



NORTHERN IRELAND TOURIST BOARD
trading as
TOURISM NI

ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021

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Performance Report

Purpose of Overview

The purpose of the Overview is to give the reader sufficient information to understand Tourism Northern Ireland, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

Chairman's Introduction

Ellvena Graham, Chairman

It is my pleasure to present to you Tourism NI's Annual Report for the Financial Year 2020/2021, a year in which the Northern Ireland tourism industry was confronted with some of the most challenges circumstances it has faced in recent times.

The arrival of the COVID pandemic in March 2020 brought with it travel restrictions and public health measures which effectively led to the shutdown of the global tourism and travel industry. With tourism businesses being unable to trade and access from markets beyond the island of Ireland closed for much of the year, our tourism industry was experiencing a threat to its very existence.

Throughout the year Tourism NI's focus was very much on the survival of businesses within the tourism ecosystem, providing tailored assistance for the sector alongside the wide range of financial support provided by the UK Government and NI Executive to the wider economy.

With the relaxation of restrictions and the re-opening of businesses in May 2020, Tourism NI played a critical role in the rebuilding of consumer confidence through the implementation and promotion of the "We're Good to Go" Safety Chartermark with over 2000 participating premises.

In addition to providing a wide range of business support services, Tourism NI's marketing efforts played a vital role in generating much needed revenue both at home and from the Republic of Ireland in the absence of visitors from overseas markets. Over the course of the year, we saw a record number of visitors from the Republic of Ireland, many of whom were visiting us for the very first time.

With the support of the Economy Minister, Diane Dodds, Tourism NI played a leading role in setting up the Tourism Recovery Steering Group and the Tourism Recovery Taskforce. This led to a government-wide, industry-focused Tourism Recovery Action Plan in response to the specific challenges facing the sector.

Whilst the primary focus of our activity during the year was business survival, it was important to maintain our relationships with the many international tour operators who had begun to programme Northern Ireland as part of their product offering to consumers across the globe. Working with our colleagues in Tourism Ireland, we developed a wide range of innovative digital platforms to connect our experience and accommodation providers with tour operators and agents in our core markets in the USA, Europe and Great Britain. This included delivering a virtual *Meet the Buyer* convention in July that facilitated more than 3,000 online sales appointments for 140 Northern Ireland tourism businesses with 106 tour operators from 17 different markets.

Efforts such as these will pay dividends in putting Northern Ireland once again foremost in the minds of holidaymakers when we return to normalcy.

As Chairman, I would like to thank the management and staff within Tourism NI who overnight, moved seamlessly from the office to a remote working environment and have displayed great commitment and agility in their efforts to support the tourism industry during these very challenging times.

Most importantly I want to pay tribute to the commitment, determination and resilience shown by the industry leaders across Northern Ireland and their employees during this exceptionally difficult period. Your efforts have been truly inspiring and gives me great confidence that the tourism industry has a very bright future to look forward to in the years to come.

Ellvena Graham
Chairman
Tourism NI

Chief Executive's Message

John McGrillen, CEO

It is my pleasure to report that when faced with the worst year in global tourism we have worked throughout to support and maintain Northern Ireland's offering to ensure the industry is in the best possible position to recover and thrive once again.

In recent years we have become accustomed to reporting year-on-year record growth before Covid-19. The job facing the sector was much different, involving support, enhancing resilience, and developing a preparedness strategy.

While financial support made up a key part of the work, Tourism NI became the 'go to' organisation for reliable, up-to-date information at the same time as providing a voice for the industry to Government.

As such our role in the Tourism Recovery Working Group was essential, as was the development of the C-19 Hub on tourismni.com providing daily updates with relevant industry content to help and signpost businesses to advice on funding schemes, rates relief, HR support and webinars.

Working with partner agencies, providers, and the Department for the Economy (DfE) we were asked to allocate funding that enabled us to develop grant schemes to businesses, as well as deliver consumer marketing, a digital innovation programme and crucial research and intelligence.

By the end of March 2021, we had awarded £1.88m of DfE-funded grants supporting B&Bs, guesthouses and guest accommodation.

The Tourism Enterprise Development Programme moved online, with more than 439 businesses registered for sessions including resilience, finance, cashflow, communications and job retention.

A total of 71 businesses received financial assistance for website development plans by the end of March, enabling them to adopt a more sophisticated online presence. This is particularly appropriate as our research shows that future travellers will expect more mobile friendly online offerings, digital partnerships for itinerary planning, as well as contactless purchasing.

Working with Fáilte Ireland enabled us to address many common areas of concern affecting tourism across the island and will remain the case in coming months.

A welcome relief in an otherwise difficult year was the hosting at Galgorm Castle Golf Club of the Dubai Duty Free Irish Open and The Northern Ireland Open, the latter of which saw Tourism NI as primary partner with the golf marketing team working closely with the club to optimise opportunities around the event.

The Tourism NI Golf Marketing Manager, in conjunction with Fáilte Ireland and the International Association of Golf Tour Operators (IAGTO), worked to deliver the first ever virtual Golf Ireland Convention, in September, paving the way to attract more visitors to courses.

As we look forward to 2021-22 we have been working closely with officials in DfE to ensure that those actions within the Draft Tourism Recovery Action Plan which will require additional funding are ready to go into action.

While it has been a year of unprecedented crisis for the industry, the work of Tourism NI has been focused on the future and I am pleased that despite the enormous challenges, the organisation played a key role in securing brighter opportunities in the years ahead.

John McGrillen
Chief Executive
Tourism NI

Statutory Background & Business Activities

Tourism Northern Ireland is a Non Departmental Public Body (NDPB) sponsored by the Department for the Economy (DfE). The organisation was originally set up as the Northern Ireland Tourist Board (NITB) in 1948 and operates under the Tourism (Northern Ireland) Order 1992. It was rebranded Tourism NI in January 2015.

Tourism NI's principal functions are to encourage tourism, to encourage the provision and improvement of tourist facilities and amenities and to certify tourism accommodation. We invest in relationships with our key strategic partners and stakeholders and offer funding mechanisms for capital projects to improve visitor attractions and activities with the aim of enhancing the visitor experience.

We devise marketing campaigns to promote Northern Ireland to best prospect customers and support the industry through the development of skills and capabilities, including the WorldHost programme. We also develop visitor information and invest in the use of digital and social media.

We work closely with a wide range of organisations in a variety of sectors, utilising the strengths and expertise of others to drive tourism forward and achieve our goals.

Tourism NI comprises of six divisions:

- Marketing
- Business Support & Events
- Product Development
- Corporate Development
- Organisational Development and Finance
- Digital Services

In addition to our head office in Belfast, Tourism NI operates a Dublin office. The Marketing Division is based in both cities.

Commentary on the performance of the tourism sector and Tourism NI activities is detailed under section 'Performance Analysis'. It highlights the main trends and factors which have influenced the development of tourism in the current year and going forward.

Key Issues & Risks Facing the Entity

Section 2.6 of the Governance Statement outlines Tourism NI's approach to risk management, identifying and reporting on risks and management of risks.

Risks being managed as at 31 March 2021 were categorised as follows:

- Financial
- Strategic
- Operational
- Reputational
- Compliance.

Some of the key risks identified in 2020-21, their impact and mitigating actions are summarised below:

Key Risk	Impact	Mitigating Action
Covid-19	The extent of change in the scope of workload and the nature of its delivery including team working practices has been significantly impacted by Covid-19. This includes the remote working arrangements and a significant change in the nature and level of support provided to the tourism industry over the last twelve months.	In responding to this all efforts have been undertaken to assess risks associated with the new working context and new programmes undertaken. This has involved the adoption of specific risk mitigation measures such as seeking consultancy support from internal audit and procuring legal advice for the design and delivery of new programmes.
Pay Remit	The 2018/19 pay remit has been submitted to DfE for review and approval. A submission is being prepared to progress with the pay remits while the inflated pay scales issue is being resolved separately.	TNI submitted a business case at the end of June 2020 to DfE for review and approval. This has since been returned with comments and further considerations, TNI is currently working through these queries. This has been provided for as an accrual in the accounts.
Fees & Charges	TNI is currently considering proposals for a revised Fees and Charges structure, any changes will however require a change in the associated legislation.	Due to the impact of Covid-19, DfE agreed to postpone statutory certification fees from April 2020. Invoicing has resumed for any four-year statutory inspections carried out from 1 April 2022 onwards.
City & Growth Deals	Tourism NI's knowledge and expertise will be required to inform any assessment of the tourism potential and overall sustainability of each of the tourism projects proposed through the City Deals bids. It appears that any funding awarded for these projects will be channelled through TNI. If this is the case, TNI will need additional resources to allow it to rebuild its capital grant administration capacity which had been reduced in the absence of any substantive capital grant programme over the past five years.	A bid for resource has been made through the Comprehensive Spending Review process.
Grievance / Mileage Policy	A small group of staff have issued a grievance against Tourism NI in relation to the mileage policy.	TNI has prepared a submission for DfE review and is currently working through queries with a view to resolving this issue. Tourism NI also submitted a request for retrospective approval to DfE in relation to the TNI's mileage policy in place between November 2016 and November 2017, an issue which DoF highlighted alongside the approval to implement the HMRC mileage policy from July 2020. DoF did not approve these historic payments, this issue has been discussed at TNI's Audit and Risk Assurance

		Committee and highlighted to Northern Ireland Audit office (NIAO).
Pay Policy	A historic pay policy issue has been discovered in relation to Temporary Promotion/Deputising. This issue has been raised through all appropriate channels within TNI. Internal Audit, External Audit and Sponsor Branch are aware of the issue and the steps proposed to resolve this matter.	TNI has brought the policy into line with Northern Ireland Civil Service (NICS) policy and are taking legal advice as to how we deal with any potential liability. Sponsor Branch has advised that DoF approval is required, a submission is currently being prepared for retrospective approval. This issue has also highlighted a separate concern around the process by which Tourism NI receives regular updates for changes to NICS HR policy. This is being addressed with Sponsor Branch to agree a point of contact and process.

Performance Summary

Preparation of Financial Statements

Under Article 8 of the Tourism (Northern Ireland) Order 1992, Northern Ireland Tourist Board trading as Tourism NI is required to prepare a statement of accounts for each financial year in the form directed by the Department for the Economy with the approval of the Department of Finance. The accounts are prepared on an accruals basis and show a true and fair view of the state of affairs of the Northern Ireland Tourist Board trading as Tourism NI and of the net expenditure, cash flows and changes in taxpayers' equity for the financial year.

Results for the Year

The Statement of Comprehensive Net Expenditure notes a net expenditure for the year of £46.3 million compared to £36.0 million for the 2019-20 financial year (Restated).

Total operating expenditure was £46.4 million, which was an increase of £10.4 million from 2019-20 (£36.0 million (Restated)). This reflects the ever-changing priorities within tourism.

Related operating income was £0.32 million (2019-20: £0.21 million). This excludes funding received from the Department for the Economy in respect of Tourism Ireland of £12.9 million (2019-20: £12.4 million) which has been included in Grant in Aid and was directly paid over to Tourism Ireland when received.

Going Concern

The Statement of Financial Position as at 31 March 2021 shows net liabilities of £19.8 million (2019-20 £13.6 million), reflecting liabilities due in future years, in particular the pension liability of £14.5 million (2019-20 £10.5 million).

It is considered appropriate to adopt a going concern basis for the preparation of the financial statements as the Department for the Economy, sponsor team of Tourism NI, is supply financed. There is no reason to believe that the Department's future sponsorship and future Assembly approval will not be forthcoming to meet Tourism NI's liabilities as they fall due.

Performance Analysis

Financial Performance

Targets and Achievements

Tourism NI sets out its annual objectives within an Operating Plan that contains targets for the various Divisions and Units of the organisation. Performance against targets is measured continuously throughout the financial year, in formal end of quarter reports reviewed by the Senior Management Team, by the Tourism NI Board and by our parent department, the Department for the Economy.

Operating Plan objectives for the 2020-21 financial year were encapsulated in eight strategic priorities, as follows:

- Priority 1 – Advising & Supporting Government
- Priority 2 – Customer Needs (Research & Insights)
- Priority 3 – Work Programme Prioritisation
- Priority 4 – Experience Development
- Priority 5 – Enterprise Development
- Priority 6 – Marketing & PR
- Priority 7 – Sales Support
- Priority 8 – Governance, Finance, People & IT

All priorities are aligned to our 2020-21 mission ‘To support the recovery of the Northern Ireland tourism industry from the impact of Covid-19 so that it once again becomes one of the most successful sectors of the Northern Ireland economy’.

We aimed to do this through:

- Supporting our industry to come through Covid-19 and rebuild through recovery
- Promoting Northern Ireland as a must-see destination to markets which offer the greatest potential for growth
- Acting as the interface between industry and Government
- Looking after our people
- Transforming the way we work.

Tourism NI’s Corporate Risk Register is aligned to the objectives in the Corporate Plan and Operating Plan to ensure that any risk or uncertainty linked to delivery is identified, managed, and effectively controlled or mitigated where possible. Corporate Risks are initially identified by the Senior Management Team (SMT) and the Risk Register is formally reviewed and updated each quarter and reported to Tourism NI and DfE Audit & Risk Committees.

Statement of Performance

At the start of the period covered by this report Northern Ireland had entered the first of the three lockdowns. As a result, the strategic focus shifted from capitalising on previous years’ record numbers of visits to protecting providers as they faced pressures from an immediate loss of all business.

The change was drastic, but Tourism NI quickly adapted to the new circumstances. With the change of focus, it was established the need to assume a leadership role; make sure financial support was in place; and prepare for the return to normal trading.

Strategic Leadership

Tourism NI undertook a survey of the Tourism and Hospitality sector in the week before Easter 2020 to provide an evidence base for Ministers and officials to inform discussions on how existing business support schemes may be refined and inform the design of any additional interventions which may be required to support the sector.

More than 1,300 businesses responded to the survey. The report received widespread media coverage and has helped to highlight that whilst the Northern Ireland economy as a whole faced a great challenge, the impact upon the tourism and hospitality sectors has been the greatest and are the sectors which will take the longest to recover.

In responding to the Survey, the then Economy Minister Diane Dodds announced that she would be leading a Tourism Recovery Steering Group to oversee the development and implementation of a recovery plan.

She asked that Tourism NI Chief Executive Officer chair the Tourism Recovery Working Group. The work of the group and associated steering groups made sure that the Minister and the wider community was kept informed and that the necessary bids for funding were delivered in a timely and efficient manner.

A hub website was quickly developed to provide information on the latest Government guidelines, how to access funding as well as clarifying issues such as rates relief, the job retention scheme, the £10K and £25k grant schemes, loan schemes and other measures to support cash flow and liquidity.

This answered the need for guidance and support on eligibility and how to access the schemes and address frustrations in the sector in relation to the time taken to access the schemes and receive payment.

Tourism NI worked closely with officials in DfE to ensure that those actions within the Draft Tourism Recovery Action Plan which will require additional funding next year were included within the Minister's Action Plan which was announced on 25 February 2021.

To make sure that recovery was coordinated, TNI participated in the Tourism Industry Emergency Response Group led by Visit Britain and the Tourism Industry Council Group led by the Digital, Culture, Media & Sport (DCMS) Minister.

The Working Group is supported by ten Task and Finish Groups, the Chairs of which sit on the Working Group.

Much of the time of the Senior Management Team in the initial period was devoted to supporting DfE officials in developing Ministerial submissions on the relaxation of Covid-19 restrictions to the Minister of Health, the Chief Medical Officer and subsequently for consideration by the Northern Ireland Executive. Members of the SMT were heavily involved in supporting DfE colleagues in the submission which ultimately led to the Executive agreeing to the potential opening of tourism accommodation on 20 July 2020.

A Tri-agency Response Group was also established between Tourism NI, Tourism Ireland and Fáilte Ireland to coordinate activity on the Island of Ireland.

In addition, on a local level Tourism NI has been working closely in supporting the efforts of the Northern Ireland Tourism Alliance, NI Hotel Federation and has been participating in the Hospitality Ulster Working Group.

The ability to work across Government and with partner agencies evidenced the strategic leadership role of Tourism NI and highlighted the working relationships developed in previous years.

Spotlight, Tourism NI's industry e-zine, was increased to weekly and later fortnightly, to ensure that businesses were up to date with ongoing developments, including Tourism NI support.

An extensive public information campaign was undertaken to raise awareness with consumers of the We're Good To Go initiative by the Tourism NI Marketing Team. As of the end of March 2021 nearly

1,400 businesses have been accredited as Good To Go. The Good To Go campaign has also been endorsed by the World Travel and Tourism Council under the Safe Travels scheme.

The Tourism NI Campaigns Team developed Spring marketing activity to ensure a level of preparedness for the relaxing of lockdowns. Travel restrictions in Northern Ireland and the Republic of Ireland have meant that activity had to be extremely agile and was continually adjusted and re-tuned throughout the period.

Looking to the future, the showcase of Embrace the Giant Spirit at the end of March along with Tourism Ireland shone a spotlight on the destination to GB and international tour operators. The virtual event included live interviews, experience demonstrations and performances from Titanic Belfast.

Equally, more than 20 local golf representatives joined Tourism NI at the second International Golf Travel Market (IGTM) Links virtual event as part of efforts to grow the value of golf tourism in Northern Ireland.

More than 60 global tour operators based in the Republic of Ireland took part in the Incoming Tour Operators Association (ITOA) virtual workshop, hosted by Tourism NI. There were 100 Northern Ireland industry representatives logged on for the event.

Financial Support

As a body Tourism NI has significant responsibility for processing grants, financial support and capital investment. Following the impact of lockdown on the sector there was immediate payment of all grants for events during the 2019-20 financial year on the basis of acceptance of a revised Letter of Offer with the approval of DfE.

