



NORTHERN IRELAND TOURIST BOARD
trading as
TOURISM NI

ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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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

As I approach the end of my first year as Chair of Tourism Northern Ireland, it is my pleasure to introduce the Annual Report for the 2022-23 Financial Year.

I am pleased to say this has been a period which has witnessed the extraordinary recovery of the Northern Ireland tourism industry following the unprecedented challenges of the Covid-19 pandemic. Over the course of the year, I have seen at first hand the resilience, tenacity, and innovation of local tourism businesses.

The agility of our tourism operators to respond to the rapidly changing business environment has been impressive. Their ability to re-focus on meeting the needs of the family market has proven to be very successful in attracting new visitors from Great Britain and the Republic of Ireland.

This success hasn't happened by accident. In August 2022, Tourism NI announced an additional funding package of £11.5 million for the tourism sector, provided by the Department for the Economy, to support the ongoing recovery of the industry and to address new challenges created by the cost-of-living crisis.

The funding allowed Tourism NI and its partners to strengthen marketing activity in both the Domestic and Republic of Ireland markets. As a result, Northern Ireland has significantly increased its share of the all-island staycation market and I believe there is great potential to grow this further.

This solid performance both at home and in the Republic of Ireland has, in many ways, filled the gap created by the reduction in visitors from the USA, France and Germany whilst air connectivity from these markets was recovering. Over 1.1 million visitors came from the Republic to Northern Ireland in 2022, staying a total of 2.6m nights and spending more than £233 million a 65% increase on the previous record of £142 million spent three years earlier.

Our award-winning Embrace a Giant Spirit brand has been an essential element in our recovery efforts, providing a platform for Northern Ireland to stand out in a crowded market. The brand encapsulates the authentic experiences on offer but more importantly the warmth of the genuine welcome that people experience when they come here to explore our culture, heritage, and outstanding landscapes.

Over the past year I have been delighted to see and hear of the confidence within the industry. I am encouraged by the ongoing investment in new tourism accommodation in Belfast, Derry-Londonderry and on the North Coast, which is particularly important as we look forward to the return of the Open Championship to Royal Portrush Golf Club in 2025.

During the year we have also seen extensive investment in our visitor attractions, including the recent opening of the new immersive galleries at Titanic Belfast, the new Titanic Distillery and a number of

projects supported by Tourism NI through our Experience Development Capital Grant Programme. These projects included the new visitor facilities at Glenshane Country Farm, Tasting Rooms at the Walled City Brewery in Derry-Londonderry and an upgrade of the St Patrick's Visitor Centre in Downpatrick.

The Executive Team at Tourism NI has also been working closely with the 11 Councils across Northern Ireland in the development of the tourism projects identified within the City and Growth Deal Programmes. These include the Belfast Stories project in Royal Avenue, the Derry North Atlantic Museum, the extension to the Gobbins, the Mourne Gateway Project and the regeneration of Royal Hillsborough. These projects will be important in remaining an attractive destination for international visitors, increasing the distribution of visitor spend and remaining competitive with other parts of the Island of Ireland.

I would like to conclude by paying tribute to my fellow Board members and the Executive Team for their continued commitment through what has been the most difficult period that the tourism sector has faced in a generation. I would like to thank Terry McCartney, Michele Shirlow, Colin Neill, Geoff Wilson, and Angelina Fusco who completed their second terms as Board Members on 31 March 2023. Their support has been unwavering and their contribution to the Northern Ireland tourism industry over the past eight years has been immense.

Elvena Graham
Chairman
Tourism NI

Chief Executive's Message

John McGrillen, CEO

As Chief Executive of Tourism NI, I am pleased to present our Annual Report for the Financial Year ending 31 March 2023. Within the Annual Report we seek to present a snapshot of the work that we have undertaken in the course of the past year which has been aimed at supporting the tourism industry's ongoing recovery from the Covid-19 pandemic.

We ended the year with the devastation caused by Covid-19 very much in the rear-view mirror and with a much more positive performance than could have been expected just 12 months ago. Whilst the impact of Covid-19 has receded, the tourism industry has had to overcome a very different set of challenges arising from global political instability, rampant inflation in energy and food costs and a global shortage of labour. Collectively this has resulted in a steep rise in operating costs impacting on profit margins and the short-term viability of many tourism providers.

