08 £000
Resource Outturn	2	9,207	8,574	633	9,212
Capital :					
Aquisition of fixed assets	10	51	41	10	21
Non-operating A in A:		-	-	-	-
Procceds of fixed asset disposals					
Accruals adjustments:					
Non-cash items	7	(40)	(31)	(9)	(15)
Changes in working capital other than cash		84	(132)	216	(398)
Movement on provision	14	395	395	-	91
Net Cash Requirement		9,697	8,847	850	8,911

5. Costs and number of staff

a) Programme staff costs consist of:

	2008-09 £000	2007-08 £000
Wages and Salaries	963	1,031
Social Security Costs	77	85
Other Pension Costs	192	217
Sub Total	1,232	1,333
Inward Secondment Agency Staff	59 15	24 21
Total	1,306	1,378

b) The average number of whole-time equivalent persons employed by the FSA Northern Ireland during the year 2008/09 by aim were as follows:

	<u>2008-09</u>	<u>2007-08</u>
	Total	Total
Food Safety		
To continue to reduce foodborne illness	24	22
To reduce further the risks to consumers from chemical contamination (including radiological) of food.		
Eating for Health		
To make it easier for all consumers to choose a healthy diet, and thereby improve quality of life by reducing diet-related disease	7	6
Choice		
To enable consumers to make informed choices	4	6
	<u>35</u>	<u>34</u>

c) Staff Costs by aim were as follows:

	<u>2008-09</u>	<u>2007-08</u>
	Total	Total
Food Safety		
To continue to reduce foodborne illness	901	940
To reduce further the risks to consumers from chemical contamination (including radiological) of food.		
Eating for Health		
To make it easier for all consumers to choose a healthy diet, and thereby improve quality of life by reducing diet-related disease	261	210
Choice		
To enable consumers to make informed choices	144	228
	<u>1,306</u>	<u>1,378</u>

Notes:

Staff costs by objective have been apportioned according to how much was actually spent on each aim. Staff numbers have been apportioned according to how much time was spent on each aim.

6. Other Administration Costs

The Food Standards Agency Northern Ireland had no Administration Costs in either 2008-09 or 2007-08.

7a). Programme Costs

	Core Department		Core Department	
	2008-09	2007-08	2008-09	2007-08
	£000	£000	£000	£000
Rentals under operating leases:				
Hire of Plant and machinery		3		4
Other operating leases		122		120
Non-cash items:				
Depreciation	36		46	
Cost of capital credit	(24)		(50)	
Loss on disposal of fixed assets	3		4	
Audit fees	16		15	
Total non-cash items		31		15
Accommodation costs		151		134
Staff overheads		91		104
Administration costs		11		-
IT costs		356		50
Committee Costs		64		66
		829		493

7b). Programme costs

	2008-09	2007-08
	£000	£000
Monitoring and Surveillance:		
Enforcement & Audit / Local Authority	1,348	1,377
Food Safety & Education	74	17
Nutrition	383	288
Meat Inspection*	6,293	7,173
Press & Publicity	112	111
Microbiological Food Safety	1,518	1,536
	9,728	10,502

*Expense for the year includes the reversal of an unused provision of £395k and the reversal of a bad debt provision of £63k.

The programme headings were revised this year to better reflect the work of the agency. As a result, the 2007-08 headings for the net programme costs have been reclassified.

8. Income

Operating income, analysed by classification and activity, is as follows:

	2008-09	2007-08
	£000	£000
Programme income:		
Programme Income*	(3,289)	(3,161)
	(3,289)	(3,161)

*Of this figure, industry income for Meat Hygiene Inspection amounted to £3,289,000 (2007-08 £3,160,000).