To address the urgency of the situation faced by the industry, ten members of the Tourism NI team were temporarily redeployed to supporting DfE in processing payments under the £25k grant scheme for the Retail, Hospitality and Tourism sectors to make sure that businesses received critical funds as quickly as possible. The Chief Digital Officer was temporarily redeployed to the Northern Ireland Covid-19 Hub to oversee the setting up of the Programme Management Office. The Finance team worked from the beginning of the financial year to make daily payments and ensure that much needed cash was sent to suppliers without delay, including those to event organisers.

Tourism NI also implemented guidance issued by the Department of Finance in response to Covid-19 which relaxed rules around payments to suppliers.

The International Marketing Fund was established to support businesses' own marketing activity aimed at an international market. The fund covered 75% of costs up to a maximum total payment of £7,500 per industry provider.

The Tourism Recovery Working Group allocated more than £8.3m to Tourism NI.

The funding allocated to Tourism NI is to be distributed across consumer marketing, promotion of We're Good to Go, digital innovation, research, product development, amongst other areas.

In November 2020, following the announcement of a £300m support package for business, Tourism NI was asked by the Department for the Economy to design and deliver a £4.1m fund to support Bed

and Breakfasts, guesthouses and guest accommodation. The scheme was launched in January 2021 and payments were mostly processed by the end of March 2021.

The Co-operative Marketing Fund was designed to support the industry with their own marketing activity. This ran until the end of the financial year, providing 75% funding towards marketing costs for industry activity in the NI & ROI markets, up to a maximum of £10,000 per business.

With Tourism NI research, and that of others, suggesting that future tourists and travellers will require a more enhanced online experience, support was provided to 71 applicants to deliver web development plans completed by the end of the financial year.

Supporting Local Government

Tourism NI established an 11 Council Strategic Recovery Group in partnership with Tourism Ireland and sub working groups including Events, Business Support and Marketing.

A Business Support Working Group was established with Councils to coordinate the collective approach to business support. A similar group has been established in relation to Events. This will supplement the work of the Tourism Recovery Working Group, allowing for actions resulting from this group to be coordinated at a local level.

As part of Embrace a Giant Spirit (EAGS) Experience Development Framework a comprehensive business support programme was implemented to support the experience providers who are formally engaging with Tourism NI now as part of the EAGS experience development framework.

The Council Brand Ambassador Programme proved to be a successful and efficient way to implement the Experience Brand Development Framework.

A significant development was Tourism NI's involvement with the Department for the Economy City Deal Programme Board and Operation Group in bringing forward City and Growth Deals.

As project sponsor for the four tourism projects within the Belfast Region City Deal, Tourism NI appointed economic specialists to undertake economic and commercial appraisals of the Outline Business Cases for these projects. These appraisals will help ensure the projects' readiness for the next stage of the City Deal process, the Casework phase.

Heads of Terms for the £210m Derry-Londonderry and Strabane Region City Deal has been signed by Executive Ministers, and Tourism NI will once again be a key partner.

The Digital Services team and Visitor Information team delivered a Visitor Information Centre (VIC) technology refresh worth £110,000. New digital touchscreens and virtual reality experience booths, with EAGS branding, were installed in VICs and at high footfall sites such as City of Derry Airport and The Gobbins.

Shifting Online

Tourism NI's existing IT systems meant that the Government call to work from home was feasible. Staff procedures were updated to meet the new working arrangements and contact within and across teams was maintained using video technology and other solutions.

The work from home directive amidst the lockdown presented a challenge in terms of reaching and supporting the industry.

The Tourism Enterprise Development Programme moved to online delivery given the constraints. Webinars delivered were informed by the areas of support identified through calls on the C-19 business helpline.

More than 439 businesses registered for the sessions which included: Business Resilience and Leadership in a Crisis for Tourism Businesses; Approaching Banks & Other Funders for Tourism Businesses; Working Capital Management for Tourism Businesses; Job Retention Scheme for Tourism Businesses; Covid-19 Cashflow for Sole Trade / Micro / Small & Medium Sized Tourism Businesses; and Communicating through the Covid-19 Crisis for Tourism Businesses.

A virtual version of Meet the Buyer took place in the summer. More than 3,000 online sales appointments were facilitated by Tourism NI between 140 Northern Ireland tourism businesses and 106 Tour Operators from 17 different markets.

Discovernorthernireland.com was relaunched in July 2020. The new website, which features a mobile-first design, incorporates a range of functionality including an itinerary builder and translation into five languages.

The new media library platform was switched on and the organisation is currently processing the transition of 8,000 assets onto the new platform ahead of the launch of a single collaborative platform with Tourism Ireland and Fáilte Ireland.

The rollout of the Destination Management System was progressed, with the first Council website visitcausewaycoastandglens.com having gone live at the end of January. This is the first of seven tourism websites to be developed. This represents a shift to encouraging business strategies to be underpinned by digital solutions.

Such developments have been supported by work that is ongoing to improve visitor data. Creating a rich data set, available to councils and possibly providers, will undoubtedly improve the quality of information available. This data will ultimately mean that the sector can respond with offerings that will encourage visitors to Northern Ireland in general, and to those with specific experiences.

A data rich environment will mean the industry can create more complete visitor engagement, cross-selling and re-booking.

The necessary shift to virtual meetings, webinars and online working was well received by the industry. Tourism NI has committed to enabling safe working practices using technology as an enabler, rather than being seen as something required in times of crises, and will explore how industry tour operators, consumers and others can be reached online prior to travel.

Research and Insights

Tourism NI's ongoing commitment to provide insights to the sector has been more important than ever during the Covid-19 crisis. In addition to the survey of 1,300 businesses in March 2020 the Consumer Sentiment analysis provided a range of information valuable to all providers.

The research showed that the three principal motivations for those wanting to holiday at home were the need to escape and de-stress, closely followed by the need to relax and, third, enjoying great food and drink.

However, the flexibility to cancel or rearrange holidays or experiences was a prime consideration across all consumer groups.

The research indicated that staycations where people from NI don't travel abroad for a holiday, but going on holiday and staying in accommodation in NI are likely to return mid-summer, however evidence of pent up demand for holidays abroad suggested competition with other holiday destinations would increase as the year progressed.

While most consumers feel at ease engaging in outdoor activities, crowded indoor activities will continue to remain an issue.

Sustainable considerations will have more of an influence on what type of holidays Northern Ireland and Republic of Ireland residents choose post Covid-19, as evidenced across the industry.

The Tourism 360 research enabled all to assess the Travel Trends Outlook for 2021 and beyond. It revealed that travellers, internal and external, have been re-assured by the roll-out of the vaccination programme, and that health and wellbeing will remain a key factor. In addition it showed that the Covid-19 crisis has boosted consumer awareness of sustainability, and galvanised conversations about building back better.

As more and more people adapted to online working, digital transformation meant that more are wanting virtual travel experiences prior to booking, and touchless technology solutions will need to be incorporated by all providers. More than 80% of travellers said technology would increase their confidence to travel over the next 12 months.

Tourism NI's detailed research and insights, which draw on numerous sources, provide an important overview as well as route maps and future trends analysis that will help to guide the industry through recovery.

Information Including Social Matters, Anti-corruption and Anti-bribery Matters

Rural Needs

The Rural Needs (NI) Act 2016 introduced a new statutory duty on Northern Ireland departments, district councils and other specified public bodies to have due regard to rural needs when developing, adopting, implementing or revising policies, strategies and plans and when designing and delivering public services. The Act became operational for Government Departments and district councils from 1 June 2017 and covers two main duties.

The first is a duty to have due regard to rural needs (referred to as the 'due regard duty') and the second relates to monitoring and reporting on how the due regard duty has been exercised. The latter duty requires that public authorities publish this information in their annual reports, and provide a copy of this information to the Department of Agriculture, Environment and Rural Affairs (DAERA) on an annual basis. Tourism NI has due regard to rural needs when undertaking new or revised policies/activities by subjecting them to rural needs impact assessments, in accordance with guidance issued by DAERA.

Anti-corruption and Anti-bribery

Tourism NI adheres to and promotes good practice guidance on anti-corruption and anti-bribery matters through a range of measures including anti-fraud and raising concerns arrangements.

In 2017 the Northern Ireland Audit Office (NIAO) issued a good practice guide on managing the risk of bribery and corruption. This guidance was issued to all staff.

Tourism NI's Gifts and Hospitality guidance is also a key control in place to mitigate against corruption and bribery. This guidance outlines the types of instances in which it is, and is not, appropriate for staff to accept or offer gifts and hospitality as part of their official duties. Registers of gifts and hospitality are monitored and published on an annual basis on Tourism NI's website.

Sustainability Report

Over the past year there has been an ever increasing consumer awareness of the impact of climate change and biodiversity loss on environmental sustainability. This plus the impact of “over tourism”, where local communities have found themselves being negatively impacted by tourism, has led to a reconsideration of the how the tourism industry should contribute towards environmental sustainability and more sustainable communities within our society.

The arrival of COVID-19 has not only further enhanced consumer awareness but has also led to an accelerated demand for sustainable products and services. Within the tourism sector this has resulted in an increasing demand for sustainable travel and practices within the tourism industry. This demand will in turn reduce the carbon footprint of the visitor and allow them to make a positive contribution to both the natural and built environment and to support local communities.

As the Tourism Development Authority for Northern Ireland, Tourism NI must play a leadership role in working with the tourism industry to ensure that Northern Ireland becomes a truly sustainable tourism destination. In pursuit of this objective the Tourism NI Board and Senior Management Team has this year embarked upon the development of a Regenerative Tourism Strategy. The vision for this strategy is to “Create a Thriving Tourism Ecosystem that enriches Northern Ireland, its People and its Guests”.

In developing a regenerative strategy, Tourism NI wishes to support the development of Northern Ireland as a tourism destination that supports the delivery of the UN’s Sustainable Development Goals and in doing so assist the Northern Ireland Executive in delivering its climate change targets once these have been agreed.

The strategy will ensure that our tourism industry and our visitors will:-

- Make optimal use of environmental resources and help to conserve Northern Ireland’s natural heritage and biodiversity;
- Promote and support the development of the socio-cultural authenticity of our host communities, conserve their built and living cultural heritage, traditional values and contribute to cultural awareness and tolerance;
- Support the development and growth of viable tourism businesses which will provide economic benefit to all stakeholders;
- Support the development of a regionally balanced and inclusive economy by creating stable employment and income earning opportunities across all of Northern Ireland within host communities and in doing so reduce economic inactivity and contribute to poverty alleviation.

The Board and Senior Management Team have participated in a number of workshops led by globally recognised sustainable tourism experts and hope to have the strategy completed by the Summer of 2021.

To support greater awareness of the sustainability agenda a number of discrete actions have been developed, some being in response to the onset of the Covid- 19 pandemic which has had the potential to devastate sustainable tourism businesses.

These actions include:-

- The inclusion of a commitment to the development of a Sustainable Tourism Regenerative Strategy within the Tourism Recovery Action Plan;
- A Business Support Programme to provide viable but vulnerable tourism businesses with free financial, legal and HR advice to help them survive the pandemic;
- The introduction of the “We’re Good to Go” public safety Chartermark;
- The creation of an Experience Development Programme to support the development of new authentic sustainable tourism experiences;
- A virtual Regenerative Tourism Workshop with the Ministerial led Tourism Recovery Steering Group facilitated by world renowned regenerative tourism specialist Anna Pollock;
- A Sustainable Tourism Awareness Programme by Conscious Travel for the 11 Councils;
- A series of Sustainable Tourism Webinars to advise industry on global trends and practices;
- Additional sustainable tourism content on the Industry website, TourismNI.com.

In addition to the work of the Board a very active Sustainability Group has been formed by the management group across Tourism NI. This group will develop the Tourism NI Corporate Sustainability Plan along with an Industry Sustainable Development Plan which will be put in place to support the delivery of the Regenerative Tourism Strategy once this has been formulated by the Board and agreed with the Economy Minister.

Internal Engagement

The opportunity for Tourism NI employees to receive formal presentations from their fellow colleagues was impacted during the 2020-21 year as a result of Covid-19, remote working and increased workloads. However, all staff briefings were held via Zoom and the Chief Executive prepared a weekly blog to keep staff engaged and properly informed during the period of remote working.

External Engagement

Tourism NI hosted five university placement students in various units throughout the organisation in 2020-21, imparting valuable knowledge, experience and career skills in the process, with the aim of helping to build the leaders of tomorrow.

Board Members (as at 31 March 2021)

Terence Brannigan - Chairman

Appointed April 2015

Terence is also the current Chairman of the Maze Long Kesh Development Corporation (MLKDC). MLKDC is responsible for the regeneration and development of the site at Maze Long Kesh which, at 347 acres, is twice the size of Titanic Quarter and four times the size of Canary Wharf. He is a Board member of Co-operation Ireland, a former Chairman of the CBI in Northern Ireland and was the founder and CEO of resource™, one of Northern Ireland's largest private sector employers, and was founder and CEO of Connected Health.

Angelina Fusco

Appointed July 2014

Angelina is an independent media and journalism training consultant in Northern Ireland. She works with Channel56, a locally based communications company, helping individuals and organisations communicate more effectively. She spent more than 30 years in BBC Northern Ireland and held a variety of roles. For 15 years she was Head of the Television 'BBC Newsline' production team providing coverage of all breaking news stories and live programmes on special events. She was a trainer at the BBC's College of Journalism in London. Angelina was awarded an Ochberg Fellowship on Journalism and Trauma from the Dart Centre, Columbia University, NYC. She now chairs Dart Centre Europe and is a member of the Northern Ireland Committee of the National Lottery Heritage Fund.

Geoff Wilson

Appointed March 2015

Geoff runs his own marketing and communications consultancy business, with a focus primarily on sport. Previously Head of Marketing and Communications (Irish FA) he was responsible for public relations, commercial programmes, brand development and communication to fans. Geoff works with the likes of FIFA, UEFA, AFC, FIBA and other global sports organisations in a wide range of areas from strategic planning, marketing and communications, digital, fans engagement, public affairs and knowledge sharing / exchange programmes. In addition, Geoff consults with a number of sports tech companies in the CRM, eSports, wearable and fans engagement space. Geoff is a part-time lecturer in marketing at Queen's University Belfast and is Chair of Netball Northern Ireland.

Michele Shirlow

Appointed January 2015

Michele is the Chief Executive of Food NI, a membership organisation dedicated to enhancing the reputation of Northern Ireland's food and drink, representing over 450 member companies (including 200 Taste of Ulster Restaurants) and acting as a strategic driver to support the industry to achieve greatness. Michele was central to delivery in 2016 of the first ever Year of Food and Drink, which increased positive visitor attitudes towards Northern Ireland food and drink by 23% and resulted in Northern Ireland winning the International Travel and Tourism Awards – Best Food Destination 2018/19. She is now spearheading the Our Food the Power of Good strategy to establish Northern Ireland as a leading sustainable food region in the UK.

Terry McCartney
Appointed July 2014

Terry McCartney is the owner and manager of the multi award winning Belmore Court & Motel, Enniskillen. He is responsible for the day to day leadership and management of the 60-bedroom, four star guest accommodation as well as its sister property The Lodge At Lough Erne, a luxury self-catering home on the grounds of Lough Erne Resort. He was a lecturer in Hospitality and Computers at the South West College in Fermanagh and prior to that he held positions as a Field Sales Executive for Finlay Hydrascreens and Promotion and Sales Executive for Dillon Bass. In 2011, Terry was appointed High of Sheriff of County Fermanagh for the year. He is also a rugby referee, an amateur photographer and in January 2018 he trekked to the top of Kilimanjaro for charity.

Colin Neill
Appointed January 2015

Colin Neill is Chief Executive of Hospitality Ulster, the representative body of Northern Ireland's hospitality industry, which sustains approximately 72,000 jobs with an annual turnover of £2bn. He is also a Board Member / Trustee of Ashton Community Trust. Colin holds an MBA from the Ulster University.

Patricia Corbett
Appointed May 2020

Patricia's most recent full-time role was as the first Head of Hillsborough Castle for Historic Royal Palaces (HRP). She led the £20m programme to open the Castle and Gardens to the public transforming it into a leading visitor attraction. Her role was diverse, including the development of the commercial operating model for the Castle; significant stakeholder engagement; and leading the employment and training of over 100 staff to support visitor services, host events and community engagement. She also negotiated the transfer of the Courthouse and Fort to HRP thereby safeguarding the future of these historic buildings. As a Deputy Lieutenant for the Borough of Belfast her role is to support Royal and civic lieutenancy activity, including encouraging voluntary and charitable organisations and supporting local businesses. Patricia is also a member of the Board of The Grand Opera House Belfast.

John West
Appointed May 2020

John is recently retired from a career in the financial services industry in Ireland and the UK where he held a variety of senior executive roles specialising in areas such as operations, risk management and customer service. He brings public sector boardroom experience, having served as Senior Independent Board Member and Audit Committee Chair with three separate NI Government Departments, including currently with the Department for Communities. He also sits as an Independent Board Member on the Court Funds Judicial Liaison Group. John is originally from Enniskillen, now lives in Hollywood and enjoys holidaying with his wife Debbie on the beautiful North Antrim coast.

Anya O'Connor
Appointed May 2020

Anya is Senior International Officer at Queen's University Belfast. Her role is focused on driving student recruitment from the Americas as well as building profile and partnerships for the University in the region. In addition, Anya acts as a career development coach within the Queen's internal coaching team, supporting staff from across the University. Anya is a graduate of the Washington Ireland Program (2010) and was also Assistant Director for the Program in 2017. She is committed to supporting initiatives that develop positive international relations for Northern Ireland and in 2018 was part of the team that brought the World Economic Forum's 'Shape Europe' conference to Belfast. In 2018 she was admitted to the British American Project as a fellow. Anya holds an MA in English Literature and Politics from the University of Glasgow.