During the 2022-23 year Tourism NI's focus has been on maximising revenues from the domestic, ROI and international markets, supporting businesses in responding to the needs and expectations of their customers and addressing the challenges arising from the "cost of doing business crisis".

With the help of additional funding from DFE, we were able to substantially increase our marketing activity to encourage Northern Ireland residents to holiday at home and to drive further business from the Republic of Ireland. We were also able to provide marketing support to businesses to allow them to convert the interest generated by our campaigns into bookings which resulted in 1.1 million visits by residents from across the border, 50% of who were staying in Northern Ireland for the very first time.

During the year, the Industry Development Team rolled out a packed calendar of industry events to equip tourism businesses with the skills and knowledge they require to successfully address ongoing issues. The programme focused primarily on cost management, sustainability and staff recruitment, development, and retention. The additional funding from DFE allowed us to extend our successful Kick Start Programme and we were once again delighted to be able to support the 11 Councils in the development of new tourism experiences in their specific cities, districts, and boroughs.

Councils are very important partners in the development of the tourism industry across Northern Ireland and we continue to work with them on the development of the Tourism Led Regeneration Projects within the City and Growth Deals Programmes. The development of new, innovative, and sustainable visitor experiences will be vital to our future competitiveness and growth of our local tourism industry.

I am also delighted that we have been able to support private sector entrepreneurs through our Experience Development Programme with investment in new tourism experiences which will allow visitors to experience the unique culture and heritage of Northern Ireland, increasing dwell time and visitor spend.

With the return to major live events, we were proud to welcome the local tourism industry back to our annual NI Tourism Conference in May at the ICC Belfast to explore the sustainable future of the sector. There was a record number of attendees at the conference who came to listen to an array of top-class contributors. There was a real sense of confidence and cautious optimism in the room as the industry gathered for the first time since the arrival of Covid-19 to share knowledge and best practice.

That confidence and a sense of achievement was also evident at the Slieve Donard Hotel in October when we gathered to celebrate the heroes of tourism and hospitality at the Giant Spirit Awards. We had a record number of entries for the awards which recognised the people, places and businesses that contributed to the sector's recovery and ongoing success.

This year has also been a very busy year on the Business 2 Business (B2B) front which saw Belfast host the UK's Coach Travel Association and Business Travel Association's Annual Conferences taking place in Belfast. The Incoming Tour Operators Association held their Annual Northern Ireland Workshop at the Manor House Hotel in Fermanagh which allowed Tourism NI to showcase local experiences and accommodation to Ireland's leading tour operators who annually bring over £80 million worth of business across the border. The year ended with our flagship Meet the Buyer event in March, delivered in partnership with our colleagues in Tourism Ireland. Meet the Buyer is the largest B2B networking event in Northern Ireland and saw us introduce 150 international tour operators from 17 countries to more than 150 local tourism and hospitality businesses, who showcased all that Northern Ireland has to offer as a visitor destination. The International tour operators also got to experience our tourism and hospitality industry at first hand through a series of familiarisation trips across the region.

The past twelve months has seen the departure of our Chairman Terence Brannigan and several longstanding Board Members whose terms came to an end on 31 March 2023. I would like to take this opportunity to thank Terence and the Board Members for their commitment, support, and guidance over the past eight years and to congratulate our new Chair, Ellvena Graham on her appointment and the positive impact she has made so far.

It would be remiss of me not to also thank the entire Tourism NI team for their support yet again this year and I was delighted to see that recognised in the organisation being awarded Gold Standard Investors in People Accreditation this year.

As we look to 2023-24, I am pleased to note that despite the dual challenges of persistent inflation and rising interest rates, sentiment analysis continues to indicate that holidays and travel remain a priority for consumers. This has been evidenced by very encouraging levels of forward bookings with tour operators, visit attractions and accommodation providers for this summer and beyond. It is important however that our industry continues to manage cost where possible and to provide value for money in these difficult financial times.

Tourism NI is not immune from these financial pressures either, and like every organisation across the Northern Ireland public sector we have seen a substantial reduction in our budget for this year. However, with the support of our Board and a very committed workforce we will continue to work with our stakeholders and partners to promote Northern Ireland as a desirable tourism destination and ensure it remains competitive and continues to meet the expectations of our visitors.