9. Analysis of net operating cost by spending body

	Estimate	2008-09 Outturn	2007-08 Outturn
	£000	£000	£000
Spending Body:			
Core Department	9,207	8,574	9,212
Total	9,207	8,574	9,212

10. Tangible fixed assets

	Fixtures and Fittings	Office Equipment	Computer Equipment & Software	Motor Vehicles	Total
	£000	£000	£000	£000	£000
Cost or valuation¹					
Restated cost at 1 April 2008	171	84	47	–	302
Additions	32	9	–	–	41
Disposals	–	–	(6)	–	(6)
At 31 March 2009	203	93	41	–	337
Depreciation¹					
Restated cost at 1 April 2008	69	52	36	–	157
Charged in year	23	8	5	–	36
Disposals	–	–	(3)	–	(3)
At 31 March 2009	92	60	38	–	190
Net book value at 31 March 2009	111	33	3	–	147
Net book value at 31 March 2008	112	35	8	–	155

¹ The opening balances include an adjustment of prior year revaluations following the decision to discontinue modified historic cost accounting (MHCA). Note 25 of these accounts gives a detailed breakdown of the journals required to arrive at the restated position.

11. Debtors

a)	2008-09	2007-08
	£000	£000
Amounts falling due within one year:		
Trade debtors	347	141
Prepayments	289	508
VAT Debtor	369	1,154
	1,005	1,803

b) Intra-government balances

	Amount falling due within one year	
	2008-09	2007-08
	£000	£000
Balances with other central government bodies	369	1,154
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
Subtotal: Intra-government balances	369	1,154
Balances with other bodies external to government	636	649
Total Debtors At 31 March 2009	1,005	1,803

12. Cash at bank and in hand

	2008-09	2007-08
	£000	£000
Balance at 1 April	2,164	1,590
Net changes in cash balances	(1,313)	574
Balance at 31 March	851	2,164

The following balances at 31 March are held at:

Office of HM Paymaster General	851	2,164
Commercial banks and cash in hand	0	0
	851	2,164

The balance at 31 March comprises:

Cash due to be paid to the Consolidated Fund:	-	-
Amounts issued from the Consolidated Fund for supply but not spent at year end	851	2,164

FSA NI does not operate a bank account. The above figures form part of the total PGO bank balance which operates for the FSA as a whole.

13. Creditors**a) Analysis by type**

	2008-09	2007-08
	£000	£000
Amounts falling due within one year		
Other taxation and social security	9	12
Trade Creditors	309	852
Other Creditors	18	21
Accruals	1,300	1,417
Amounts issued from the Consolidated Fund for supply but not spent at year end	851	2,164
	2,487	4,466

b) Intra-government balances

	Amount falling due within one year	
	2008-09	2007-08
	£000	£000
Balances with other central government bodies	2,305	4,251
Balances with local authorities	–	20
Subtotal: Intra-government balances	2,305	4,271
Balances with other bodies external to government	182	195
Total Creditors At 31 March 2008	2,487	4,466

14. Provisions for liabilities and charges

	2008-09
	£000
Balance at 1 April 2008	395
Provision written back	(395)
Balance at 31 March 2009	–
Balance at 31 March 2008	395

15. Reconciliation of net operating cost to changes in general fund

	<u>2008-09</u>	<u>2007-08</u>
	<u>£000</u>	<u>£000</u>
Balance at 1 April	(749)	(419)
Parliamentary funding drawn down	7,534	9,485
Deemed supply	2,164	1,590
Supply Creditor	(851)	(2,164)
	<u>8,847</u>	<u>8,911</u>
Net operating cost for the year	(8,574)	(9,212)
Non cash charges:		
Cost of capital	(24)	(50)
Audit fees	16	15
	<u>(8)</u>	<u>(35)</u>
Transferred to general fund of realised element of revaluation reserve	-	3
Adjustment to fixed assets / general fund	-	3
General fund at 31 March	<u>(484)</u>	<u>(749)</u>

The General Fund represents the net assets vested in the FSA NI (stated at historical cost less accumulated depreciation at that date), the surplus or deficit generated from notional charges and trading activities, and the Vote funding arising since that date.