Michael McQuillan
Appointed July 2013 (appointment ended April 2020)

Michael became Chief Executive of Enterprise NI (ENI) in August 2018. ENI supports 28 local enterprise agencies, engaging with 3,000 micro and small businesses every week across Northern Ireland. Prior to joining ENI, he spent five years as Director of the Business Institute and Centre for SME Development at Ulster University Business School. Before joining Ulster University, he established and managed several businesses. Most notably, as cofounder of The Streat, he developed the award winning cafe business to a network of more than 90 outlets before acquisition in 2010. Through McQuillan Associates he consulted and mentored more than 250 SMEs across Northern Ireland from 2010 to 2014. He is a Non-Executive Director on several Northern Irish businesses. He has had a long involvement with the Northern Ireland skills development agenda, and was appointed to Visiting Professor (UUBS) in 2010. Michael is a Senior Fellow of the Higher Education Academy.

Signed

A handwritten signature in black ink, appearing to read 'John McGrillen', with a long horizontal stroke extending to the right.

John McGrillen

Accounting Officer

Date: 27th January 2023

Section 2 - Accountability Report

Corporate Governance Report

The purpose of this report is to explain the composition and organisation of Tourism NI's governance structures and how they support the achievement of its objectives.

Directors' Report

The Directors present their report and financial statements for the year ended 31 March 2021. The net expenditure after interest for the year is £46.3 million (2019-20: £36.0 million).

Directors

The Directors are the Board Members as listed in Section 2.1 of the Governance Statement. Please see previous section on Board Members for further detail. The Senior Management Team are listed in the Remuneration and Staff Report. For the year ended 31 March 2021, John McGrillen was in position of Chief Executive Officer.

Prompt Payment Policy

Tourism NI is committed to the prompt payment of bills for goods and services received in accordance with the Government's Better Payments Practice Payment Code.

Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods, or services, or presentation of a valid invoice or similar demand, whichever is later. Regular reviews conducted to measure how promptly Tourism NI paid its bills found that 100% (2019-20: 99%) of bills were paid within this standard.

In December 2008 the Government and Institute of Credit Management launched the new Prompt Payment Code setting a target of paying invoices within 10 days. Under this initiative Tourism NI achieved 92% of bills paid within 10 days (2019-20: 92%).

Register of Interests

The Chairman, Board Members and Senior Management Team are required to register all interests, direct or indirect, which members of the public might reasonably think could influence their judgement. The register of interests is available for public inspection by contacting the Communications Team, Tourism Northern Ireland, Linum Chambers, Floors 10-12, Bedford Square, Bedford Street, Belfast, BT2 7ES.

Personal Data Related Incidents

There was one reported Personal Data Related Incident in 2020-21, with no data lost on any occasion (2019-20: four).

There was no requirement to notify the Information Commissioner's Office (ICO).

Complaints Handling

Tourism NI aims to provide a professional, high quality service to our customers and stakeholders and we welcome any feedback which will help us to improve our service.

Our complaints and feedback procedures are broken down into two key areas: feedback about tourist accommodation premises or other tourist amenities, including visitor attractions, or complaints specifically about [Tourism NI services](#) (Corporate Complaints).

In the case of Corporate Complaints, we will acknowledge complaints within three working days and endeavour to provide a response within ten working days. If it is not possible to provide a full response within ten working days, we will advise of the progress of our investigation, and provide an indication of the likely response date.

If complainants are dissatisfied with our response they can refer the matter to the Tourism NI Chief Executive within 28 days of the date of the initial response, and if they still consider that Tourism NI has not dealt with the matter either properly or fairly, they can refer their complaint to the Northern Ireland Public Services Ombudsman (NIPSO).

There were no complaints made about the services provided by Tourism NI in 2020-21 (five were made in 2019-20).

Further information on the handling and monitoring of complaints is available on the Tourism NI 'Feedback and Complaints' webpage at <https://tourismni.com/feedback-and-complaints/> or by contacting complaints.feedback@tourismni.com

Charitable and Political Donations

No charitable or political donations have been made by Tourism NI in 2020-21 (2019-20: £nil).

Auditors

The Comptroller and Auditor General is the external auditor for Tourism NI. Payments of £1,250 were made in relation to the National Fraud Initiative during 2020-21 (2019-20: £nil) to the Northern Ireland Audit Office in respect of non-audit work.

Statement of the Board and Accounting Officer's Responsibilities

Under Article 8 of the Tourism (Northern Ireland) Order 1992, the Department for the Economy (with approval from the Department of Finance) has directed Tourism NI to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and show a true and fair view of the state of affairs of Tourism NI at the year end, and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FRM) and in particular to:

- Observe the Accounts Direction issued by the Department for the Economy, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that Tourism NI will continue in operation; and
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable and that he or she takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer of the Department for the Economy has designated the Chief Executive as Accounting Officer of Tourism NI. As Accounting Officer, the Chief Executive has responsibility for the propriety and regularity of the public finances for which he is answerable, for the keeping of proper records and for safeguarding Tourism NI's assets, as set out in Managing Public Money Northern Ireland, issued by the Department of Finance.

As Accounting Officer, I can confirm that there is no relevant audit information of which the auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are informed of it.

Governance Statement

INTRODUCTION

The purpose of this Statement is to attest the continuing effectiveness of the governance arrangements of the Tourism Northern Ireland (Tourism NI) that support the achievement of our organisational policies, aims and objectives.

Corporate Governance refers to the system by which the organisation is directed and controlled. The effectiveness of direction and control of an organisation can be linked to:

- **Governance:** how well an organisation plans, sets, communicates and monitors progress against its corporate objectives;
- **Risk Management:** how the organisation identifies, considers and manages the risks to the achievement of its objectives; and
- **Business Controls:** how the organisation's Board assures itself and its stakeholders that it is in control of the business and the associated risks.

GOVERNANCE FRAMEWORK

As Accounting Officer, I am personally responsible for the overall accountability arrangements of the organisation which include: maintaining a sound system of corporate governance; an effective system of Internal Controls; assessing the organisational capacity to handle and manage risk; and maintaining propriety and regularity of public finances, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI).

I am also responsible for ensuring compliance with the requirements of Tourism NI's Management Statement and Financial Memorandum (MSFM) agreed between Tourism NI and the Department for the Economy (DfE) and ensuring compliance with other Government directives and guidance on good practice in corporate governance.

Compliance with Corporate Governance Code

As a Non-Departmental Public Body (NDPB) of DfE, Tourism NI has been expected to adopt the practices set out in HM Treasury's "Corporate Governance In Central Government Departments: Code of Good Practice (NI) 2013" (the Code). Tourism NI has complied with the principles of good practice in the Code.

In compliance with the Code, Tourism NI has established and maintained key organisational structures which support the delivery of corporate governance.

Organisation and Structures

The key organisational structures which support the delivery of corporate governance are the:

- Tourism NI Board;
- Audit and Risk Assurance Committee;
- Finance and Casework Committee; and
- Fortnightly Senior Management Team meetings.

TOURISM NI BOARD

Northern Ireland Tourist Board trading as Tourism Northern Ireland operates under the Tourism (Northern Ireland) Order 1992. Tourism NI's principal functions are to encourage tourism; to encourage the provision and improvement of tourist facilities and amenities; and the certification of tourism accommodation.

The Board consists of a Chairman and up to eight Non-Executive Board Members, who are appointed by the Minister for the Economy, in accordance with the Code for Public Appointments for Northern Ireland. Three new Board Members (Patricia Corbett, Anya O'Connor and John West) were appointed at the end of May 2020, filling two long-standing vacancies as well as replacing Michael McQuillan. The Board takes an objective long term view of the business, providing strategic oversight and scrutiny to assist the Accounting Officer in meeting his Corporate Governance responsibilities. The performance of Board Members is formally assessed by the Chairman on an annual basis. The Board meets a minimum of eight times per year.

The Board has corporate responsibility for ensuring that Tourism NI fulfils the aims and objectives set by the Department and approved by the Minister, and for promoting the efficient, economic and effective use of staff and other resources by Tourism NI. To this end, and in pursuit of its wider corporate responsibilities, the Board:

- establishes the overall strategic direction of Tourism NI within the policy and resources framework determined by the Department;
- ensures that the Department is kept informed of any changes which are likely to impact on the strategic direction of Tourism NI or on the attainability of its targets and determine the steps needed to deal with such changes;
- ensures that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the Department of Finance and the Department;
- ensures that the Board receives and reviews regular financial information concerning the management of Tourism NI; is informed in a timely manner about any concerns relating to the activities of Tourism NI; and provides positive assurance to the Department that appropriate action has been taken on such concerns;
- demonstrates and ensures high standards of corporate governance are observed at all times. This includes using the Audit and Risk Assurance Committee to help the Board address key financial and other risks facing Tourism NI; and
- appoints a Chief Executive of Tourism NI subject to the approval of the Department and, in consultation with the Department, sets performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use of public monies.

Board Performance and Effectiveness

During 2020-21, the Tourism NI Board met on ten occasions, consisting of eight scheduled meetings and two extraordinary meetings. Details of the attendance of members during the year are shown below:

Board Member	Number of Meetings Attended	Out of a Possible
Terence Brannigan (Chair)	10	10
Angelina Fusco	10	10
Michael McQuillan *	0	0
Terry McCartney	10	10
Colin Neill	10	10
Michele Shirlow	9	10
Geoff Wilson	10	10
John West**	9	9
Patricia Corbett**	9	9
Anya O'Connor**	9	9

*Left April 2020, **Joined June2020

With the exception of a socially-distanced physical meeting held at Cultra Manor on 20 August, the Board Meetings were all successfully held remotely using video conferencing technology.

In addition to the scheduled Board meetings, the Board held two extraordinary meetings, on 7 July 2020 and on 29 December 2020. The purpose of the meeting on 7 July was to give detailed consideration to actions to support the industry's survival and recovery following the Covid-19 outbreak. The meeting on 29 December was to consider scenario planning for budget cuts and strategic priorities. The Board also held strategic away days with the Senior Management Team on 21 and 22 January 2021, to discuss a draft Operating Plan for 2021-22 and first principles for a new Tourism Strategy for Northern Ireland. All of these meetings were attended by the full Board.

In its regularly scheduled meetings, the Board focussed on the strategic objectives of Tourism NI and monitored performance against these targets. The Board also received management information reports including Financial and Risk Management to discharge its duties.

The Board, in discharging its responsibilities, delegates the day to day management of Tourism NI to the Senior Management Team (SMT). The SMT is responsible for implementing the strategy of the organisation and formulating robust policies and strategies in pursuance of corporate aims and objectives. During the course of the year the Board agreed to augment the SMT's capacity to deal with the impacts of Covid-19 by temporarily appointing two additional Directors of Policy and Strategy, ahead of a more comprehensive restructuring of the team.

This year the Board also agreed to continue its participation in the Board Apprentice programme which assists individuals from the business community in gaining experience of the roles and responsibilities involved in taking up a public appointment. Denise McAnena of British Heart Foundation NI joined Board Meetings as Apprentice for a twelve month period beginning on 1 September 2020.

Key Issues Considered by the Board

A major strand of the Board's discussions throughout the year was the Covid-19 pandemic. Discussions touched on ongoing research with consumers and industry to assess the impact on the tourism sector and the likely future implications; the immediate actions necessary to ensure the industry's revival and resilience, including business advice and guidance, financial support and marketing messaging in preparation for recovery; the creation of the We're Good To Go charter mark; the establishment of the Tourism Recovery Steering Group and Working Group, and the development of an industry-wide Tourism Recovery Action Plan arising from that. In addition the Board considered the impact of the remote working environment upon Tourism NI's ability to deliver its objectives, and on the safety and wellbeing of Tourism NI staff.

Other key issues the Board considered during 2020-21 include:

- Development and approval of the Annual Operating Plan and budget allocation against organisational priorities and resulting pressures;
- Quarterly reviews of performance – operating plan, management accounts and risk management;
- 2019-20 Annual Report and Accounts and Northern Ireland Audit Office (NIAO) Report to Those Charged with Governance;
- Tourism NI's organisational restructuring and the resources required to deliver it;
- City and Region Deals;
- A review of Northern Ireland accommodation certification schemes;
- Annual Report of Audit & Risk Assurance Committee;
- Draft Tourism Strategy;
- Game of Thrones Touring Exhibition;
- Updates on the Digital Work Programme and new policies supporting the use of mobile devices by staff in the remote working environment;
- Partnerships between departments and arm's length bodies;
- Proposals for a future Events Strategy and Funding Programmes;
- Input to a draft Programme for Government;
- The impacts on tourism of the UK's exit from the European Union;
- Coronavirus impact on tourism industry and Tourism NI response; and
- HR Policies.

The Board did not host any dinners during the 2020-21 year due to the ongoing Covid-19 restrictions.

During the 2020-21 Financial Year, the Board further revised its subcommittee structure, agreeing to reconstitute the Marketing Committee. The Board also agreed that if required, in the absence of availability of the full Board an ad hoc Covid-19 response committee could be convened to deal with any urgent issues that might arise; however this has not proved to be necessary. The Finance and Casework Committee progressed as agreed.

THE TOURISM NI AUDIT AND RISK ASSURANCE COMMITTEE

The work of the Board is supported and advised by an Audit and Risk Assurance Committee. The Committee includes three Non-Executive members and one independent member. The Chief Executive, Director of Finance, Finance Manager, Internal Audit Service (IAS) and External Audit (NIAO) and a representative from DfE are invited to attend all meetings.

The Committee supports the Board and the Accounting Officer by reviewing the comprehensiveness, reliability and integrity of assurances in meeting the Board and Accounting Officer's responsibilities. This includes the risk management framework and internal control environment. The Committee reviews the Annual Report and Financial Statements before submission to the Board to ensure a true and fair view of the financial position is presented.

The Audit and Risk Assurance Committee was chaired by Angelina Fusco. There were no vacancies during the year.

During 2020-21, the Audit and Risk Assurance Committee met a total of five times. Details of the attendance of members during the year is shown below:

Committee Member	Meetings Attended	Out of a possible
Angelina Fusco (Chair)	5	5
Colin Neill	5	5
John West*	4	4
Dorinnia Carville (Independent)	5	5

*John West was appointed to the Board in May 2020 and appointed to Audit and Risk Assurance Committee in July 2020.

There were regular meetings between the Chair and both the NIAO and Head of IAS during the year.

Matters considered by the Committee during 2020-21 included the following:

- Annual Report & Accounts 2019-20;
- NIAO Report to those Charged with Governance 2019-20;
- Review and discussion of the Quarterly Risk Register;
- Approval of the Internal Audit Plan 2021-22 and review of all Internal Audit reports completed during the year, including the Annual Report and Opinion 2020-21;
- Review and discussion of all outstanding Internal Audit Recommendations;
- Organisational restructure;
- Review and discussion of a Field Based Mileage Policy;
- IT updates including Information Security;
- Risk Review Framework;
- Update on dilapidations from Tourism NI's previous premises;
- The impact of Covid-19 on the organisation and on the tourism industry;
- Chair's Annual Report to the Board;
- Staff Grievances;
- Fraud Notifications; and
- Direct Award Contracts.

THE FINANCE AND CASEWORK COMMITTEE

During the 2020-21 year there was significant engagement with the Finance and Casework Committee as the Executive team worked through plans to support the industry in response to the Covid-19 pandemic.

The Finance and Casework Committee met 14 times in total. The purpose of the Committee is to provide in depth scrutiny of the finances of the organisation and to provide assurance to the Board of the same, and to review and make recommendation to the Board on Events and Capital Projects. The Committee includes three Non-Executive members and one independent member, appointed in April 2020. The Director of Finance, the Director of Business Support and Events, the Director of Product Development are invited to attend meetings as required. During the year the Interim Director of Programmes was appointed and invited to attend meetings as required. The Committee was chaired by Michele Shirlow. There were no vacancies during the year.

Details of the attendance of members during the year 2020-21 is shown below:

Committee Member	Meetings Attended	Out of a possible
Michele Shirlow (Chair)	13	14
Terence Brannigan	14	14
Geoff Wilson	2	3
Catherine Doran	9	14
Patricia Corbett	10	11

Catherine Doran was appointed as an Independent Member in March 2020, attending her first meeting in April 2020. At the Board Meeting on 20 August it was agreed that Geoff Wilson would step down as a member of the Committee, to be replaced by Patricia Corbett.

The Committee considered and scrutinised Tourism NI's budgets and financial position during the year. It also considered matters including support for major events such as the NW200, Féile an Phobail, the Dubai Duty Free Irish Open and the ISPS Handa World invitational, as well as support for events cancelled due to the Covid-19 pandemic and proposals for new events programmes. The Committee also considered support for the Game Of Thrones Studio Tour and projects under the Experience Development Programme, as well as the support scheme for Bed and Breakfasts, Guesthouses and Guest Accommodation impacted by lockdown closures.

THE MARKETING COMMITTEE

At its August meeting the Board agreed to reconvene the Marketing Committee, to review and advise on matters relating to marketing strategy. The Committee met twice during the remainder of the year, on 12 October 2020 and on 19 January 2021. At the first meeting the Committee appointed its Chair, agreed terms of reference and approved a forward work programme. At its second meeting the Committee agreed to appoint an independent committee member (Claire McElligott), discussed the impacts of ongoing Covid-19 restrictions on planned marketing activity such as consumer campaigns, and the diversion of resources to develop marketing content for long-term use.

Committee Member	Meetings Attended	Out of a possible
Terry McCartney (Chair)	2	2
Anya O'Connor	2	2
Geoff Wilson	2	2

THE SENIOR MANAGEMENT TEAM

During the year, the Senior Management Team meets as follows:

- Quarterly to formally review the operating plan, budget and risk management and for oversight/review of progress on key projects;
- Monthly to review the budget, financial performance and to monitor risk and progress on key projects; and
- Weekly to discuss ongoing operational issues.

Conflicts of Interest

All interests of both Board Members and SMT are recorded on a Register of Interests. This is updated as any new appointments occur to ensure that any conflict is recognised immediately. Conflicts of interest are also declared at the beginning of all Board, Audit and Risk Assurance Committee, Finance and Casework Committee, and Marketing Committee meetings and Members will excuse themselves from the relevant discussion. Ten conflicts of interest were declared in Board meetings during the year. These related to events funding, Tourism NI work with the Department for Communities, the experience development programme, Food NI, and the support programme for Bed and Breakfast, Guesthouses and Guest Accommodation. There were no conflicts of interest declared in the Audit and Risk Assurance Committee meetings. Two conflicts of interest were declared in the Finance and Casework Committee meetings, relating to events support and the Member was excused from discussion.