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. 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 comprised of six divisions:

- Marketing;
- Strategic Development;
- Strategy & Policy*;
- People & Organisational Development*;
- Finance*; and
- Computer Services*.

**In July 2023 a new Corporate Services Division was established which encompassed these business areas.*

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.

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 £34.5 million compared to £60.1 million for the 2021-22 financial year.

Total operating expenditure was £46.5 million, which was a decrease of £20.3 million from 2021-22 (£66.8 million). This reflects the ever changing priorities within tourism.

Related operating income was £0.47 million (2021-22: £0.89 million). This excludes revenue funding received from the Department for the Economy in respect of Tourism Ireland of £14.0 million (2021-22: £22.2 million) which was directly paid over to Tourism Ireland when received and therefore has been included in Grant in Aid.

Going Concern

The Statement of Financial Position as at 31 March 2023 shows net liabilities of £5.7 million (2021-22: £22.8 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 department 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 2022-23 financial year were encapsulated in nine strategic priorities, as follows:

- Priority 1 – Customer & Market Insights;
- Priority 2 – Cross Divisional Programmes;
- Priority 3 – Experience Development;
- Priority 4 – Enterprise Development;
- Priority 5 – Marketing & PR;
- Priority 6 – Sales Support;
- Priority 7 – Advising & Supporting Government;
- Priority 8 – Governance; and
- Priority 9 – Transformation Programme.

All priorities are aligned to our 2021-22 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 deliver on our priorities through:

- Continuing to support 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; and
- 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 agreed with the Tourism NI Board. The Risk Register is formally reviewed and updated each quarter and reported to Tourism NI Board and Audit and Risk Assurance Committee.

Statement of Performance

Performance Report 2022-23

Northern Ireland's tourism industry ended the 2022-23 financial year on a positive note with industry performance indicators suggesting that recovery was well underway with some sectors of the industry performing exceptionally well. Tourism NI is pleased to have played an integral role in the industry's recovery through its marketing and promotional campaigns, B2B support to local experience and accommodation providers and its financial and advisory support to a wide range of local tourism businesses.

We have used our multi-award-winning 'Embrace a Giant Spirit' brand to both promote Northern Ireland's breathtaking landscape, heritage and culture whilst simultaneously supporting tourism providers develop authentic experiences which meet the needs of customers and attracts visitors from both local and overseas markets.

In August 2022 the Department for the Economy and Tourism NI announced an £11.5 million funding package to support the ongoing recovery of the tourism sector and tackle the new challenges created by the increasing cost of doing business.

The funding was focused on supporting the development of new visitor experiences, enhancing resilience of tourism businesses, and securing additional revenue from both the domestic and Republic of Ireland markets.

Marketing

During the course of the year Tourism NI ran three marketing campaigns in both Northern Ireland and the Republic of Ireland generating an impressive £189.5 million in directly attributable revenue. The wider impact of this marketing activity became apparent with the release of tourism statistics by the Central Statistics Office in Dublin in Spring 2023 which revealed that overnight trips from the Republic to Northern Ireland had topped one million for the first time.



£189.5 million in directly attributable revenue generated
Average return on investment of £97.70: £1 in NI and £110.82: £1 in ROI

There were more than 1.1 million overnight trips by visitors from the Republic to Northern Ireland in 2022, compared to 756,000 in 2019, a 51% rise.

Those visitors spent a total of 2.6 million nights in Northern Ireland representing a 42% increase on the 1.9 million nights in 2019.



ROI holiday visitors to NI increased by over half in 2022 vs 2019.



2022 saw record levels of ROI trips, nights and spend in NI.

The figures further revealed that the amount of money spent by visitors from the Republic to Northern Ireland had increased by 64% to £233 million in 2022 when compared with the previous record spend in 2019. These figures point to the success of Tourism NI's marketing efforts and a significant increase in Northern Ireland's share of the all-island staycation market.