16. Revaluation Reserve

	<u>2008-09</u>	<u>2007-08</u>
	<u>£000</u>	<u>£000</u>
Balance at 1 April	-	15
Arising on revaluation during the year (net)	-	2
Adjustment – write back of revaluation	-	(14)
Transferred to general fund in respect of realised element of revaluation reserve	-	(3)
Balance at 31 March	<u>-</u>	<u>-</u>

The Revaluation Reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments.

17. Notes to the Cash Flow Statement

	Note	2008-09 £000	2007-08 £000
a) Reconciliation of operating cost to operating cash flows			
Net operating cost		8,574	9,212
Adjustments for non-cash transactions	7a	(31)	(15)
(Decrease)/Increase in Debtors		(798)	1,514
Decrease/(Increase) in Creditors		1,979	(2,486)
less movements in creditors relating to items not passing through the OCS		(1,313)	574
Use of Provisions		395	91
Net cash outflow/(inflow) from operating activities		8,806	8,890
b) Analysis of capital expenditure and financial investment			
Tangible fixed-asset additions	10	41	21
Net Cash outflow/(inflow) from investing activities		41	21

c) Analysis of capital expenditure and financial investment by Request for Resources

	Capital expenditure £000	Loans, etc. £000	A-in-A £000	Net Total £000
Request for Resources 1	41	–	–	41
Total 2008-09	41	–	–	41
Total 2007-08	21	–	–	21

d) Analysis of financing

From the Consolidated Fund (Supply) – current year	7,534	9,485
Net Financing	7,534	9,485

e) Reconciliation of Net Cash Requirement to increase/(decrease) in cash

Net cash requirement	(8,847)	(8,911)
From the Consolidated Fund (Supply) – current year	7,534	9,485
From the Consolidated Fund (Supply) – prior year	–	–
Amount due to the Consolidated Fund Received and not paid	–	–
Increase/(Decrease) in Cash	(1,313)	574

18. Capital Commitments

FSA NI has no capital commitments.

19. Commitments under leases**Operating leases**

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.

	2008-09	2007-08
	£000	£000
Obligations under operating leases comprise:		
Land and buildings:		
Expiry after 1 year but not more than 5 years	–	–
Expiry after more than 5 years	128	120
	128	120
Other:		
Expiry within 1 year	–	–
Expiry after 1 but not more than 5 years	1	4
	1	4

20. Other Commitments

The Food Standards Agency Northern Ireland did not have any other commitments as at 31 March 2009.

21. Financial Instruments

'FRS 25,26 and 29 – Derivatives and Other Financial Instruments' requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The Agency is financed by the Government and therefore it is not exposed to the risk faced by business entities. Also financial instruments play no role in creating or changing risk unlike that which would be typical of the listed companies to which FRS 29 mainly applies. The Agency does not have any powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Agency in undertaking its activities.

Liquidity risk

The Agency finances its capital expenditure from funds made available from the Government therefore there is no exposure to liquidity risks.

Currency risk

The Agency does not have any transactions outside of the UK and therefore has no exposure to currency rate fluctuations.

Credit risk

The FSANI has no long term debt and both debtors and creditors fall within one year. The majority of FSANI's income comes from the Department of Finance and Personnel and therefore FSANI has no exposure to credit risk. The maximum exposure as at 31 March 2009 is in receivables from customers, as disclosed in the debtors note.

Interest rate risk

The Agency has no borrowings nor interest bearing deposits. The Agency's financial assets and liabilities carry nil rates of interest. The Agency is not, therefore exposed to interest-rate risk. The following table shows the interest rate profile of the Agency's financial assets and liabilities:

Financial assets

	Total	Floating Rate	Fixed Rate	Non- interest bearing
	£000	£000	£000	£000
At 31 March 2009				
Sterling	851	–	–	851
Other	–	–	–	–
Gross Financial Asset	851	–	–	851
At 31 March 2008				
Sterling	2,164	–	–	2,164
Other	–	–	–	–
Gross Financial Asset	2,164	–	–	2,164

Financial liabilities

	Total	Floating Rate	Fixed Rate	Non- interest bearing
	£000	£000	£000	£000
At 31 March 2009				
Sterling	–	–	–	–
Other	–	–	–	–
Gross Financial Asset	–	–	–	–
At 31 March 2008				
Sterling	395	–	–	395
Other	–	–	–	–
Gross Financial Asset	395	–	–	395

Foreign currency risk

The Agency has no foreign currency income or expenditure.