Tourism NI has a policy for Directorship on External Boards to provide greater clarity for Board Members and staff members alike about the process for accepting invitations to sit on External Boards.

The process for dealing with Conflicts of Interest is held centrally by HR and is available to all staff and members of the Board.

BUSINESS PLANNING

The Annual Operating Plan is a key reference tool for setting organisational aims and objectives. It provides the framework to ensure that Tourism NI makes best use of available financial, staff, and technological resources and that budgets are aligned to the plan following a robust budget challenge process. The budget process challenges managers to demonstrate efficiency and value for money in the provision of services to meet the needs of our stakeholders.

Tourism NI's Annual Operating Plan is set in the context of the Draft Tourism Strategy 2030, and the Programme for Government. The 2020-21 Operating Plan was approved by the Board and the

Department for the Economy (DfE). Formal reporting to the Board and DfE is on a quarterly basis against Operating Plan objectives and budget.

The Board and the SMT regularly review and monitor performance against business objectives and challenge managers at all levels to ensure business targets and objectives are achieved.

RISK MANAGEMENT

Tourism NI aims to manage risk at a reasonable level to achieve its policies, aims and objectives. As Accounting Officer, it is my responsibility to ensure that appropriate risk management processes are in place within the organisation. The aim is not to eliminate all risk, but to mitigate risk through effective strategies and processes which facilitate decision-making and ensure competitiveness and innovation, whilst providing confidence to key stakeholders that any associated risk is being actively and effectively managed.

The Risk Management processes were fully reviewed in 2020-21 and a new Risk Management Framework was developed, which aligns with the latest HMT Orange Book guidance, describes the processes for identifying and controlling risk, and sets out the responsibilities for risk management across all levels of the organisation.

Risk management is fully incorporated into the corporate planning and decision-making processes, and Tourism NI has in place a Corporate Risk Register that is reviewed by the Senior Management Team on a quarterly basis. Within the Corporate Risk Register, the appropriate controls and actions are identified and monitored regularly, to manage and mitigate the likelihood and impact of risk, and ensure organisational objectives and targets are achieved.

In 2020-21 the Corporate Risk Register was subject to a comprehensive review, involving the Senior Management Team and members of the Audit and Risk Assurance Committee. The outworking of this review was the development of a Risk Register which reflects the current risks and challenges faced by Tourism NI as an organisation, as well as those of the wider NI Tourism Industry.

The Risk Register is reviewed and updated on a regular basis taking account of any new risks identified by the SMT and with any new information on existing risks.

The Risk Register is presented to the Board and Audit and Risk Assurance Committee in order to monitor and review any significant risks that could prevent Tourism NI achieving its strategic goals. The Audit and Risk Assurance Committee has responsibility for ensuring an appropriate risk management process is embedded throughout the organisation and that appropriate training is given to support this.

The Tourism NI Risk Register is reported to DfE through their Audit and Risk Assurance Committee and DfE's Oversight and Liaison Committee meetings.

ANNUAL ASSURANCE STATEMENTS

As Accounting Officer, I have to provide Annual Assurance Statements to DfE regarding the system of internal controls. This is supported by regular accountability meetings with senior DfE Officials which monitors organisational progress against plans and targets. This is also supplemented by meeting with the Board Chair, the Chief Executive, and DfE Officials after every Board meeting.

As part of the Assurance process for DfE, I have delegated responsibility to Directors and other Senior Managers to provide me with mid-year and annual assurance statements in respect of their compliance with corporate governance arrangements, within their respective areas of responsibility.

DATA SECURITY

As Accounting Officer, I have overall responsibility for ensuring that information used for operational and reporting purposes is handled appropriately and that risks are assessed and mitigated to an acceptable level. This responsibility is discharged through the Chief Digital Officer, who is the Senior Information Risk Officer (SIRO) and provides focus for the management of information risk at SMT and Board level. He has responsibility for the overall information risk policy and for advising the Accounting Officer on the information risk aspects of the governance arrangements. The SIRO is supported in this role by the IT Manager who has day to day responsibility for information management and security; the integrity of electronic information; and contingency and business continuity arrangements. A letter of assurance is provided to DfE on information governance on an annual basis.

There was one minor data breach during the year, there was no requirement to contact the Information Commissioner's Office and no further action was considered necessary. There have been no data losses during the 2020-21 financial year.

INTERNAL AUDIT

The Internal Audit function for Tourism NI is undertaken by Internal Audit Service (IAS), Department of Finance. Internal audit services are delivered in accordance with Public Sector Internal Audit Standards. The work of IAS is informed by an analysis of the risks to which Tourism NI is exposed. The annual Audit Plan is based on this risk analysis and is designed to provide regular Internal Audit Reviews and assessment on our systems, processes and procedures.

In 2020-21 one audit and three consultancy reviews were scheduled. This one year strategy was formulated with due consideration given to a number of factors, namely the key corporate and operational risks facing Tourism NI as a result of Covid-19. The audit obtained a Satisfactory opinion.

Five audits were also ongoing from 2019-20 with four reports issued in the 2020-21 year, one of these was issued with a limited opinion. One audit has been postponed and is to be included in the 2021-22 audit plan. All recommendations were accepted by Management and are in the process of being implemented or they have already been implemented.

The Audit and Risk Assurance Committee provides scrutiny and oversight of the Internal Audit Plans and subsequent Reports and ensures that 'management responses' to recommendations are implemented. All Internal Audit Recommendations are held centrally and their progress closely monitored and challenged. Annually, IAS provides Tourism NI with a report on their activity. This Report includes their independent opinion on the adequacy and effectiveness of the Tourism NI's risk management, control and governance processes.

The overall audit opinion for 2020-21 was "Satisfactory".

EXTERNAL AUDIT

The External Audit of our Statutory Financial Statements is undertaken by the Northern Ireland Audit Office (NIAO) on behalf of the Comptroller and Auditor General, in accordance with Auditing Standards issued by the Financial Reporting Council; the Financial Reporting Manual (FRM); and other Government guidance. This independent scrutiny of the Financial Statements provides me with additional assurance in respect of financial regularity.

The External Audit Strategy for 2020-21 and the Report to those charged with Governance (RTTCWG) for 2019-20 have been presented to the Audit and Risk Assurance Committee. As Accounting Officer, I can confirm that all recommendations included within the RTTCWG have been accepted and have been implemented or are currently being progressed.

QUALITY OF DATA USED BY TOURISM NI BOARD

The Tourism NI Board uses information based on a number of data sources. In relation to performance targets, the Board draws assurance from the fact that a number of the data sources used are also utilised for the publication of official or National Statistics. Tourism NI also commissioned independent economic appraisals for capital investment decisions and for the evaluation of key activities such as events. Data relating to Finance and HR is derived from systems that are subject to regular scrutiny by DoF's Internal Audit Service. Information received by the Board allows the Board to discharge its duties with regard to its assurance needs, its decision making and its accountability obligations.

DIGITAL TRANSFORMATION

During the year, work continued on a new customer relationship management (CRM) system and there was significant development on a new platform for Tourism NI's corporate website, tourismni.com and for the consumer website, discovernorthernireland.com. The corporate website launched in March 2021 and the consumer website was launched in July 2020.

There has also been extensive work carried out to enhance Tourism NI's ability to gather aggregated real-time tourism data through new partnerships, stakeholder engagement and the deployment of sensor technology at key tourist sites. This data is analysed and transformed into real-time insights. There was also a capital funding programme to support the industry for website improvement.

MINISTERIAL DIRECTIONS

There was one Ministerial Direction received in 2020-21 in relation to the Bed & Breakfast, Guesthouse and Guest Accommodation Covid-19 support scheme.

FINANCIAL MANAGEMENT

The organisational financial management arrangements conform to the requirements of Managing Public Money NI and other directions issued by the Department for the Economy. The Director of Finance has responsibility at SMT level for the proper management of the organisation's finances. Responsibility is delegated for the management of finances to Directors through the allocation of budgets.

EU EXIT PREPARATIONS

During the 2020-21 year there were no further bidding exercises for additional funding however many of the key challenges faced by the tourism industry as a result of Covid-19 are indeed the same challenges presented by EU Exit.

COVID-19

The Covid-19 pandemic swept the globe at the start of 2020 and both Northern Ireland and the RoI were faced with the same lockdown measures as most of Europe. Management took the decision to direct all staff to work from home from 23 March 2020, just prior to the UK Prime Minister enforcing a nationwide lockdown. Similar measures were announced in RoI on 27 March 2020.

Staff continue to work remotely, in the main, however access to the office is now available with hot desking facilities and online booking system in place. Meetings are being held via Microsoft Teams, Zoom and in person when required. This includes regular SMT meetings, Corporate Management Team meetings, all-staff briefings as well as Board and Sub Committee meetings however. Return to the office will continue to be informed by the relevant guidance and longer-term hybrid working arrangements are currently being considered by the Senior Management Team.

This situation has presented a number of personal challenges for staff, including but not limited to working whilst caring for dependents, home schooling children and loneliness. Tourism NI Management is mindful of these challenges and recognises its duty of care to staff so has put in place a number of measures to ensure there is frequent communication with all staff and that support mechanisms are in place. This includes a Health and Wellbeing Programme that focuses on “looking after yourself”, “staying connected” and “looking after others”.

The response to the pandemic also had an impact on the activity across the organisation, several periods of lockdown forced a shift towards providing support and guidance to the industry as well as diverting marketing efforts towards the creation of content for use in future campaigns.

Throughout the 2020-21 year, Tourism NI worked closely with Department for the Economy and wider stakeholders to devise a recovery plan to support the tourism industry. The then Minister for the Economy established and chaired the Tourism Recovery Steering Group (TRSG) which was supported by the Tourism Recovery Working Group (TRWG), chaired by John McGrillen, Chief Executive of Tourism NI. As a result, a Tourism Recovery Action Plan has been created which sets out the key challenges facing the tourism industry as it recovers from the pandemic and the actions required to support the tourism industry.

Tourism NI was successful in submitting bids for additional funding to support the industry through increased grant funding, advisory and support programmes, including the Bed and Breakfast, Guesthouse and Guest Accommodation Scheme and the Business and Financial Planning Programme. Tourism NI has also implemented all guidance that has been issued by Department of Finance in relation to Covid-19.

FRAUD POLICY

Tourism NI promotes an anti-fraud culture which requires all staff to act with honesty and integrity at all times and to take appropriate steps to safeguard public assets. Tourism NI has implemented a range of policies and procedures that are designed to ensure probity, business integrity and minimise the likelihood and impact of incidence of fraud arising. The Director of Finance is responsible for managing the Fraud Policy and the Fraud Response Plan. All reported suspected and actual frauds are fully investigated and robust actions are taken where fraud can be proven.

GOVERNANCE ISSUES ARISING DURING THE YEAR

INTERNAL AUDIT ISSUES

There was one Limited opinion issued in relation to an audit undertaken in 2019-20 on Tourism NI's Familiarisation (FAM) Trips. In total, IAS made nine recommendations including one priority one recommendation relating to the adequate and timely approval of the business cases developed for the FAM trip programme. This delay in approval had already been identified by TNI management and retrospective approval is in place. Subsequently, a full review of the business case approval process has been completed and business case training is on the training agenda for all staff.

This report was issued during the 2020-21 year stating overall there is a satisfactory system of governance, risk management and control. All recommendations which were made by the internal auditors were accepted and have either been implemented or their implementation is in progress.

OTHER GOVERNANCE ISSUES

Tourism NI Pay Scales

Tourism NI obtained approval to pay Belfast staff increases in salaries from 2014-15 to 2017-18 during the 2018-19 financial year. These had previously been withheld due to queries about Tourism NI pay scales and pension contributions. Authorisation to make the payment was subject to the condition that the issue with regard Tourism NI pay scales would be progressed. During 2020-21 a business case was progressed with DfE to resolve the pay scale issue and is continuing to be worked through. A submission has been made to progress staff onto the most recent pay scales whilst this wider issue is being progressed. Depending on which option is preferred, a future liability may arise. There is no way to quantify this at this point in time. This matter was mistakenly disclosed in the Remote Contingent Liabilities section of the Assembly Accountability Report in the prior-year Annual Report and accounts.

Pay Policy

During the year, a review of the Temporary Promotions policy uncovered a difference in the pay policy applied by Tourism NI to staff under 'deputising' arrangements compared to the NICS policy. Tourism NI are required apply the terms and conditions of service in line with NICS HR Policy, as per the Management Statement and Financial Memorandum, therefore work is ongoing to resolve this matter in relation to historic payments under this policy. As of 1 June 2021 the correct NICS policy is being applied and internal controls and processes are being reviewed to ensure all pay policies are being applied correctly. Tourism NI have accrued for any historic payments and a submission is being drafted for DfE and DoF approval.

Payments to Tourism Ireland

Tourism Ireland was formed by the Government of the Republic of Ireland and the Northern Ireland Executive, under the auspices of the North/South Ministerial Council (NSMC). It is governed by its Memorandum and Articles of Association and by the Financial Memorandum approved by the NSMC and prepares detailed three-year Corporate and one year Operating Plans to guide its activities. It is joint funded by both Department of Transport, Culture, Arts, Gaeltacht, Sport and Media (DTCAGSM) in the Republic of Ireland and the Department for the Economy (DfE) in Northern Ireland. As part of this funding arrangement, funding is made available via payments from Tourism Northern Ireland directly to Tourism Ireland.

In previous years, Tourism NI reported income from DfE relating to Tourism Ireland and payments out to Tourism Ireland as being netted off in the Statement of Comprehensive Net Expenditure, the impact on the net expenditure for the year was nil. At the time Tourism NI considered itself to be an agent in the transaction however, per IFRS 15 Tourism NI is deemed to be the principle therefore from 2020-21 all Tourism Ireland funding received from DfE will be classified as Grant-In-Aid and shown through Reserves. The payments then made out to Tourism Ireland are shown as expenditure in the Statement of Comprehensive Net Expenditure. Prior period figures have been restated to reflect this change.

In 2020-21 Tourism Ireland funding totalled £12.886m however as a result of distorted funding ratios between the Republic of Ireland funding and funding from the Department for Economy, DoF were unable to approve the 2020 Tourism Ireland Business Plan. As a result of this, funding of £4.6 million paid to Tourism Ireland Limited between April 2020 and December 2020 is irregular. Further funding between January 2021 and March 2021 of £5.3 million is also irregular since it related to a carry-over from the 2020 budget for use in 2021, without the DoF approval being obtained as required by the Management Statement and Financial Memorandum.

Consequently, as this expenditure is reflected in Tourism NI's accounts this means that total payments of £9.8 million relating to Tourism Ireland during 2020-21 are irregular.

Covid Grant Scheme

During the 2020-21 year, Tourism NI delivered the Bed & Breakfast grant scheme with associated expenditure of £2.0m included in Tourism NI's accounts.

The rapid pace of the design and delivery of this scheme increased the inherent risk of fraud, error and loss of funds. The comprehensive risk assessment for the scheme meant that the TNI Accounting Officer could not conclude that they would deliver value for money or that the risk of fraud and error would be acceptable under ordinary circumstances. As a result, approval for the implementation of the scheme was by Ministerial Direction.

In recognition of the emergency nature of this scheme and in order to facilitate the required speed of delivery, this scheme included a self-declaration made by applicants regarding tax compliance as part of the scheme eligibility criteria. The risk of fraud associated with this approach was acknowledged and documented and accepted only under the specific requirements of this scheme to deliver emergency funding and was aligned to the approach of covid grant schemes delivered by the wider NI Executive. In order to mitigate against the risks, clawback provisions were built into the scheme alongside post payment checks. Tourism NI envisaged the self-declaration criteria being verified against HMRC data, however this was not forthcoming and therefore reliance was placed on the self-declaration with no further requirement to obtain evidence.

During the course of their audit, NIAO has determined that, due to this absence of audit evidence to verify whether the self-declaration was accurate, there is a limitation in the scope of its work. As a result, the Comptroller and Auditor General is unable to obtain sufficient evidence on whether the expenditure noted above has been used for the purpose intended and has therefore qualified her regularity audit opinion. The scheme in question was designed and delivered at rapid pace in order to combat the impact of COVID-19 on businesses. The risk of fraud and error was identified at the outset at scheme design stage. Where possible, Tourism NI put in place processes designed to ensure that all reasonable governance and control mechanisms were established prior to payments being made.

Despite the urgency in both design and delivery, no payment errors or instances of non-compliance with the agreed processes were identified by NIAO during the audit. The NIAO qualification relates specifically to the use of self-declarations to facilitate emergency payments.

Tourism NI's management team, Audit and Risk Committee and Board are fully aware of the issue and are satisfied that all reasonable steps were taken to ensure that loss of funds through fraud and error was minimised and mitigated through clawback provisions and other controls and processes, which have since been audited by DfE's Internal Audit Service which resulted in a 'Satisfactory' audit opinion.

Certification of Tourism Accommodation

Tourism NI's principal functions are to encourage tourism; to encourage the provision and improvement of tourist facilities and amenities; and the certification of tourism accommodation. As a result of ongoing Covid-19 restrictions and periods of lockdown throughout 2020-21, Tourism NI was unable to fulfil its statutory duty to certify accommodation in line with legislation outlined in the Tourism (NI) Order 1992 and the Certification Scheme guidelines. To address this issue additional inspectors have been hired in 2022-23 to address the backlog.

Actual, Attempted and Suspected Frauds

There were no actual or attempted frauds during the year 2020-21.

CONCLUSION

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the Governance arrangements. This review is informed by Executive Directors within Tourism NI who have responsibility for the development and maintenance of the governance framework and the work of Internal and External Auditors and their comments and recommendations. I have advised the Audit and Risk Assurance Committee of my review of the governance arrangements and my plans for continuous improvement of the governance arrangements.