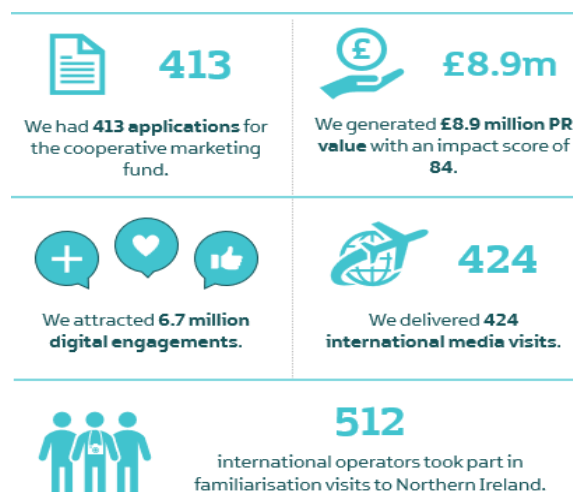
Tourism NI and our Embrace a Giant Spirit brand received no fewer than fifteen marketing awards in 2022 demonstrating the commitment of its senior management team, staff, and board to work in collaboration with other stakeholders to champion Northern Ireland as an attractive destination across all our core markets.



Marketing Awards

Our co-operative marketing fund attracted 413 applications, and we provided £793,545 of funding to support our industry's marketing activity in the Northern Ireland and Republic of Ireland markets.

Working in partnership with our colleagues in Tourism Ireland, Tourism NI delivered 424 international media visits, generating €51 million positive publicity for Northern Ireland in overseas markets.



Business Solutions

Throughout the year our Business Solutions team worked with Tourism Ireland and other strategic partners to deliver a range of platforms and engagement opportunities for Northern Ireland industry to meet and do business with International Travel Trade and MICE (Meeting, Incentive, Conference, Events) operators and buyers. Recruitment took place for 69 Overseas platforms offering 329 engagement opportunities. 512 international operators took part in familiarisation visits to Northern Ireland. Tourism NI also delivered a programme of B2B workshops during the year including the ITOA (Incoming Tour Operators Association) Workshop and Meet the Buyer.

ITOA are the main membership body for major tour operators in ROI. In 2022, ITOA members delivered 537,000 overseas holiday and business tourism visitors to the island of Ireland, the value of which was €483 Million to the economy. Approx 10% of this distribution is to NI.



The 2022 workshop welcomed 50 ITOA operators to host meetings with NI Industry. Post event 100% of these operators confirmed that they delivered new business and programmes to Northern Ireland and 50% confirmed they delivered new business to the Fermanagh Region where the event was hosted.

Tourism NI's flagship Meet the Buyer Workshop was delivered in partnership with Tourism Ireland. Over 150 international operators from 17 international markets met with NI Industry for 1-1 meetings. Over 70 operators took part in familiarisation trips across Northern Ireland. Post event, 61% of operators confirmed they will definitely do business in Northern Ireland and 56% have already contracted or agreed business coming out of Meet the Buyer.



The team also partnered with Tourism Ireland to welcome top US Tour Operator 'Collette Vacations' to Northern Ireland. Collette brought 200 of their top agents to NI as part of an incentive. Tourism Northern Ireland worked closely with them to showcase Northern Ireland with 23 familiarisation trips taking place across the region. Collette are currently adding to their existing programmes and creating new programmes because of the partnership.

In Business Tourism through its Conference Support Fund, Tourism Northern Ireland helped Visit Belfast to deliver 99 events during

2022-23 with an economic impact of £39,018,484 and further conferences with an expected economic impact of £31.2 million were confirmed for future years.



Conference Support Fund
supporting **Visit Belfast** to deliver
99 events with an economic
impact of **£39 million**

Enterprise Development

Over the course of the year Tourism NI delivered an extensive hybrid Tourism Enterprise Development Programme. Over 600 businesses participated in the programme with 94% of attendees taking positive action within their business as a result of their participation.



94% of the 600 businesses on Tourism NI's
hybrid **Tourism Enterprise Development**
Programme took positive action as a result
of their participation.

The 'Leaner and Greener' series of masterclasses also equipped the industry to become more sustainable and to save money. Furthermore, 45 businesses received bespoke advisory support through the Kickstart programme to accelerate their recovery and growth.

Tourism NI's 'Make It Here' careers campaign, which aims to encourage more people to consider a career in the tourism and hospitality industry, also saw significant results. Phase One of the 'Make It Here' multimedia programme, was launched in a bid to build on ongoing initiatives by industry bodies to change perceptions of careers in the industry. By the end of March 2023, nearly 30,000 visits had been made to the site with 38% (over 11,000 people) proceeding to the linked recruitment sites in search of jobs in the tourism and hospitality industry.

