

DATE: 15 APRIL 2024

TO: CHIEF EXECUTIVES OF NORTH SOUTH BODIES

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ACCOUNTING GUIDANCE FOR NORTH SOUTH BODIES

1. The Department of Finance (DoF) and the Department of Public Expenditure, National Development Plan Delivery and Reform (DPENDPDR), in conjunction with the Northern Ireland Audit Office (NIAO) and the Office of the Comptroller and Auditor General (OC&AG), have agreed updated Accounting Guidance for North South Bodies.
2. The North South Implementation Bodies Annual Reports and Accounts Guidance is attached and replaces the existing guidance which was issued in 2017. The updated guidance should be applied for Annual Reports and Accounts for accounting periods ending on or after 31 December 2024.
3. A list of the **key** differences between the 2017 guidance and the updated accounting guidance is attached at Annex A. However, the attached North South Implementation Bodies Annual Reports and Accounts Guidance should be read in full, alongside FRS 102, to assess the implications for each North South Body.
4. FRS 102 can be found on the Financial Reporting Council's website at <https://www.frc.org.uk/library/standards-codes-policy/accounting-and-reporting/uk-accounting-standards/frs-102/>
5. If there are any issues requiring clarification, please contact: Sam Cottney at Sam.Cottney@finance-ni.gov.uk, or Catherine Clynes at Catherine.Clynes@per.gov.ie.



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Amendments to the North South Implementation Bodies Annual Reports and Accounts Guidance

The table below sets out the key changes to the 2024 version of the North South Implementation Bodies Annual Reports and Accounts Guidance from the 2017 version. (N.B. it does not include minor changes such as formatting changes, correction of typos, updating references etc.)

Paragraph or Section	Change	Reason for change
1.1.2	Phrase added to remind bodies that they must keep abreast of any new developments in FRS 102.	The guidance will not be updated each time there is a change to FRS 102. For example, there may be future changes to lease accounting, which is not an area specifically covered by the guidance, and bodies will be required to implement any changes that take effect in FRS 102.
Paragraph 2.3.3 in 2017 version	This paragraph has been removed.	Bodies are no longer required to report performance against targets in the notes to the accounts.
2.5	Wording updated.	Wording in relation to Freedom of Information and Open Government updated to reflect the latest position and provide a link to the NSMC Freedom of Information Code of Practice.
2.7.19	New paragraph added in respect of the Audit of the Remuneration Report.	To provide auditors with a basis for expressing an opinion on key sections of the Remuneration Report.
2.8	New section added on Human Rights, Equality and Disability Reporting	To ensure these matters are reported on in the annual report where relevant to the Body's functions and purposes.
2.9	New section added on Sustainability Reporting	To strongly encourage Bodies to summarise work undertaken during the year which has considered and progressed sustainability in light of commitments made by both the governments of Northern Ireland and Ireland.
2.10	New section added on Official Languages Act Reporting	To point out that, where applicable, the annual report should include a summary report in relation to the Body's obligations under the Official Languages Act 2003 and the Official Languages (Amendment) Act 2021.
6.1.2	Wording and footnote updated.	To remove outdated references and make the wording more succinct.
6.1.3	Wording updated	To remove reference to outdated report.

8.6	Wording updated including the insertion of para. 8.6.2.	To define networked assets and highlight that the specified accounting treatment for networked assets may be used where it is appropriate to do so.
Paragraph 8.10.1 in 2017 version	This paragraph has been removed.	The stated treatment for in-house produced computer software was not in line with current accounting standards.
8.10.1	New categories of intangible asset added – “Information Technology”, “Websites” and “Payments on Account & Assets under Construction”	To bring the headings up to date.
11.6.8	Added “(or each pay band of £10,000 from £50,000 upwards if reporting in GBP)”	To provide clarification of pay bands to use for disclosure of key management personnel compensation when reporting in GBP.
13.1.1	Sentence added: “Whilst laying Annual Reports and Accounts simultaneously should be achieved where possible, the priority should be to comply with the relevant requirements in the respective jurisdiction.”	To clarify the requirements in respect of laying Annual Reports and Accounts at the NI Assembly and Oireachtas.
Annex A – Single Total Figure of Remuneration Table	Table amended. Now uses £/€10k bands for the salary and total remuneration disclosures.	Banding will provide a degree of confidentiality to officials included in the table.
Annex A – Benefits in kind	Note added: “Benefits in kind should be recorded in the period in which they are earned on an accruals basis.”	To clarify that benefits in kind should be recorded on an accruals basis.
Annex A – Pay Ratios	Pay ratios are now included as a separate section of the Remuneration Report with suggested narrative.	This allows all the Fair Pay disclosures to be included in one section, including the range of staff remuneration and the explanation for any significant changes from the prior year, as required by the guidance.
Annex A - Pension Entitlements table	Table amended. £/€5k banding now used for disclosure of accrued pension/lump sum at year-end and £/€2.5k banding for real increase in pension/lump sum.	Banding will provide a degree of confidentiality to officials included in the table.
Annex A - Board Members’ Remuneration	The words “including social security costs” have been removed from the title of the table. £/€10k banding also introduced, and a narrative disclosure provided below the table.	The payment of social security costs is not a benefit paid to the Board Member and so should not be disclosed in this table. Remuneration banding will provide a degree of confidentiality to Board Members. The wording added below the table clarifies that any other remuneration received by Board Members should also be disclosed.

Annex B – Model Accounts Direction	Minor amendments made to the first sentence of the Model Accounts Direction.	Minor updates.
Annex C.2	New bullet-point added: “• potentially, information from whistleblowers”	To ensure this information is considered in developing the Statement on the System of Internal Control / Governance Statement.