Beyond those specific issues listed in Section 3, I can confirm that there have been no other governance issues identified during the year that are considered significant in relation to Tourism Northern Ireland's overall ability to achieve its corporate aims and objectives and that the governance arrangements, as detailed above, provide assurances of the effectiveness of the systems of corporate governance in place within Tourism NI.

Tourism NI continues to review and strengthen its governance and internal controls arrangements in line with Government guidance, audit recommendations and best practice.

Remuneration & Staff Report

The Remuneration and Staff report sets out Tourism NI's remuneration policy for our Board Members and Senior Management Team (SMT), reports on how that policy has been implemented and details the amounts awarded to Board Members and SMT. It also provides details on remuneration and staff that the Northern Ireland Assembly and others see as key to accountability.

Remuneration Report

Remuneration Policy

Chairman and Board Members

The Chairman and Board Members are appointed in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland. The Chairman and Board Members are appointed for a fixed period of up to three years. Thereafter they may be reappointed in accordance with the Code of Practice.

The remuneration of the Chairman and Board is set by Department for the Economy (DfE). Increases are calculated in line with the recommendations of the Senior Salaries Review Board. There are no arrangements in place for the payment of a bonus. Neither the Chairman nor any Board Member receives pension contributions from Tourism NI or DfE. Tourism NI reimburses the Chairman and Board Members for any incidental expenses incurred for carrying out their duties relevant to the organisation.

Chief Executive and Senior Management Team

Progression for the Chief Executive is in accordance with the Senior Civil Service (SCS) Pay Strategy 2008, which is consistent with Cabinet Office guidelines. The Chief Executive's remuneration is subject to a pay band minima and maxima in line with pay arrangements in place for SCS staff. The effective date for pay award is 1 April each year.

Members of the Senior Management Team are paid in line with the Northern Ireland Civil Service pay agreement. Their performance against previously agreed targets is assessed annually by the Chief Executive. Pay increases are entirely performance based.

Directors are normally placed on the bottom point of a 5 point scale on appointment. Thereafter, there is annual incremental progression, based on performance, until the maximum of the scale is reached. A common incremental date of 1 August is used for all Directors.

Service Contracts

The Chief Executive and the Senior Management Team appointments are made in accordance with Tourism NI's recruitment and selection policy. The policy requires appointments to be made on merit and on the basis of fair and open competition.

Unless otherwise stated, the employees covered by this report hold appointments that are open ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in Tourism NI's redundancy policy.

Remuneration and Pension Entitlements (Audited)

The following sections provide details of the remuneration and pension interests of the Board and Senior Management Team of Tourism NI.

Remuneration (including salary) and Pension Entitlements: Board Members (Audited)

Single total figure of remuneration						
	Salary (£'000)		Benefits in Kind (to nearest £100)		Total (£'000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Terence Brannigan Chairperson	25-30	25-30	-	-	25-30	25-30
Michael McQuillan ¹ Board Member	-	5-10	-	-	-	5-10
Angelina Fusco Board Member	5-10	5-10	-	-	5-10	5-10
Terry McCartney Board Member	5-10	5-10	-	-	5-10	5-10
Michele Shirlow Board Member	5-10	5-10	-	-	5-10	5-10
Geoff Wilson Board Member	5-10	5-10	-	-	5-10	5-10
Colin Neill Board Member	5-10	5-10	-	-	5-10	5-10
Anya O'Connor ² Board Member	-	-	-	-	-	-
John West ³ Board Member	0-5 (5-10 FYE)	-	-	-	0-5	-
Patricia Corbett ⁴ Board Member	0-5 (5-10 FYE)	-	-	-	0-5	-

1 Michael McQuillan's appointment to the Board ended in April 2020.

2 Anya O'Connor was appointed to the Board in May 2020 and does not draw a salary.

3 John West was appointed to the Board in May 2020.

4 Patricia Corbett was appointed to the Board in May 2020.

Tourism NI Board Members do not have any pension entitlements.

Remuneration (including salary) and Pension Entitlements – Senior Management Team (Audited)

Single total figure of remuneration								
	Salary (£'000)		Benefits in Kind (to nearest £100)		Pension Benefits (to nearest £1,000)		Total (£'000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
John McGrillen ¹ Chief Executive	100-105	110-115	-	-	30	63	130-135	175-180
Louise Kearney ² Director of HR	-	25-30 (55-60 FYE)	-	-	-	9	-	35-40
Jill O'Reilly ³ Acting Director of HR	40-45	40-45	-	-	14	6	55-60	45-50
Rosemarie McHugh Director of Product Development	50-55	50-55	-	-	17	16	65-70	65-70
Naomi Waite Director of Marketing	50-55	50-55	-	-	19	17	70-75	70-75
Lesley McKeown ⁴ Director of Finance	30-35 (40-45 FYE)	-	-	-	11	-	45-50	-
Jill McKee ⁵ Director of Finance	15-20 (50-55 FYE)	35-40 (50-55 FYE)	-	-	7	18	25-30	50-55
Aine Robinson ⁶ Acting Director of Finance	-	35-40 (50-55 FYE)	-	-	-	17	-	50-55
Aine Kearney Director of Business Support & Events	50-55	50-55	-	-	19	17	70-75	70-75
Lesley-Ann O'Donnell ⁷ Temporary Director of Programmes	15-20 (50-55 FYE)	-	-	-	6	-	20-25	-
Dot Erskine ⁸ Temporary Director of Strategy and Policy	15-20 (45-50 FYE)	-	-	-	5	-	20-25	-

1 John McGrillen's 2019-20 salary included approximately £10k of back pay related to prior years. 'Salary' includes any other allowance to the extent that it is subject to UK taxation.

2 Louise Kearney left Tourism NI on 30 September 2019.

3 Jill O'Reilly was appointed Acting Director of HR on 15 October 2019.

4 Lesley McKeown was Deputising Director of Finance from July 2020 and appointed to Finance Director on 23 October 2020.

5 Jill McKee returned from maternity leave on 19 August 2019 and left Tourism NI on 31 July 2020.

6 Aine Robinson was appointed maternity cover for Acting Director of Finance on 1 November 2018 until 23 October 2019.

7 Lesley-Ann O'Donnell was appointed Temporary Director of Programmes on 23 November 2020.

8 Dot Erskine was appointed Temporary Director of Strategy and Policy on 23 November 2020.

9 The Chief Digital Officer role is via secondment from the Strategic Investment Board (SIB). The post holder is on SIB payroll and TNI reimburses SIB for salary related costs of £102,444 plus VAT.

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

Salary

'Salary' includes gross salary; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any ex-gratia payments. This report is based on payments made by Tourism NI and thus recorded in these accounts.

Bonuses

During the year 2020-21 there were no bonuses paid (2019-20: £nil) to the Chief Executive and Senior Management Team.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument. Neither Members of the Board nor senior management received any benefits in kind during 2020-21 (2019-20: £nil).

Pay Multiples (Audited)

Tourism NI is required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of the organisation's workforce.

	2020-21	2019-20
	£	£
Remuneration of Highest Paid Director	100-105	100-105
Remuneration of Lowest Paid Employee	15-20	15-20
Median Employee Remuneration	30,149	30,149
Ratio	3.4	3.4

The banded remuneration of the highest paid Director during the financial year 2020-21 was £100,000-105,000 (2019-20: £100,000-105,000). This remuneration was 3.4 times (2019-20: 3.4) the median remuneration of the workforce, which was £30,149 (2019-20: £30,149).

In 2020-21, there were no employees that received remuneration in excess of the highest paid director (2019-20: nil).

The calculation is based on the gross salary of full-time equivalent staff as at 31 March 2021 on an annualised basis. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Remuneration ranged from £17,974 to £103,379 (2019-20: £17,974 to £103,379).

Pension Entitlements (Audited)

	Accrued pension at pension age as at 31/3/21 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/2021 £'000	CETV at 31/03/2020 £'000	Real Increase in CETV £'000
John McGrillen ¹ Chief Executive	50-55 plus lump sum of 80-85	0-2.5 plus lump sum of -0.5-0	1,024	968	41
Jill O'Reilly ² Acting Director of HR	0-5 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	27	18	6
Rosemarie McHugh Director of Product Development	5-10 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	69	57	8
Naomi Waite Director of Marketing	5-10 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	105	89	11
Jill McKee ³ Director of Finance	5-10 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	71	66	3
Lesley McKeown ⁴ Director of Finance	0-5 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	22	17	3
Aine Kearney Director of Business Support and Events	5-10 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	90	76	9
Lesley-Ann O'Donnell ⁵ Temporary Director of Programmes	0-5 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	42	37	3
Dot Erskine ⁶ Temporary Director of Strategy and Policy	0-5 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	37	33	3

1 Due to changes to non-Club transfer factors, provided by the Government's Actuary Department during the 2020-21 year, the CETV calculation for John McGrillen for the 2019-20 year has been re-run and the disclosed figure of £968,000 provided as the starting input CETV value for the start of the 2020-21 year. This was disclosed as £980,000 in the prior-year annual report

2 Jill O'Reilly was appointed Acting Director of HR on 15 October 2019.

3 Jill McKee left Tourism NI on 31 July 2020.

4 Lesley McKeown was Deputising Director of Finance from July 2020 and appointed to Finance Director on 23 October 2020.

5 Lesley-Ann O'Donnell was appointed Temporary Director of Programmes on 23 November 2020.

6 Dot Erskine was appointed Temporary Director of Strategy and Policy on 23 November 2020.

7 Tourism NI Board Members do not have any pension entitlements.

Pensions

Tourism NI participates in the Local Government Pension Scheme (LGPS) for senior staff, which is also available to all employees. From 1 April 2015, the scheme changed to become a career average revalued earnings scheme which means that all active members will 'bank' pension savings each year into their pension accounts. The amount of pension banked each year from 1 April 2015 will equal 1/49th of the member's pensionable pay.

All current active members were moved to the new scheme on 1 April 2015 and will therefore have a pension at retirement composed of two elements: a final salary pension (on either 1/80th accrual and/or 1/60th accrual) and a career average revalued earnings pension. The final salary pension will be calculated on the final pay at retirement (less overtime and additional hours' payments). This is known as the 'final salary link'. Those members who were within 10 years of retirement at 1 April 2012 have a protection called the statutory underpin. This means that if they would have been better off under the old final salary scheme an additional amount of pension will be paid into their pension account at retirement or on reaching their old normal pension age (usually age 65).

From 1 April 2015, the death grants of an active member changes from being three times pensionable pay to be three times Assumed Pensionable Pay (APP). If the active member under the 2015 scheme

also has deferred benefits or a pension in payment, then only the highest death grant is payable and not the sum of all death grants. Survivors' pensions continue to be payable to eligible parties. These benefits are generally calculated on a fraction of the deceased member's pensionable pay times the period of membership in the scheme plus an enhancement to take account of each year that could have been worked from the date of death to the deceased member's NPA. Medical retirement is possible in event of serious ill-health. In this case pensions are brought into payment early.

The scheme is funded by contributions made by both employees and employers. An actuarial valuation of the scheme is carried out every three years and the results of this valuation determine employers' contribution rates for the next three years. The valuation for the three years ended 31 March 2016 set the employers' contribution rates at 18%, 19% and 20% from 1 April 2017 and the following two years. A triennial valuation was carried out as at 31 March 2019 and the outcome of the valuation will determine the employer contribution rates for the 3 years commencing 1 April 2020. Tiered employee contribution rates were introduced from 1 April 2009 and the employee contribution rates for 2020-21 are outlined below.

Pensionable Pay	Employee Contribution Rate 2020-21
Up to £15,000	5.5%
£15,001 to £22,900	5.8%
£22,901 to £38,300	6.5%
£38,301 to £46,400	6.8%
£46,401 to £91,900	8.5%
More than £91,900	10.5%

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 at or over pension age. Pension age is state pension age or age 65 if higher.

The inflation rate used in 2020-21 calculations is 2.7%.

Cash Equivalent Transfer Value (CETV)

A 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 spouse'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 a 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 pension benefit in another scheme or arrangement which the individual has transferred to the LGPS arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential

reduction to benefits resulting in Lifetime Allowance Tax which may be due when pension benefits are taken.

The Real Increase in the Value of the CETV

This is 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 period.

However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Compensation for Loss of Office and Early Retirement (Audited)

No member of the senior management team received compensation for loss of office and no member of senior management retired early in either the current or previous year.

Staff Report

Analysis of Staff Costs (Audited)

	Permanent £000	Other £000	2020-21 Total £000	2019-20 Total £000
Wages and salaries	4,404	614	5,018	4,538
Social security costs	381	37	418	407
Pension contributions	1,366	68	1,434	1,500
Seconded Costs Reimbursed	(164)		(164)	(20)
Staff costs charged to Net Expenditure Account	5,987	719	6,706	6,425

Other costs are made up of temporary and agency staff costs.

Pensions

IAS 19 requires employers participating in a defined benefit pension scheme to account for their share of assets and liabilities in the scheme. In preparing the Accounts for 2020-21 additional information has been included in note 14 and the valuation at 31 March 2021 has been included in the Statement of Financial Position. The latest full actuarial valuation of the scheme was at 31 March 2019.

Pension Benefits are provided through the Local Government Pension Scheme (LGPS). This scheme is a defined benefits fund and is invested in suitable investments, managed by the Northern Ireland Local Government Officers' Superannuation Scheme Committee (NILGOSC).

The employer contribution rate for 2020-21 decreased to 19.5% (2019-20: 20%), and between 5.5% and 10.5% for the employee.

The total employer contribution paid under the scheme in 2020-21 was £721,000 (2019-20: £775,000).

The total employer contribution made for the Defined Contribution Scheme provided by Zurich for ROI employees in 2020-21 was £31,469 (2019-20: £29,064). For both 2020-21 and 2019-20, the contribution rates were 16% for the employer and 6% for the employee.

During 2020-21 there was no early retirees (2019-20: two).

Average Number of Persons Employed:

The following section is subject to audit. The average number of whole-time equivalent persons employed during the year was as follows:

	2020-21			2019-20
	No. Permanent	Other	Total	Total
Business Support & Events	19	4	23	29
Product Development	23	1	25	26
Corporate Development	1	1	2	5
Senior Management Team and Board	17	1	18	14
Organisational Development and Finance	21	4	25	20
Marketing	40	9	49	42
Digital Services	3	1	4	3
Total	124	21	146	139

There were six ROI staff members as at 31 March 2021 (five as at 31 March 2020).

Staff Composition (gender analysis) as at 31 March 2021

A breakdown of staff in Tourism NI is included below.

	2020-21			2019-20		
	No. Male	Female	Total	No. Male	Female	Total
Board Members	5	4	9	5	2	7
Senior Management Team*	1	7	8	1	5	6
Employees	34	98	132	34	98	132
Total	40	109	149	40	105	145

*Includes one member from Senior Management Team who is a senior civil service staff (or equivalent) as defined with Grade 5 or above.

Sickness Absence Data

During the year 2020-21 Tourism NI recorded a staff sickness absenteeism rate of 1.55% or 3.8 days per employee (2019-20: 4.33% or 11 days).

Staff Turnover (Audited)

	2020-21	2019-20
Average Permanent FTEs during year	124	122
Number of Leavers (on Perm Contract)	7	11
Staff Turnover Rate	5.6%	9.0%

Other Employee Matters

Employee Policies

Tourism NI aims to act as a good employer in all matters relating to its responsibilities and obligations for health and safety at work, ensuring that the way business is conducted does not harm the health and safety of staff, visitors, suppliers or third parties and making sure all legal requirements are met.

Tourism NI is committed to the development of its staff and to policies that enable them to best contribute to the performance and long term effectiveness of the organisation. In particular, active involvement and communication with employees is conducted both directly and through the recognised Trade Union (NIPSA) in all relevant matters. The organisation is also committed to the continuing development of its staff and to maximising their contribution to the continuous improvement of service delivery.

Tourism NI gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitude and abilities, for the continuing employment of, and for arranging appropriate training for, employees of Tourism NI that have become disabled persons during the period when they were employed by the organisation, and otherwise for the training, career development and promotion of disabled persons employed by Tourism NI.

The Learning and Development function supports the development of all staff by providing internal and external training to develop skills and expertise. Tourism NI ensures that all learning interventions are aligned to the business strategy and organisational values.

Equality Scheme

Tourism NI is committed to upholding equality of opportunity and regard to the desirability of promoting good relations across persons of different religious belief, political opinion or racial group.

Tourism NI's Equality Scheme is developed in accordance with Section 75 and Schedule 9 of the Northern Ireland Act 1998. It is available on www.tourismni.com.

The purpose of a 5 year review is to examine how equality arrangements have been applied and to assess how effective they have been in assisting public bodies to comply with the Section 75 duties.

Expenditure on Consultancy

In 2020-21 there was £1,896 expenditure on consultancy (2019-20: £nil).

Off-payroll Engagements

There were no off-payroll payments in 2020-21 (2019-20: £nil).

Compensation and Exit Packages for All Staff (Audited)

There were no exit packages in 2020-21 (2019-20: £nil).

Assembly Accountability and Audit Report

The Assembly Accountability and Audit Report brings together the key Assembly accountability documents within the annual report and accounts.

Regularity of Expenditure (Audited)

Tourism NI's Accounting Officer has overarching responsibility for the propriety and regularity of the public finances and for keeping proper records and for safeguarding the assets of Tourism NI.

Disclosure of Material Irregular Expenditure

The Accounts Direction given by the Department for the Economy for 2020-21 requires NDPBs to disclose any material expenditure or income that has not been applied for the purposes intended by the relevant legislature or material transactions that have not confirmed to the authorities which govern them.

Tourism Ireland

In 2019-20 and 2020-21 expenditure (Grant in Aid) of £12.886m (£12.371m in 2019-20) was provided to Tourism Ireland. This was incorrectly accounted for within the financial statements. These amounts are required to be disclosed through Grant in Aid.