Events

Tourism NI also provided financial support of over £932k to 32 events under two schemes: the International Tourism Events Fund, and the National Tourism Events Sponsorship Scheme. The events supported attracted more than 1.4 million visitors, generating almost 200k bednights, and an economic impact of £44.5 million.



32



1.4m

**32 events supported, attracting
over 1.4m visitors generating an
economic impact of £44.5m**

In August 2022 Tourism NI worked closely with the organisers to host the ISPS Handa World Invitational golf tournament, which generated in excess of £10 million combined economic and media benefit and provided Northern Ireland with an opportunity to demonstrate to a global audience its appeal as a world class golf destination.

Preparations are also underway for the 153rd Open Championship which will return to Northern in 2025 after the success of the 2019 event. Tourism NI also supported preparations for the One Young World Summit due to be hosted in Belfast in October 2023, attracting over 2,000 delegates.

Quality and Standards

The team carried out 1727 inspections over the year, 730 of which were newly certified properties. 378 quality grading assessments were carried out across NI accommodation and experience providers.



1727
inspections



378
quality grading
assessments

Experience Development

The Tourism NI Regions Team is supporting the 11 Councils across Northern Ireland in the delivery of the Tourism Led Regeneration Projects within the various City & Growth Deal programmes.

Progress has been made in the development in a number of these projects including The Royal Hillsborough Regeneration Project, Belfast Stories, the Derry North Atlantic Museum, the extension to the Gobbins, and the Mourne Gateway Project, all of which will be welcome additions to Northern Ireland's portfolio of tourist attractions.

Tourism NI supported the development of 18 new and enhanced visitor facilities through the Experience Development Programme. These projects included investment in the Walled City Brewery, Montalto Estate and Gardens, Alive Adventures, Saint Patrick Centre, Crumlin Road Gaol, Glenshane Country Farm and Exploris Aquarium.



Accommodation providers also availed of a Web Development Programme with 17 businesses enhancing their digital presence.

The Market Led Product Development Programme supported innovative activity in partnership with all councils in Northern Ireland, enhancing and developing experiences such as the Derry Girls Experience.

Insights & Intelligence

The Insights and Intelligence Service is responsible for delivering a robust evidence base for TNI, industry and stakeholders to help inform policy and strategy development and operational decisions.

This year, the team's primary research consisted of four waves of consumer sentiment research in NI and the ROI, one NI industry barometer, one ROI 'Deep Dive' surveying ROI residents who had visited NI for a short or long break in the last 3 years, and three marketing campaign evaluation surveys in NI and ROI. The team also facilitated 34 bespoke in-house surveys including the Tourism NI People Survey and a range of post-event/post-fam feedback surveys.

There were three Tourism 360 publications published this year and in total, Tourism 360 publications were downloaded 413 times between 1st April 2022 - 31st March 2023. Monthly accommodation performance reports were also published on tourismni.com.

Business Planning & Improvement

The Business Planning & Improvement Unit, which is responsible for co-ordinating key corporate information on behalf of Tourism NI, answered 22 Freedom of Information queries and provided 259 departmental and official responses.



Looking ahead there are considerable tourism opportunities on the horizon for Northern Ireland and, despite current budgetary challenges, the organisation and its staff are committed to building on the progress that has been made in the last 12 months through a return to sustainable and lasting growth.

Key Issues & Risks Facing the Entity

Page 34 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 2023 were categorised as follows:

- Strategy
- Financial Investment
- People
- Commercial
- Security, Cyber threat & Data Management
- Operations
- Technology
- Insights & Intelligence
- Governance & Financial Management
- Legal.