Fair Values

A comparison, by category, of book values and fair values of the Agency's financial assets and liabilities as at 31 March 2009 is as follows:

	Book Value	Fair Value	Basis of fair valuation
	£000	£000	
Financial assets:			
Cash	851	851	Cash Basis
Debtors over 1 year	–	–	
Investments	–	–	
Total	851	851	
Financial liabilities:			
Overdraft	–	–	
Creditors over 1 year:			
Early retirements	–	–	
Finance leases	–	–	
Provisions under contract	–	–	
Loans	–	–	
Total	–	–	

22. Contingent Liabilities

There were no contingent liabilities

23. Losses and Special Payments

The Food Standards Agency Northern Ireland did not incur any losses, or make any special payments during 2008/09.

24. Related-Party Transactions

None of the Board Members, key managerial staff or related parties have undertaken any material transactions with the FSA NI during the year.

The FSA NI has had a number of transactions with other government departments and other central government bodies. In Northern Ireland, these were the Department of Finance and Personnel (DFP) and the Department of Agriculture and Rural Development (DARD).

25. Prior Period Adjustment

The entries relating to the change in fixed asset valuation policy, which has been treated as a Prior Period Adjustment (PPA) are as follows:

- (i) Revaluation reserve of £14,000 released to the General Fund,
- (ii) Write back of asset revaluation of £3,000 to the General Fund,
- (iii) Decrease in Cost of Tangible Fixed Assets of £20,000, comprising £18,000 Fixtures and fittings, £12,000 office equipment offset by £10,000 Computer Equipment and software.
- (iv) Decrease in Accumulated Depreciation of Tangible Fixed Assets of £9,000, comprising £8,000 Fixtures and fittings, £9,000 office equipment offset by £8,000 Computer Equipment and software.

The prior year adjustment would not have had a material impact on the operating cost statement in 2007/08.

Since these entries are Prior Period Adjustments and the historic cost accounting has been applied from 1 April 2008, there is no effect on the 2008-09 results of the FSA. However the prior period adjustments result in a £3,000 reduction in the (credit) balance on the General Fund.

26 Post Balance Sheet Events

In accordance with the requirements of FRS 21 Events after the balance sheet, the post balance sheet events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General. There were no reportable post balance sheet events up to this date. The financial accounts do not reflect events after this date.

ACCOUNTS DIRECTION GIVEN BY THE DEPARTMENT OF FINANCE AND PERSONNEL IN ACCORDANCE WITH SECTION 9(2) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT (NORTHERN IRELAND) 2001

1. This direction applies to those **Northern Ireland departments** and club **pension schemes** listed in the attached appendix.
2. These departments and **pension schemes** shall prepare resource accounts for the year ended 31 March 2009 and subsequent financial years, in compliance with the accounting principles and disclosure requirements of the relevant edition of the *Government Financial Reporting Manual* ("the FReM").
3. The accounts for **Northern Ireland departments** shall be prepared so as to:
 - (a) give a true and fair view of the state of affairs at 31 March 2009 and subsequent financial years and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year then ended; and
 - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by the Assembly or material transactions that have not conformed to the authorities which govern them.
4. The accounts for club **pension schemes** shall be prepared so as to:
 - (a) give a true and fair view of the state of affairs at 31 March 2009 and subsequent financial years and of the net resource outturn and cash flows for the financial year then ended;
 - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by the Assembly or material transactions that have not conformed to the authorities which govern them; and
 - (c) ensure that the contributions payable to the Scheme during the year have been paid in accordance with the Scheme rules and the recommendations of the Actuary.
5. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from FReM should be discussed in the first instance with DFP.

**DAVID THOMSON**

Treasury Officer of Accounts
22 April 2009



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