As a result of distorted funding ratios between the Republic of Ireland funding and funding from the Department for Economy, DoF have been unable to approve the 2020 Tourism Ireland Business Plan. As a result of this funding of £4.6 million paid to Tourism Ireland Limited between April 2020 and December 2020 is irregular. Further funding between January 2021 and March 2021 of £5.3 million is also irregular since it related to a carry-over from the 2020 budget for use in 2021, without the DoF approval being obtained as required by the Management Statement and Financial Memorandum. Consequently, as this expenditure is reflected in Tourism NI's accounts this means that a total payments of £9.8 million relating to Tourism Ireland during 2020-21 are irregular.

B&B Covid-19 Grant Scheme

Tourism NI are unable to estimate any potential irregular spend as a result of fraud or error arising from the reliance on a self-declaration eligibility criteria in this Covid-19 grant scheme.

Fees & Charges (Audited)¹

Certification of Tourist Accommodation	2020-21	2019-20
	£	£
Income ²	20,409	132,037
Cost	<u>(62,997)</u>	<u>(156,593)</u>
Surplus / (Deficit)	(42,588)	(24,556)

The financial objective of the certification of tourist accommodation is to recover the full cost of providing this service. This objective was not met in 2020-21.

Grading of Tourist Accommodation	2020-21	2019-20
	£	£
Income	15,017	64,752
Cost	<u>(36,126)</u>	<u>(98,832)</u>
Surplus / (Deficit)	(21,109)	(34,080)

The financial objective of the grading of tourist accommodation is to subsidise the cost of providing this service. This objective was not met in 2020-21.

Statutory certification renewal fees were suspended from April 2020 to March 2021. The decision to suspend statutory certification fees was based on the rationale that it was unreasonable to continue to levy these fees when accommodation providers were either closed due to Covid19 restrictions or were partially open but heavily impacted by the lack of business due to the pandemic. This approach aligned with decisions made by the NI Executive over the same period to suspend the levying of other taxes and charges such as business rates on businesses in the tourism sector.

The total fees waived in 2020-21 was £13,884 (2019-20: nil)

Remote Contingent Liabilities (Audited)

There were no remote contingent liabilities as at 31 March 2021 (2020: none).

¹ various unit costs are charged for these services depending on the size and type of accommodation being certified and graded and that full details of the fees structure are given on the TNI website at <https://tourismni.com/startup-advice/tourist-accommodation-certification2/> and <https://tourismni.com/startup-advice/quality-grading/tourist-accommodation-grading/quality-grading-assessments/>

² The £20,409 of income was generated from new venture certification applications in the 2020-21 financial year

Losses and special payments (Audited)

	2020-21 Losses £'000	2020-21 Number of Cases over £250k	2020-21 Number of Cases under £250k	2019-20 Losses £'000	2019-20 Number of Cases over £250k	2019-20 Number of Cases under £250k
Total	-	-	-	473	-	26

	2020-21 £'000	2019-20 £'000
Total number of special payments	0	9
Total value of special payments	0	16

The 2019-20 losses in principal relate to cancellation fees (£165k) and irrecoverable costs (£305k) as a result of covid-related restrictions.

Signed:



Accounting Officer

Date 27th January 2023

NORTHERN IRELAND TOURIST BOARD (trading as Tourism NI)

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

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Tourist Board for the year ended 31 March 2021 under the Tourism (Northern Ireland) Order 1992. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union and interpreted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Tourist Board's affairs as at 31 March 2021 and of the Northern Ireland Tourist Board's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Tourism (Northern Ireland) Order 1992 and the Department for the Economy directions issued thereunder.

Qualified opinion on regularity

In my opinion, except for the possible effects of the matter described in the *Basis for opinions* section of my report, in all material respects the expenditure and income recorded in the financial statements have been applied for the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I qualified my regularity opinion due to:

- Insufficient appropriate evidence being available that eligibility for £1.9 million of grant expenditure relating to the Bed and Breakfast, Guest House and Guest Accommodation Scheme was satisfied. This scheme relied upon self-declarations made by applicants to assess eligibility criteria relating to tax compliance. No corroborating evidence was available to verify the information in these declarations and there were no additional audit procedures that I could undertake to provide me with assurance as to the regularity of this expenditure. The scope of my audit was therefore limited.
- Expenditure of £4.6 million relating to Tourism Ireland funding which is not considered regular because Department of Finance approval had not been obtained for the Tourism Ireland 2020 Business Plan, as required by the Tourism Ireland Financial Memorandum. In addition, £5.2 million was also considered irregular because this funding had been rolled over from the previous year, without required Department of Finance approval being obtained.

The potential and known impact of these issues has led me to qualify my regularity audit opinion, on whether the expenditure had been applied for the purposes intended by the Assembly and conformed to the authorities which governed it.

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Northern Ireland Tourist Board in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Northern Ireland Tourist Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Tourist Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Northern Ireland Tourist Board is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Board and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate. The Board and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Department for the Economy directions made under the Tourism (Northern Ireland) Order 1992; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Northern Ireland Tourist Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Except in the respect of the matters set out in my *Basis for opinions* section, I have nothing to report in respect of whether, in my opinion I have not received all of the information and explanations I require for my audit.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Board and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Northern Ireland Tourist Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Northern Ireland Tourist Board will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine and certify the financial statements in accordance with the Tourism (Northern Ireland) Order 1992.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Tourist Board through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Tourism (Northern Ireland) Order 1992, health and safety legislation and relevant tax laws;
- making enquires of management and those charged with governance on the Northern Ireland Tourist Board's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Northern Ireland Tourist Board's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: posting of unusual journals and payments relating to the Bed and Breakfast, Guest House and Guest Accommodation Scheme.
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;

- testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias;
- investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

My detailed observations are included in my report attached to the financial statements at pages 92 to 94.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

31 January 2023

NORTHERN IRELAND TOURIST BOARD
trading as
TOURISM NI

SECTION 3 - FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

	Note	2020-21 £000	2019-20 (Restated*) £000
Revenue from contracts with customers	6	20	132
Other operating income	6	296	73
Total Operating Income		316	205
Staff Costs	3	(6,706)	(6,425)
Purchase of goods and services	3	(16,754)	(10,180)
Depreciation and Impairment Charges	3	(972)	(516)
Provision Expense	3	-	(95)
Grant Expenditure	4	(4,826)	(648)
Other operating expenditure	3	(4,220)	(5,776)
Grants to Tourism Ireland		(12,886)	(12,371)
Total Operating Expenditure		(46,364)	(36,011)
Net Operating Expenditure		(46,048)	(35,806)
Finance Income		-	4
Finance Expense	14d	(249)	(206)
Net Expenditure for the year		(46,297)	(36,008)

Other Comprehensive Net Expenditure

	Note	2020-21 £000	2019-20 (Restated*) £000
Items which will not be reclassified to net operating expenditure:			
Net gain / (loss) on revaluation of Property, Plant and Equipment	7	(1)	3
Actuarial gain/(loss) on pension scheme liabilities	14d	(3,200)	(1,381)
Comprehensive Expenditure for the year		(49,498)	(37,386)

*Figures for 2019-20 have been restated to include grant received from DfE in relation to Tourism Ireland within Grant in Aid from DfE, the associated payment made to Tourism Ireland is included within expenditure.

The notes on pages 65 to 91 form part of these accounts.

Statement of Financial Position as at 31 March 2021

		2020-21	2019-20 (Restated)
	Note	£000	£000
Non-Current Assets			
Property, Plant & Equipment	7	226	325
Intangible Assets	8	1,170	570
Total Non-current Assets		<u>1,396</u>	<u>895</u>
Current Assets			
Trade and Other Receivables	10	729	407
Cash and Cash Equivalents	11	13,217	2,640
Total Current Assets		<u>13,946</u>	<u>3,047</u>
Total Assets		15,342	3,942
Current Liabilities			
Trade and Other Payables	12	(19,789)	(5,893)
Provisions	13	(95)	(422)
Total Current Liabilities		<u>(19,884)</u>	<u>(6,315)</u>
Total Assets less Current Liabilities		(4,542)	(2,373)
Non-current Liabilities			
Pension Liabilities	14d	(14,539)	(10,496)
Provisions	13	(713)	(713)
Total Non-current Liabilities		<u>(15,252)</u>	<u>(11,209)</u>
Total Assets less Total Liabilities		<u>(19,794)</u>	<u>(13,582)</u>
Taxpayers' Equity and Other Reserves			
General Fund		(19,827)	(13,615)
Revaluation Reserve		33	33
Total Equity		<u>(19,794)</u>	<u>(13,582)</u>

The notes on pages 65 to 91 form part of these accounts.

The financial statements on pages 60 to 91 were approved by the Board on 26th January 2023 and were signed on its behalf by:

Chairman



Date 27th January 2023

Chief Executive



Date 27th January 2023

Statement of Cash Flows for the year ended 31 March 2021

	Note	2020-21 £000	2019-20 (Restated*) £000
Cash Flow from Operating Activities			
Net Deficit after Interest		(46,297)	(36,008)
Adjustment for Non Cash Transactions			
Amortisation	8	740	294
Depreciation	7	232	222
Pension Interest Charge	14d	249	206
Non-cash Actuarial Pension Charges	14d	594	609
(Increase)/Decrease in Trade and Other Receivables	10	(322)	(28)
Increase/(Decrease) in Trade Payables	12	11,351	(1,321)
<i>Less: Movements in Payables Relating to Items Not Passing Through the Net Expenditure Accounts</i>		-	-
Increase/ (Decrease) in Provisions	13	(327)	67
Loss on Donation of Assets		-	-
Net Cash Outflow from Operating Activities		(33,780)	(35,959)
Cash Flows from Investing Activities			
Purchase of Intangible Assets	8	(1,340)	(830)
Purchase of Property, Plant and Equipment	7	(134)	(218)
Net Cash Outflow from Investing Activities		(1,474)	(1,048)
Cash Flows from Financing Activities			
Government Grant from Sponsoring Department		43,286	35,972
Net Financing		43,286	35,972
Net Increase/(Decrease) in Cash and Cash Equivalents in the year	11	8,032	(1,035)
Cash and Cash Equivalents at the Beginning of the year	11	1,494	2,529
Cash and Cash Equivalents at the End of the year	11	9,526	1,494

The notes on pages 65 to 91 form part of these accounts.

*Figures for 2019-20 have been restated to include grant received from DfE in relation to Tourism Ireland within Grant in Aid from DfE, the associated payment made to Tourism Ireland is included within expenditure.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2019		(12,198)	30	(12,168)
Grants from Sponsoring Entity		35,972	-	35,972
Gain/(Loss) on Revaluation of PPE	7	-	3	3
Actuarial Gain/(Loss)	14d	(1,381)	-	(1,381)
Comprehensive Net Expenditure for the Year		(35,978)	-	(35,978)
Transfer Between Reserves		-	-	-
Auditor's Remuneration	3	(30)	-	(30)
Restated balance at 31 March 2020		(13,615)	33	(13,582)
Grants from Sponsoring Entity		43,286	-	43,286
Net Gain/(Loss) on Revaluation of PPE	7	(1)	-	(1)
Actuarial Gain/(Loss)	14d	(3,200)	-	(3,200)
Transfer Between Reserves		-	-	-
Comprehensive Net Expenditure for the Year		(46,257)	-	(46,257)
Auditor's Remuneration	3	(40)	-	(40)
Balance at 31 March 2021		(19,827)	33	(19,794)

The notes on pages 65 to 91 form part of these accounts.

Notes to the Accounts for the year ended 31 March 2021

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

These financial statements have been prepared in accordance with the 2020-21 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Tourism NI for the purpose of giving a true and fair view has been selected. The particular policies adopted by Tourism NI are described below. They have been applied consistently in dealing with the items that are considered material to the accounts.

Accounting Convention

The accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, and intangible assets.

Property, Plant and Equipment, Intangible Assets, Depreciation and Amortisation

- (i) All property, plant and equipment have been valued on net current replacement costs as a proxy guide to fair value.

Indices supplied by the Office for National Statistics are used to calculate the net current replacement cost.

The de minimis level for capitalisation of all categories of Property, Plant and Equipment is £1,000. TNI policy is to “group” assets by category i.e. when the total cost of all individual items purchased together, exceed the de minimis level, they are capitalised.

- (ii) Intangible Assets – Computer licenses for internal recording and reporting systems are capitalised as intangible assets. The de minimis level for capitalisation of an intangible asset is £1,000. They are amortised over a period of three to five years on a straight line basis.
- (iii) Depreciation and amortisation is provided on property, plant and equipment and intangible assets at rates calculated to write off the cost of each asset evenly over its expected useful life as follows:

Furniture and Equipment	10 years
Motor Vehicles	4 years
Leasehold Fixtures and Fittings	Over the lease term
Computer Equipment/Software	3 to 5 Years
Content Assets and Data	3 years
Computer Licences	Over the licence period

- (iv) Tourism NI assesses at each year end date whether there is any objective evidence that a financial asset or group of financial assets classified as available for sale or loans and receivables is impaired. A full year of depreciation is provided on assets in the year of their purchase unless it is deemed prudent not to do so.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash and demand deposits with commercial banks. As at each reporting date, the carrying value of cash and cash equivalents approximates their fair value due to their short term nature.

Trade Receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that Tourism NI will not be able to recover balances in full. Balances can only be written off when non-recovery is considered certain and after the appropriate approvals have been granted.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Prepayments

The de-minimis threshold for any prepayments is set at £500.

Provisions

Tourism NI makes provisions for liabilities and charges where, at the year end date, a legal or constructive liability exists (that is a present obligation from past events exists), where the transfer of economic benefits is probable and a reasonable estimate can be made.

Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, Tourism NI discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

Accounting Estimates

The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors. The effect of a change in an accounting estimate, shall be recognised by including it in Net Expenditure Account in:

- a) The period of the change, if the change affects that period; or
- b) The period of the change and future periods, if the change affects both.

Leased Assets

Operating lease payments are charged to the Net Expenditure Account on a straight line basis over the term of the lease.

IFRS 16 *Leases* replaces IAS 17 *Leases* and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022.

Foreign Currencies

Assets and liabilities denominated in foreign currencies have been translated into sterling values at the rate of exchange ruling at the date of the Statement of Financial Position. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences are taken to the Net Expenditure Account.

Irrecoverable Value Added Tax

Tourism NI is subject to a very limited recovery of VAT on inputs calculated in accordance with a formula agreed with HM Revenue & Customs. Expenditure is charged in the accounts inclusive of VAT. The VAT recoverable is credited to other operating charges.

Financial Instruments

Financial assets and liabilities are recognised in Tourism NI's Statement of Financial Position when Tourism NI becomes a party to the contractual provision of the instrument.

Financial Assets

Financial assets are classified into the following specified categories: at "fair value through profit or loss" ("FVTPL"); held to maturity investments, "available for sale" ("AFS") financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Tourism NI's financial assets comprise Trade and Other Receivables and Cash and Cash Equivalents, and are classified as Loans and Receivables and are held at cost, which approximates to fair value because of their short maturities.

Financial Liabilities

Financial liabilities of Tourism NI, including Trade and Other Payables, are measured at cost which approximates to fair value because of their short maturities.

Financing

The Department for the Economy (DfE) is the parent department of Tourism NI. DfE provides Tourism NI with its Grant-in-Aid during the year to enable Tourism NI to discharge its duties, powers and functions under the agreed operating plan and budget. Grant-in-Aid is credited to Reserves.

Income from Activities

Income from activities represents the invoiced amount of goods sold or services provided (net of VAT) and includes fees collected from statutory inspection activities, non-statutory star grading of accommodation.

Under the requirements of IFRS 15, Tourism NI has presented separately any income derived from statutory inspections under the heading 'Revenue from contracts with customers', as these fall under the definition of a contract per the standard.

Grant Expenditure

In accordance with a scheme under Article 11 of The Tourism (Northern Ireland) Order 1992, TNI is able to provide selective financial assistance in the form of grants, loans or investments in tourism-related projects. Grants paid and payable on expenditure incurred in the year by grant recipients are charged to the Net Expenditure account under the heading "Grant Expenditure".

Events

Where Tourism NI has entered into an agreement to support an event, and payment(s) are made prior to the event taking place, the expenditure is recognised in the year of payment.

Pension Costs

Past and present employees in Northern Ireland are covered by the provisions of the Local Government Pension Scheme. In the year 2020-21, Tourism NI contributed 19.5% of Pensionable Pay to the scheme, whilst staff contributed between 5.5% and 10.5% of Pensionable Pay. Further information on the pension scheme can be found at note 14.

For those staff employed in the Republic of Ireland from 1 January 2007, a Trust Based Defined Contribution Scheme has been available for staff to join. The contributions are managed by Zurich Life Assurance Plc and the advisors to the scheme are Towers Watson (Ireland) Limited, trading as Willis Towers Watson. Tourism NI contributed 16% of Salary during the year whilst the staff members will continue to contribute 6%.

Notional Costs

In order to disclose the full cost of activities, notional costs for the provision of the services received from Internal Audit Services of the Department of Finance (DoF) are included. The 2020-21 notional charge was £40,099 (2019-20: £50,409).

Adoption of New and Revised Standards

Management has reviewed new accounting standards that have been issued but are not yet effective nor adopted early for these accounts. IFRS 16 *Leases* replaces IAS 17 *Leases* and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022. Management consider that these are unlikely to have a significant impact on the accounts in the period of initial application.

Prior Period Adjustment

In previous years, Tourism NI reported income from DfE relating to Tourism Ireland and payments out to Tourism Ireland as being netted off in the Statement of Comprehensive Net Expenditure, the impact on the net expenditure for the year was nil. At the time Tourism NI considered itself to be an agent in the transaction however, per IFRS 15 Tourism NI is deemed to be the principle therefore from 2020-21 all Tourism Ireland funding received from DfE will be classified as Grant-In-Aid and shown through Reserves. The payments then made out to Tourism Ireland are shown as expenditure in the Statement of Comprehensive Net Expenditure. Prior period figures have been restated to reflect this change.

Also, the overdraft has been reclassified as a payable rather than being netted off against the cash balance.

