Board Paper

Date

16 October 2024

Title

Annual Report and Accounts 2023-24

Report Author

Angel Lai, Head of Finance and Corporate Services

Responsible Executive Director

Richard Greenhous, Chief of Staff

Paper for decision

# **Issue**

The first draft of the Annual Report and Accounts (AR&A) were tabled to ARAC and the Board in August. The audit has now taken place. The final AR&A have not materially changed. They now require the Board’s approval, prior to being laid with Parliament and published on 24 October 2024, as planned.

# **Recommendation**

1. The Board is recommended to:
   1. Seek confirmation from Natalie Prosser, as Accounting Officer, that she is satisfied that the information contained within the AR&A is accurate.
   2. Consider ARAC’s recommendation to the Board on whether to approve the AR&A, which Paul Leinster, as chair or ARAC, will provide at the meeting following ARAC’s earlier consideration of the AR&A.
   3. Note that the ministerial review is currently occurring. No comments have been received at the time of writing this report.
   4. Consider and approve the AR&A, substantially in the form set out subject to any non-material amendments in light of its discussion or arising out of the ministerial review and finalisation of the external audit.
   5. Agree to delegate the approval of any non-material amendments to the AR&A and approval of the Letter of Representation to the Chief Executive in consultation with the Chair.

# **Background**

1. All public bodies publish an AR&A. The AR&A is the key mechanism of accountability to Parliament, the public and stakeholders for our spending, efficiency, effectiveness, economy and therefore value for money. It is also a platform to explain our work, choices and impact.
2. The AR&A must be trustworthy, transparent, fair, balanced and understandable. There is extensive guidance setting out expectations for annual reports, and several good practice guides. Much content is mandatory but we also have discretion, notably in the presentation of information above what is mandatory, and the structure of the performance report.
3. The requirements of our AR&A are standard, except that we must include an assessment of whether the Secretary of State and DAERA provided us with sufficient sums to carry out our functions in the year. We sought counsel’s advice on how we should go about this assessment last year. In summary we have wide discretion as to the factors we take into account, and how we set this out.
4. Approval of the AR&A is reserved to the Board. The draft AR&A and accompanying governance statement were considered by each of ARAC and the Board in August. This included our assessment of whether the Secretary of State and the Northern Ireland Department provided us with sufficient sums to carry out our functions in 2023-24.
5. The Board is required to comment on the quality of the data received. The following wording is included in the Governance Statement, which the Board considered in August.

*“Data and information were provided to the board within the formal reports it received. This included information on complaints received, risks, progress in delivering our corporate plan and certain other performance information. All information provided to the board was scrutinised and assured by the executive leadership in advance. The board judged the information it received proportionate and of appropriate quality.”*

1. The AR&A and governance statement have not materially changed since then, with minor drafting changes only as a result of review or feedback from ARAC the Board or others.  These include finalising information that was outstanding in August in relation to sustainability reporting, updates in various contexts to reflect the publication of the Northern Ireland EIP, and certain grammatical and other changes. There are no changes to bring to the Board's attention. Pension information outstanding at the Board's last review has been obtained and audited.
2. The NAO have provided ARAC with a draft Audit Completion Report. This will be finalised and sent through at the end of the audit, along with the Letter of Representation.
3. At the time of writing this paper, the NAO have advised that “they anticipate recommending to the Comptroller and Auditor General(C&AG) that he should certify the 2023-24 financial statements with an unqualified audit opinion, without modification in respect of both regularity and the true and fair view on the financial statements”.

# **Analysis**

1. The AR&A will have been considered again by ARAC following the substantive audit work performed by the NAO and immediately prior to this meeting.
2. Paul Leinster will provide an oral update on ARAC’s consideration of the AR&A and whether the Board should approve the AR&A subject to any comments arising out of the ministerial review and finalisation of the external audit.
3. We are recommending that the Board delegates final approval of the Letter of Representation to the Chair of the ARAC together with the Chief Executive.

# **Northern Ireland**

1. We include description of our work in Northern Ireland and the use of resources provided by DAERA.

# **Finance and Resource**

1. The proportionate approach to reporting aims to meet the needs of users in an efficient way.
2. We forecast £52k (or £62.4k including VAT) of non-pay expenditure related to the AR&A. This includes the NAO fees (£45k) and printing fees (£7k). This is proportionate, with the largest element determined by the NAO.
3. The preparation of our AR&A is a significant undertaking. We forecast in total 0.8 FTE, mostly in the finance team

# **Impact Assessments**

## Risk Assessment

1. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*

## Equality Analysis

1. No material equalities impacts have been identified.

**Environmental Analysis**

1. The AR&A explains our work to further our principal objective in the period.

# **Implementation Timescale**

1. If the Board agrees this paper’s recommendations, the AR&A need to be signed off by the Chair and Accounting Officer by 22 October in preparation for laying the accounts in Parliament on 24 October 2024 and publication.

# **Communications**

1. We are developing our communications plan. While important, we do not envisage the AR&A being a major publication or external communications event and our plans will be proportionate in that context. Activity is likely to be limited to publication on our website and a post on X (formerly Twitter).
2. The 2023-24 AR&A will be available to all staff once published.

# **External Stakeholders**

1. The draft 2023-24 AR&A was provided to Defra and DAERA for ministerial review and consideration on 3 October 2024. No comments were received at the time of writing this report.
2. In prior years, we have made key select committees aware of our AR&A and ensured they understand our position on the sufficiency of our funding. The relevant Commons select committees are not yet formed, and we are yet to meet the relevant Chairs. We will make committees aware as appropriate, as we establish relations with the new Parliament.

# ANNEXES LIST

*This section has been redacted as it contains information available elsewhere.*