EXPLANATORY MEMORANDUM TO

THE WHOLE OF GOVERNMENT ACCOUNTS (DESIGNATION OF BODIES) ORDER (NORTHERN IRELAND) 2020

S.R. 2020 No. 43

1. General

1.1 This Explanatory Memorandum has been prepared by the Department of Finance and is laid before the Northern Ireland Assembly.

1.2 This memorandum contains information for the Departmental Committee.

2. Powers and Assembly control

2.1 This Order is made under section 15(1) of the Government Resources and Accounts Act (Northern Ireland) 2001 (c.6 (N.I.)) and is subject to negative resolution.

3. The "21 day Rule"

3.1 This Order was made on 23 March 2020 and comes into operation on 20 April 2020. The 21 day rule has not been breached.

4. Legislative Background

4.1 The legislation is being made to designate bodies, for the financial year ended 31 March 2020, for the purposes of section 15 of the Government Resources and Accounts Act (Northern Ireland) 2001. The designation enables the Department to require those bodies to provide financial information in relation to that financial year and consequently an Order must be made annually for the relevant accounting period. The Department of Finance intends to pass the information provided by bodies designated in the Schedule to this Order, to HM Treasury for use in the preparation of the Whole of Government Accounts (WGA).

Like departmental resource accounts, WGA will be produced on an accruals basis and will use Generally Accepted Accounting Practice, adapted where necessary for government. These consolidated accounts will show the position of the UK Public Sector as if it were a single entity, by eliminating all significant transactions between public sector entities. The purpose of eliminating such transactions is to remove intra-group transactions that would otherwise misstate the financial position of the single entity i.e. the UK Public Sector.

5. Policy background

The list of designated bodies in the Schedule to the Order has been agreed in consultation with departments and the NI Audit Office. In 2019-20 no additional

bodies have been added to or removed from the list of bodies previously designated in the Schedule to the Whole of Government Accounts (Designation of Bodies) Order (Northern Ireland) 2019 (S.R. 2019 No.95).

6. Description of provisions

6.1 Regulation 1 contains the citation and commencement provisions.

6.2 Regulation 2 designates the bodies listed in the Schedule to the Order in respect of the financial year ending with 31st March 2020.

6.3 The Schedule lists the bodies designated for 2019-20 for the purposes of providing financial information for that financial year. This information will be used by HM Treasury in the preparation of WGA.

7. Territorial Extent and Application

7.1 This Order applies to Northern Ireland only.

8. Equality Impact

8.1 There are no equality impact implications.

9. Regulatory Impact

9.1 The Order has no direct impact on departments and their bodies.

10. Financial Impact

10.1 The Order has no direct financial impact on departments and their bodies.

11. European Convention on Human Rights

11.1 As the Order is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

12. Contact

12.1 Leona Johnston at the Department of Finance Tel: 028 90 816 750 or e-mail: Leona.Johnston@finance-ni.gov.uk can answer any queries regarding this Order.