The following changes have occurred because of the reclassification:

Statement of Comprehensive Net Expenditure

Total Operating Expenditure	£'000
As previously reported	(23,640)
Expenditure included relating to Grants to Tourism Ireland	<u>(12,371)</u>
Restated balance	(36,011)
Net Operating Expenditure	
As previously reported	(23,435)
Expenditure included relating to Grants to Tourism Ireland	<u>(12,371)</u>
Restated balance	(35,806)
Net Expenditure for the year	
As previously reported	(23,637)
Expenditure included relating to Grants to Tourism Ireland	<u>(12,371)</u>
Restated balance	(36,008)
Comprehensive Expenditure for the year	
As previously reported	(25,015)
Expenditure included relating to Grants to Tourism Ireland	<u>(12,371)</u>
Restated balance	(37,386)

Statement of Financial Position

Total Current Assets	£'000
As previously reported	1,901
Reanalysis of overdraft	<u>1,146</u>
Restated balance	3,047
Total Current Liabilities	
As previously reported	(4,747)
Reanalysis of overdraft	<u>(1,146)</u>
Restated balance	(5,893)

Statement of Cash Flows

Net deficit after Interest	£'000
As previously reported	(23,637)
Expenditure included relating to Grants to Tourism Ireland	<u>(12,371)</u>
Restated balance	(36,008)
Net Cash Outflow from Operating Activities	
As previously reported	(23,588)
Expenditure included relating to Grants to Tourism Ireland	<u>(12,371)</u>
Restated balance	(35,959)

Net Financing	
As previously reported	(23,601)
Expenditure included relating to Grants to Tourism Ireland	<u>(12,371)</u>
Restated balance	(35,972)

Statement of Changes in Taxpayers' Equity

Grants from Sponsoring Entity	£'000
As previously reported	23,601
Expenditure included relating to Grants to Tourism Ireland	<u>12,371</u>
Restated balance	35,972
Comprehensive Net Expenditure for the Year	
As previously reported	(23,607)
Expenditure included relating to Grants to Tourism Ireland	<u>(12,371)</u>
Restated balance	(35,978)

There has been no impact to the opening balances as of 1 April 2019 by this reclassification.

2. STATEMENT OF NET EXPENDITURE BY OPERATING SEGMENT

2020-21	Gross Expenditure £000	Income £000	Net Expenditure £000
Business Support & Events	5,083	316	4,767
Product Development	3,908	-	3,908
Organisational Development*	10,126	-	10,126
Corporate Development	129	-	129
Marketing	12,874	-	12,874
Digital Services	1,356	-	1,356
TOTAL	33,476	316	33,160

Reconciliation to SoCNE

Interest Receivable	-
Pension Interest (Income)/Charge	249
Corporation Tax	-
Payments to Tourism Ireland	<u>12,886</u>
	46,296

2019-20	Gross Expenditure £000	Income £000	Net Expenditure £000
Business Support & Events	4,752	205	4,547
Product Development	1,311	-	1,311
Organisational Development*	9,251	-	9,251
Corporate Development	298	-	298
Marketing	6,910	-	6,910
Digital Services	1,118	-	1,118
TOTAL	23,640	205	23,435

Reconciliation to SoCNE

Interest Receivable	(4)
Pension Interest (Income)/Charge	206
Corporation Tax	-
Payments to Tourism Ireland	12,371
	36,008

*All salary costs are included under Organisational Development.

Business Support & Events Division comprises of the following Units – Industry Development, Events and Quality and Standards. The Director of the Division reports to the Chief Executive.

Product Development Division comprises of the following Units – Regional Managers, who cover Northern Ireland’s Council Areas, Markets and Product Experiences Development and the Capital Funding Team. The Director of the Division reports to the Chief Executive.

Organisational Development Division comprises of the following Units – HR and Central Services and computer services. Finance Unit costs are included in this segment with the Director of Finance reporting directly to the Chief Executive.

Corporate Development Division comprises of the following Units – Corporate Communications and Business Planning and Improvements. The Director of the Division reports to the Chief Executive.

Marketing Division comprises of the following Units – Visitor Information, Business To Business, Destination Marketing and PR, Republic of Ireland, Social & Digital Media and Golf Sales, Insights & Intelligence and Marketing. The Director of the Division reports to the Chief Executive.

Digital Services comprises the IT Digital team. The Chief Digital Officer reports to the Chief Executive.

3. EXPENDITURE

	2020-21	2019-20
	£000	£000
Staff Costs		
Wages and Salaries	5,018	4,538
Social Security Costs	418	407
Other Pension Costs	1,434	1,500
Recoveries in Respect of Outward Secondments	(164)	(20)
Total Staff Costs¹	6,706	6,425
Purchase of Goods and Services		
Marketing, Advertising and Promotions	14,722	8,104
Premises Cost	636	379
Printing and Stationery	37	65
Legal Fees	122	40
Professional Fees ²	190	193
Catering and General Office Expenses	156	157
Staff Development (Training and Recruitment)	64	119
Publications	142	142
Press and Public Relations	317	583
Hospitality	1	31
Rentals Under Operating Leases	367	367
<u>Non-cash items</u>		
Notional Charges	40	50
Reversal of Notional Charges	(40)	(50)
Total Purchase of Goods and Services	16,754	10,180
Other Operating Expenditure		
Events	1,008	3,667
Licensing and Information Services	2,514	1,882
Travel and Subsistence – Board Members	1	5
Travel and Subsistence – Other Employees	12	165
Gain/(Loss) on Exchange Rate	9	24
Other Losses	-	3
Auditor's Remuneration and Expenses	40	30
Support for Grant Expenditure	635	-
<u>Non-cash Items</u>		
Profit/ (loss) on Disposal of Property, Plant and Equipment	-	-
Depreciation and Impairment Charges	972	516
Bad Debts Written Off	1	1
Provision Provided for in Year	-	95
Total Other Operating Expenditure	5,192	6,388

¹ Further analysis of staff costs is located in the Staff report on page 46.

² During the year, Tourism NI purchased the following non-audit services from its auditor, The Northern Ireland Audit Office: National Fraud Initiative Exercise £1,250 (2019-20: £nil)

Marketing, Advertising & Promotions

Marketing expenditure includes approximately £3.7m in respect of Marketing Campaigns and PR in ROI and NI and £7.2m on Covid-19 Response. A further £0.7m was spent on Digital & Social Media support for the campaigns, PR and research.

Auditor's Remuneration – Non Audit Services

The external audit fee included in Other Operating Expenditure totalled £40,000 in 2020-21 (2019-20: £29,500). During the year, Tourism NI purchased £1,250 of non-audit services from the Northern Ireland Audit Office (2019-20: £nil) which are disclosed as expenditure under professional fees.

4. GRANT EXPENDITURE

	2020-21	2019-20
	£000	£000
Capital Funding Programme	2,942	648
Other grant expenditure	1,884	-
Total	4,826	648

The two individual programmes supported as part of the Capital Funding Programme were the Website Development Programme and the Experience Development Programme. Other grant expenditure relates to the Covid-19 B&B scheme.

5. GRANTS

5.1 Grant from the Department for the Economy

In 2020-21, Tourism NI as a Non Departmental Public Body credited the Grants and Grant-in-Aid for revenue purposes as contributions from controlling parties as giving rise to a financial interest in the residual interest of Tourism NI and hence has accounted for them as financing. As a result of this treatment, the General Reserve has been credited and not the Statement of Comprehensive Net Expenditure. This treatment is also applicable for Tourism Ireland transactions.

6. INCOME

6.1 Revenue from Contracts with Customers

	2020-21 £000	2019-20 £000
Statutory Certification Fees	20	132
Total	20	132

6.2 Other Operating Income

	2020-21 £000	2019-20 £000
Grading	15	73
Other Income	281	-
Total	296	73

7. PROPERTY, PLANT AND EQUIPMENT

2020-21	Leasehold Improvements	Furniture & Equipment	Computers	Total
	£000	£000	£000	£000
Cost or Valuation				
At 1 April 2020	596	5	886	1,487
Additions at Cost / Valuation	-	-	134	134
Donated	-	-	-	-
Indexation	7	-	2	9
Revaluation	-	-	-	-
Disposals	-	-	-	-
At 31 March 2021	<u>603</u>	<u>5</u>	<u>1,022</u>	<u>1,630</u>
Depreciation				
At 1 April 2020	479	5	678	1,162
Charge for Period	113	-	119	232
Indexation	8	-	2	10
Disposals	-	-	-	-
At 31 March 2021	<u>600</u>	<u>5</u>	<u>799</u>	<u>1,404</u>
Net Book Value				
At 31 March 2021	<u>3</u>	<u>-</u>	<u>223</u>	<u>226</u>
At 31 March 2020	<u>117</u>	<u>-</u>	<u>208</u>	<u>325</u>

Note all Tourism NI Property, Plant and Equipment assets are owned.

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2019-20	Leasehold Improvements	Furniture & Equipment	Computers	Total
	£000	£000	£000	£000
Cost or Valuation				
At 1 April 2019	581	5	666	1,253
Additions at Cost / Valuation	-	-	218	217
Indexation	15	-	2	17
Disposals				
Donated	-	-	-	-
Revaluation				
At 31 March 2020	<u>596</u>	<u>5</u>	<u>886</u>	<u>1,487</u>
Depreciation				
At 1 April 2019	350	5	571	926
Charge for Period	116	-	106	222
Indexation	13	-	1	14
Disposals	-	-	-	-
At 31 March 2020	<u>479</u>	<u>5</u>	<u>678</u>	<u>1,162</u>
Net Book Value				
At 31 March 2020	<u>117</u>	<u>-</u>	<u>208</u>	<u>325</u>
At 31 March 2019	<u>231</u>	<u>-</u>	<u>95</u>	<u>326</u>

Note all Tourism NI Property, Plant and Equipment assets are owned.

8. INTANGIBLE FIXED ASSETS

2020-21

	Software Licenses	Digital Data	Total
	£000	£000	£000
Cost or Valuation			
At 1 April 2020	1,164	830	1,994
Additions	-	1,340	1,340
Disposals	-	-	-
At 31 March 2021	1,164	2,170	3,334
Amortisation			
At 1 April 2020	1,147	277	1,424
Charge for Period	17	723	740
Disposals	-	-	-
At 31 March 2021	1,164	1,000	2,164
NBV at 31 March 2021	-	1,170	1,170
NBV at 31 March 2020	17	553	570

Note all Tourism NI Intangible assets are owned.

8. INTANGIBLE FIXED ASSETS (CONT'D)

2019-20

	Software Licenses £000	Digital Data £000	Total £000
Cost or Valuation			
At 1 April 2019	1,164	-	1,164
Additions	-	830	830
Disposals	-	-	-
At 31 March 2020	1,164	830	1,994
Amortisation			
At 1 April 2019	1,130	-	1,130
Charge for Period	17	277	294
Disposals	-	-	-
At 31 March 2020	1,147	277	1,424
NBV at 31 March 2020	17	553	570
NBV at 31 March 2019	34	-	34

Note all Tourism NI Intangible assets are owned.

9. FINANCIAL INSTRUMENTS

As the cash requirements of Tourism NI are met through Grant-In-Aid provided by DfE, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Tourism NI's expected purchase and usage requirements and Tourism NI is therefore exposed to little credit, liquidity or market risk.

10. TRADE AND OTHER RECEIVABLES

	2020-21 £000	2019-20 £000
<i>Amounts falling due within one year:</i>		
Trade Receivables	374	13
Prepayments and Accrued Income	332	374
Other receivables	23	20
Total	729	407

11. CASH AND CASH EQUIVALENTS

	2020-21 £000	2019-20 £000
Balance at 1 April 2020	1,494	2,529
Net Change in Cash and Cash Equivalent Balances	8,032	(1,035)
Balance at 31 March 2021	9,526	1,494
The following balances at 31 March 2021 were held at:		
Commercial Banks and Cash in Hand	9,526	1,494
Balance at 31 March 2021	9,526	1,494

Balances for Cash and Cash equivalents are disclosed in the Statement of Financial Position as follows:

	Note	2020-21 £000	2019-20 £000
Current Assets		13,217	2,640
Current Liabilities	12	(3,691)	(1,146)
Total		9,526	1,494

12. TRADE AND OTHER PAYABLES

	Note	2020-21 £000	2019-20 £000
<i>Amounts falling due within one year:</i>			
Bank Overdraft	11	3,691	1,146
Accruals		7,458	4,487
Trade Payables		(7)	143
Deferred Income		32	33
VAT Payable		859	69
Other Payables		7,756	15
Total		19,789	5,893

13. PROVISIONS FOR LIABILITIES AND CHARGES

Current Liabilities	2020-21			
	Legal £000	Dilapidations £000	Pension £000	Total £000
Balance at 1 April 2020	95	327	713	1,135
Provided in the Year	-	-	-	-
Provisions Not Required Written Back	-	-	-	-
Provisions Utilised in the Year	-	(327)	-	(327)
Balance at 31 March 2021	95	-	713	808

Analysis of Expected Timing of Provision	Legal £000	Dilapidations £000	Pension £000	Total £000
Not Later Than One Year	95	-	-	95
Later Than One Year and Not Later Than Five Years	-	-	713	713
Later Than Five Years	-	-	-	-
Balance as at 31 March 2021	95	-	713	808

Of the above provision, £95,000 relates to ongoing legal proceedings.

Current Liabilities	2019-20			
	Legal £000	Dilapidations £000	Pension £000	Total £000
Balance at 1 April 2019	20	335	713	1,068
Provided in the Year	95	-	-	95
Provisions Not Required Written Back	(20)	-	-	(20)
Provisions Utilised in the Year	-	(8)	-	(8)
Balance at 31 March 2020	95	327	713	1,135

Analysis of Expected Timing of Provision	Legal £000	Dilapidations £000	Pension £000	Total £000
Not Later Than One Year	95	327	-	422
Later Than One Year and Not Later Than Five Years	-	-	713	713
Later Than Five Years	-	-	-	-
Balance as at 31 March 2020	95	327	713	1,135

The McCloud Judgement

In December 2018 the Court of Appeal ruled against the Government in the ‘McCloud/Sargeant’ judgement which found that the transitional protection arrangements put in place when the firefighters’ and judges’ pension schemes were reformed were age discriminatory. The ruling potentially has implications for all public sector schemes which were reformed around the same time and could lead to members who were discriminated against being compensated.

The Government applied to the Supreme Court for permission to appeal this judgement, however the Supreme Court rejected the Government’s request on 27 June 2019. The next stage is for the case to be referred to the Employment Tribunal to agree the remedy, following appropriate consultation.

The Government Actuary Department (GAD), under instruction of the LGPS Scheme Advisory Board (England and Wales) was asked to calculate the worst case scenario impact at scheme level, and in their paper titled “Local Government Pension Scheme Potential impact of McCloud/Sargeant ruling on pension accounts disclosures” dated 10 June 2019, they state, that for a salary increase assumption of CPI +1.5% (as used for employers in the Northern Ireland Local Government Officer’s Pension Fund), the worst case scenario impact will be a 3.2% increase in the active liabilities. Whilst their analysis was based on England and Wales data the view of Aon Hewitt is that these figures are also appropriate to accounting for benefits in the NILGOSC Pension Fund.

GMP Indexation and Equalisation

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. All of the public service schemes, including the LGPS (NI) were contracted out.

On 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs is required. The ruling confirmed that trustees have a duty “to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs”.

In March 2016 the Government introduced an interim solution to members in public sector schemes with GMPs who were set to lose out from the removal of AP. This was done by paying full increases on GMP pensions for individuals reaching State Pension Age (SPA) from 5 April 2016 through 5 December 2018 (GMP Rules do not require schemes to pay any increases on GMPs earned before April 1988, and to cap increases at 3% p.a. on GMPs earned after April 1988). This additional liability was included in the balance sheet for years ending in 2017 and recognised through OCI in the same year.

In January 2018 the interim solution was extended for individuals reaching SPA before 5 April 2021. The additional liability from extending the interim solution was not measured over the year ending in 2018 as it was deemed extremely unlikely to be material and would have been complex to measure accurately without undertaking a full valuation of the liability.

Broadly, If HM Treasury’s solution was to extend the interim solution indefinitely, it is expected that the impact will be an increase in the defined benefit obligation of 0.3% for an average mature employer in the LGPS (which includes the liability for members reaching SPA after 5 December 2018 which has not previously been accounted for).

At the request of the Tourism NI, an allowance has been included within the accounting disclosure for the potential impact of the McCloud judgement, which has been derived based on the GAD's figures above, and GMP Equalisation and Indexation, based on Aon Hewitt's estimated impact.

Please note that the percentage of active liability used in the above calculations is based upon the results of 31 March 2016 actuarial valuation, which in turn based upon the full membership data as 31 March 2016 for Tourism NI. The percentage of active liabilities could have changed since that date.

Please note the above figures are estimates, based upon a number of unknowns. The actual impact, if any, could be materially different to the above estimate. In particular, GAD's calculation of the impact on scheme liabilities is appropriate for the scheme as a whole. The membership profile of individual employers will differ to the whole scheme, and this will impact the result at employer level. In the extreme, if the employer's membership comprised only post 2012 joiners (with pension liability accrued post 2012 only) we would expect the overall impact to be negligible or nil.

The estimated provision for Tourism NI in relation to the McCloud judgement and GMP Indexation and Equalisation is £713k; McCloud (£592k) and GMP (£121k).

14. PENSION COMMITMENTS

a) Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) Northern Ireland is a funded defined benefit pension scheme, which provides retirement benefits for employees on a career average revalued earnings basis from 1 April 2015. Prior to that date benefits were built up on a “final salary” basis.

From 1 April 2015, a member builds up retirement pension at the rate of 1/49th pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There’s no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80^{ths} (tax-free lump sum) of pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum subject to HM Revenue and Customs (HMRC) limits.

As part of a general review of public sector pension schemes from 1 April 2009, the Government has introduced changes to the contribution rates. Instead of most people paying a standard contribution rate of 6% of their pensionable pay, there are now different contribution rates for different pay bands. The scheme’s professionally qualified actuaries recommended the rates for administrative employees between 5.5% and 10.5% of pensionable pay. Rates can be seen in the Remuneration Report.

Under IAS 19 Tourism NI is required to account for their share of assets and liabilities in the scheme. Added years’ discretionary benefits awarded to former employees who retired early are also accounted for as a defined benefit scheme, as in accordance with IAS 19. This liability also represents the actuarial liability of future costs to LGPS in respect of past employees who retired early. Given projected lifespans this liability will be payable over a number of years.

The latest formal actuarial valuation of the fund was carried out as at 31 March 2019. In calculating the Tourism NI’s assets and liabilities the fund’s actuaries have rolled forward and updated the values calculated at the latest valuation (March 2021). The fund’s actuaries had to make a number of assumptions about events and circumstances in the future meaning that the results of actuarial calculations are subject to uncertainties within a range of possible values.

b) Actuarial Assumptions

The following actuarial assumptions were accepted on the recommendation of the actuary:

As at 31 March actuarial assumptions used	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Rate of Increase in Pensions	2.7%	2.0%	2.2%	2.1%	2.0%	1.8%
Rate of Increase in Salaries	4.2%	3.5%	3.7%	3.6%	3.5%	3.3%
Discount Rate	2.1%	2.3%	2.4%	2.6%	2.6%	3.5%
CPI Inflation	2.7%	2.0%	2.2%	2.1%	2.0%	1.8%

Mortality assumptions

Actuarial Assumptions for Average Future Life Expectancy	Males 31 March 2021	Males 31 March 2020	Males 31 March 2019	Females 31 March 2021	Females 31 March 2020	Females 31 March 2019
Member aged 65 at accounting date	21.9 years	21.8 years	22.6 years	25.1 years	25.0 years	24.9 years
Member aged 45 at accounting date	23.3 years	23.2 years	24.3 years	26.5 years	26.4 years	26.7 years

Sensitivity Analysis

IAS 19 valuation results depend critically on the principal assumptions used in the calculations. The discount rate used to value the liabilities is prescribed under IAS 19 and the results are particularly sensitive to the discount rate. A reduction in the net discount rate will increase the liabilities as a higher value is placed on benefits in the future.

Regarding mortality assumptions, if longevity improves at a faster rate than allowed for in the assumptions then, a higher value would be placed on the employer's liabilities. Further increases in pensionable pay, inflation and hence pension, more than allowed for in the assumptions, will increase the value of the liabilities.

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2021 and the projected service cost for the year ended 31 March 2022 is set out below.

Funded LGPS benefits

Discount rate assumption

Adjustment to discount rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	50.77	52.901
% change in present value of total obligation	-2.0%	2.1%
Projected service cost (£M's)	1.928	2.074
Approximate % change in projected service cost	-3.6%	3.7%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	52.020	51.606
% change in present value of total obligation	0.4%	-0.4%
Projected service cost (£M's)	2.000	2.000
Approximate % change in projected service cost	0.0%	0.0%

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption

Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	52.694	50.984
% change in present value of total obligation	1.7%	-1.6%
Projected service cost (£M's)	2.074	1.928
Approximate % change in projected service cost	3.7%	-3.6%

Post retirement mortality assumption

Adjustment to mortality age rating assumption*	-1 year	+1 year
Present value of total obligation (£M's)	53.678	49.948
% change in present value of total obligation	3.6%	-3.6%
Projected service cost (£M's)	2.082	1.918
Approximate % change in projected service cost	4.1%	-4.1%

A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

c) Asset Valuations

The fair value of the assets held by the pension scheme attributable to the Tourism NI are analysed as follows:

Assets	Assets at 31 March 2021	Assets at 31 March 2020
	%	%
Equities	46.3	42.6
Government Bonds	23.6	26.1
Corporate Bonds	12.1	12.6
Property	8.9	10.0
Cash	5.3	4.7
Other *	3.8	4.0
Total	100.0	100.0

Employers who report under IAS 19 are no longer required to recognise an expected return on assets therefore assumptions are no longer disclosed.

* Other may include hedge funds, currency holdings, asset allocation futures and other financial instruments.

Statement of Financial Position

The following amounts at 31 March 2021, 2020, 2019, 2018, 2017, and 2016 were measured in accordance with the requirements of IAS 19:

	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
	£'000	£'000	£'000	£'000	£'000	£'000
Fair Value of Scheme Assets	37,098	30,352	32,588	29,956	28,218	23,646
Present Value of Defined Benefit Obligations	(51,637)	(40,848)	(40,888)	(38,287)	(35,850)	(27,925)
Net Pension Liability	(14,539)	(10,496)	(8,300)	(8,331)	(7,632)	(4,279)

d) Amounts Charged to Expenditure

	2020-21	2019-20
Analysis of amount charged to net expenditure statement in respect of defined benefit scheme:	£000	£000
Current Service Cost	(1,368)	(1,440)
Curtailments and Settlements	-	-
Past Service Cost	-	-
Employer Contributions	721	775
Contributions in Respect of Unfunded Benefits	53	56
	<u>(594)</u>	<u>(609)</u>
Analysis of amounts charged to other finance costs:		
Interest on Net Defined Benefit Liability/(Asset) (Funded)	(236)	(191)
Interest on Net Defined Benefit Liability/(Asset) (Unfunded)	(13)	(15)
	<u>(249)</u>	<u>(206)</u>
Analysis of amounts in the statement of taxpayers' equity:		
Actuarial Gains/(Losses)	(3,200)	(1,381)
	<u>(3,200)</u>	<u>(1,381)</u>
Movement in deficit during the year		
Deficit in Scheme at the Beginning of the Year	(10,496)	(8,300)
Movement in the year:		
Current Service Cost	(1,368)	(1,440)
Employer Contributions	721	775
Contributions in Respect of Unfunded Benefits	53	56
Past Service Cost	-	-
Financing Costs	(249)	(206)
Actuarial Gain/(Losses)	(3,200)	(1,381)
	<u>(14,539)</u>	<u>(10,496)</u>

e) Employer's Contribution Rates

The liabilities show the underlying commitment that Tourism NI has in the long term to pay retirement benefits. The total pension liability is £51.6 million (2019-20: £40.8 million) and results in a net overall deficit balance of £ 14.5 million (2019-20: £10.5 million) which is recorded on the Statement of Financial Position.

The deficit on the LGPS scheme will be funded over a period of many years through increased employer contributions over the remaining working life of employees as assessed by the scheme actuary.

For 2020-21, the contribution rate for employers participating in the scheme decreased to 19.5% (2019-20: 20%).

f) Scheme Gains and Losses

Actuarial gains and losses represent the extent to which actual outcomes have differed from the assumptions which were used in calculating IAS 19 figures.

For assets the gain/loss is normally the difference between the actual and expected return on assets, and for liabilities the gain/loss normally arises from the change in financial assumptions. These actuarial gains/losses are shown in the table below as experience gains and losses.

	31 March 2021 £000	31 March 2020 £000	31 March 2019 £000	31 March 2018 £000	31 March 2017 £000	31 March 2016 £000
Actuarial Gain (loss) on Assets	6,000	(3,125)	1,393	717	3,402	(82)
Actuarial Gain (loss) on obligation / liability	(9,200)	1,744	(752)	(892)	(6,610)	1,966
Net Actuarial Gain (loss) Charged to Statement of Taxpayers Equity	(3,200)	(1,381)	641	(175)	(3,208)	1,884

Fair Value of Scheme Assets	37,098	30,352	32,588	29,956	28,218	23,646
Present Value of Defined Benefit Obligations	(51,637)	(40,848)	(40,888)	(38,287)	(35,850)	(27,925)
Net Pension Liability	(14,539)	(10,496)	(8,300)	(8,331)	(7,632)	(4,279)

g) Republic of Ireland Employees

For those staff employed in the Republic of Ireland from 1 January 2007, a Trust Based Defined Contribution Scheme has been available for staff to join. The contributions are managed by Zurich Life Assurance Plc and the advisers to the scheme are Towers Watson (Ireland) Limited, trading as Willis Towers Watson. Tourism NI contributed 16% of salary during the year whilst the staff member will continue to contribute 6%.

The total contributions payable to Zurich Life Assurance Plc by Tourism NI for 2020-21 was £34,449 (2019-20: £29,064).

15. COMMITMENTS UNDER OPERATING LEASES

Total future minimum lease payments under operating leases are given in the table below for each of the following periods (amounts net of VAT). Lease types include buildings, car parking and photocopiers. There are no land leases.

	2020-21	2019-20
	£000	£000
Not later than one year	186	336
Later than one year and not later than five years	11	178
Later than five years	-	-
	<u>197</u>	<u>514</u>

There are no finance leases.

16. CAPITAL COMMITMENTS

Tourism NI had no capital commitments as at 31 March 2021 (31 March 2020 - £nil).

17. OTHER FINANCIAL COMMITMENTS

Tourism NI has entered into non-cancellable contracts to provide financial assistance under the Tourism Development Scheme. The payments to which Tourism NI is committed are as follows:

	2020-21	2019-20
	£000	£000
Not later than one year	3,010	10
Later than one year and not later than five years	-	-
Later than five years	-	-
Present Value of Obligations	<u>3,010</u>	<u>10</u>

18. CONTINGENT LIABILITIES

Tourism NI has not entered into any guarantees or indemnities or provided any letters of comfort at 31 March 2021 or at 31 March 2020.

19. RELATED PARTY TRANSACTIONS

Tourism NI is a Non Departmental Public Body (NDPB) sponsored by the Department for the Economy (DfE). DfE and the other bodies it sponsors are regarded as related parties. In addition, Tourism NI has had a small number of transactions with other Government departments and other central Government bodies.

Tourism NI works with many public and private sector organisations including companies in which Board and SMT Members of Tourism NI have a beneficial interest. Transactions during the year with such companies, which were conducted at arm's length and were subject to normal project and programme rules and tendering procedures, where appropriate, are listed below:

Terence Brannigan
Chairman (term ended 30 June 2022)

Chairman of Maze Long Kesh Development Ltd - services paid: £36 (2019-20: £nil).

Terry McCartney
Board Member

Director Belmore Court and Motel – income: £nil in year (2019-20: £387) and services paid: £200 (2019-20: £nil).

Geoff Wilson
Board Member

Consultant to the Ulster Grand Prix- grant for year: £nil (2019-20: £60,000)

John West
Board Member

Independent Board Member and Audit Committee Chair with Department for Communities – spend in year £180 (2019-20: £nil).

John McGrillen
Chief Executive

Board Member of Tourism Ireland Ltd – grant paid: £12,886k (2019-20: £12,371k) services paid: £494,870 (2019-20: £349,224), and income receipted: £nil (2019-20: £nil).

Governor on Board of Belfast Metropolitan College - services paid: £600 (2019-20: £360).

Naomi Waite
Director of Marketing

Member of Visit Derry - services paid: £nil (2019-20: £660).

20. MATERIAL IRREGULAR EXPENDITURE

The Accounts Direction given by the Department for the Economy for 2020-21 requires NDPBs to disclose any material expenditure or income that has not been applied for the purposes intended by the relevant legislature or material transactions that have not confirmed to the authorities which govern them.

Tourism Ireland

In 2019-20 and 2020-21 expenditure (Grant in Aid) of £12.886m (£12.371m in 2019-20) was provided to Tourism Ireland. This was incorrectly accounted for within the financial statements. These amounts are required to be disclosed through Grant in Aid. A prior year adjustment has been included to correct the accounting treatment in 2019-20.

As a result of distorted funding ratios between the Republic of Ireland funding and funding from the Department for Economy, DoF have been unable to approve the 2020 Tourism Ireland Business Plan. As a result of this funding of £4.6 million paid to Tourism Ireland Limited between April 2020 and December 2020 is irregular. Further funding between January 2021 and March 2021 of £5.3 million is also irregular since it related to a carry-over from the 2020 budget for use in 2021, without the DoF approval being obtained as required by the Management Statement and Financial Memorandum. Consequently, as this expenditure is reflected in Tourism NI's accounts this means that total payments of £9.8 million relating to Tourism Ireland during 2020-21 are irregular.

B&B Covid-19 Grant Scheme

Tourism NI are unable to estimate any potential irregular spend as a result of fraud or error arising from the reliance on a self-declaration eligibility criteria in this Covid-19 grant scheme.

DATE OF AUTHORISATION FOR ISSUE

The Accounting Officer authorised the issue of these financial statements on 27th January 2023.

Northern Ireland Tourist Board

2020-21

Report of the Comptroller and Auditor General to the Northern Ireland Assembly

Introduction

1. The Northern Ireland Tourist Board (NITB) is responsible for the development of tourism in Northern Ireland, supporting the tourism industry and for marketing Northern Ireland as a tourist destination. It works closely with other tourism bodies to help develop the visitor economy.
2. In 2020-21 the Northern Ireland Executive announced a £300 million package of support initiatives for vulnerable but viable businesses, to counter the impact of the COVID-19 pandemic. As part of this programme a Bed and Breakfast, Guest House and Guest Accommodation Scheme was established and the Northern Ireland Tourist Board (NITB) was tasked with scoping, designing and delivering it.
3. The Accounting Officer for the Department for the Economy, the Northern Ireland Tourist Board's parent department, obtained a Ministerial direction to proceed with the scheme, because he was unable to recommend the project on value for money grounds. Grant expenditure of £1.9 million for the scheme has been reflected in the 2020-21 NITB accounts.
4. In 2000 Tourism Ireland Limited was formed by Dáil Éireann and the Northern Ireland (NI) Executive, under the auspices of the North South Ministerial Council (NSMC), to be the overseas marketing arm of tourism for the island of Ireland. NITB is responsible for providing the NI Executive's element of funding to this body. Once approval is obtained from the Department for the Economy and Department of Finance, NSMC approval is sought for Tourism Ireland's Business Plans, outlining how these funds would be utilised.

Purpose of the Report

5. I am required to examine and certify the financial statements prepared by the NITB under the Tourism (Northern Ireland) Order 1992. This report explains the reason for my regularity audit opinion on the NITB financial statements for the year ended 31 March 2021.
6. I have qualified my audit opinion due to:
 - a limitation in the scope of my work due to insufficient evidence available to satisfy myself that £1.9 million of grants for the Bed and Breakfast, Guest House and Guest Accommodation Scheme complied with the scheme's eligibility criteria. Further details are provided in paragraphs 8-11 below.
 - expenditure of £9.8 million relating to Tourism Ireland funding, which did not have the required approvals in place. Further details are provided in paragraphs 12-13 below.

Qualified audit opinion on irregular expenditure

7. In addition to forming an opinion on whether the financial statements show a true and fair view I am required to give an opinion on the regularity of transactions, by considering if the income and expenditure has been applied for the purposes intended by the Assembly and whether the transactions comply with the authorities which govern them.

There was insufficient audit evidence that certain eligibility criteria for the Bed and Breakfast, Guest House and Guest Accommodation Scheme was met

8. As part of my work to provide an opinion on the regularity of transactions, I must gather independent audit evidence to assess whether Bed and Breakfast, Guest House and Guest Accommodation Scheme grants complied with the eligibility criteria established for the scheme.
9. One of the eligibility criteria required applicants to be fully tax compliant on the date of application, including ensuring the business was registered with Her Majesty's Revenue and Customs (HMRC) and that all relevant tax filings are up to date. Whilst the NITB requested evidence that applicants had registered the business with HMRC, it accepted a self-declaration from applicants as evidence that all relevant tax filings were up to date. The NITB could therefore not provide me with sufficient appropriate audit evidence to verify whether the self-declarations made for this criteria were, in fact, accurate. There were no alternative audit procedures available to me to obtain sufficient appropriate audit evidence to inform my regularity audit opinion in respect of this scheme.
10. An Internal audit report on the scheme noted a number of controls to verify other eligibility criteria, including use of the NITB's centrally held database for certified properties to ensure all claimants held a valid tourism certificate, information provided by LPS regarding COVID-19 Grant status, and reasonableness checks. It did, however, recognise the limitation that accepting the self-declaration for tax compliance created.
11. The NITB told me that when the scheme was being designed it anticipated that HMRC would be able to provide information to evidence that this criteria was met. However, it later transpired that this was not the plan, leaving NITB to rely on self-declarations made by applicants to confirm eligibility for this criteria.

The required approvals were not in place for Tourism Ireland expenditure

12. As part of my work to provide an opinion on the regularity of transactions, I must gather independent audit evidence to assess whether money paid by NITB to Tourism Ireland had the correct approvals in place. This includes:
 - approval of the Tourism Ireland Business Plan by the Department for the Economy and Department of Finance in advance of seeking approval from the NSMC; and
 - approval from the Department of Finance to carry over any element of Northern Ireland funding of the body from one year to the next.
13. In 2020-21 NITB made £12.9 million of payments to Tourism Ireland, of which only £3.1 million had the required approvals in place. Payments of £4.6 million relating to the 2020 Business Plan period were irregular because Department of Finance approval was not obtained to allow NSMC

approval to be sought. In addition, £5.2 million was also irregular because it was carried over from unspent 2020 grant, without Department of Finance approval. As such, I consider expenditure of £9.8 million of expenditure to Tourism Ireland to be irregular.

Conclusion

14. I accept that the NITB designed the bed and breakfast scheme at pace and this criteria was created with good intent, but ultimately it was unable to provide me with sufficient appropriate audit evidence that it had been met. For any future schemes it should carefully consider the rationale for the inclusion of each scheme eligibility criteria and how it is to be evidenced, in order to protect public funds.

15. During 2020-21 management review and assurance checks to confirm that payments to Tourism Ireland were appropriate were undertaken by the Department for the Economy rather than by NITB. However, NITB made the payments to Tourism Ireland and therefore still has responsibility for the regularity of those payments. In future the Department plans for NITB to take on additional responsibilities for carrying out these checks. It is important, whichever body undertakes this work, that the requirements of the Financial Memorandum are clearly understood and that the checks are sufficiently robust to prevent irregular expenditure.



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31 January 2023