Key issues identified in 2022-23, their impact and mitigating actions are summarised below:

Key Risk	Impact	Mitigating Action
Pay Scales	Tourism NI employees who commenced their employment pre-April 2017 are employed on different terms and conditions to NICS employees as a result of historic differences in pension arrangements.	Department of Finance have requested a Business Case be prepared by all bodies facing this issue. This is currently under review by DfE.
City Deals	Tourism NI has been designated as Investment Decision Maker for the tourism projects within Northern Ireland's City & Growth Deals, and for tourism Projects under the Complementary Fund. Tourism NI's role, the associated responsibilities and accountability arrangements, are in the process of being formalised by DfE, in particular via a "Letter of Appointment" and a Memorandum of Understanding.	Ultimately, the success of the overall programme depends on the activities of number of key stakeholders and economic factors which Tourism NI may influence, but ultimately not control. Hence, it is not possible to fully manage or mitigate risks. However, Tourism NI has engaged with Internal Audit and incorporated advice into the development of the City & Growth Deals internal governance arrangements and risk register. Following the receipt of legal advice, changes to the template Contract for Funding and clarifications to the IDM Appointment Letter will allow TNI to formally accept the IDM role, on behalf of DfE.
Charity Commission Judicial Ruling implications	There is an ongoing issue following the Court of Appeal judgement which found that the Charity Commission NI acted ultra vires when it delegated statutory functions given to the Commission (i.e. the body corporate comprising the publicly appointed commissioners) to members of staff. ALBs were	Following receipt of legal advice, Tourism NI has put in place alternative arrangements to mitigate the very low risk of Tourism NI's decision making processes being challenged as a result of the Ruling. It remains the case that revisions to the Tourism (Northern Ireland) Order 1992 are required to be progressed by the Department to address this issue on a longer-term sustainable basis.

	asked to review their internal procedures to assess any implications for them arising from this judgement, including seeking their own legal advice where necessary.	
Grievance	A small group of staff raised a grievance against Tourism NI in relation to the implementation of a revised NICS mileage policy.	This matter was resolved in 2023-24.

INTRODUCTION OF AN ELECTRONIC TRAVEL AUTHORISATION FOR VISITORS TO THE UK

As part of the Government's New Plan for Immigration, the Nationality and Borders Bill was introduced in the House of Commons on 6 July 2021. Within the Bill there are plans for the introduction of an Electronic Travel Authorisation (ETA) for all non-visa national visitors to the UK. For these visitors coming to Northern Ireland this will apply whether they arrive direct at a UK port of entry (Airport/Ferry Terminal) or via the land border with the ROI. This would be similar to the ESTA which is currently required to travel to the USA.

The ETA will be piloted with Gulf states from the end of 2023, with the full scheme likely to be rolled out by the end of 2024. It will be obtained through an online application costing £10 per traveller, irrespective of age. Home Office guidance states that the majority of application decisions will be made within 3 days. The ETA will be valid for two years and will be a legal requirement however there will not be a formal checking process on the ROI/ NI border. An exemption from the ETA requirement has been granted for non-visa nationals legally resident in Ireland when travelling to the UK on a journey from within the Common Travel Area.

The majority of overseas visitors travelling to Northern Ireland do so as part of a visit to the island of Ireland and over 60% of international visitors arrive via the Republic of Ireland. The requirement to have an ETA could be a deterrent to both those seeking to book a trip to NI from overseas as part of a longer visit to the Island and a deterrent to agents selling itineraries which include Northern Ireland as it will be easier to simply sell a trip which covers the Republic of Ireland only.

The UK Government has made it clear they do not intend to have an inspection / enforcement regime in Northern Ireland. Awareness of the requirement for an ETA in order to travel to Northern Ireland legally will be crucial. Whilst it is impossible to establish the impact of this development, it does present another barrier to overcome in encouraging the inclusion of Northern Ireland within itineraries in the future and also for spontaneous day trips to Northern Ireland for international visitors who are holidaying in ROI. Tourism NI, Tourism Ireland, the Department for the Economy and NITA are engaging with the Home Office to reinforce the potential impact that introduction of the ETA may have on Northern Ireland tourism.

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. During the 2022-23 year, Tourism NI reviewed and updated the Whistle-blowing policy and Anti-Fraud policy.

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, awareness of, and interest in, sustainability issues continued to increase. The hosting of the UN Climate Change Conference (COP26) in Glasgow in November 2021 and the passing of Climate Change legislation by the NI Assembly in March 2022 provided further impetus for change in relation to reducing environmental impacts, both in terms of consumer awareness and also industry engagement. Interest in the economic and social aspects of sustainability continued to grow too, with tourism having the potential to make a greater contribution in the future to more sustainable communities across Northern Ireland.

The continuation of the Covid-19 pandemic during 2021-22 meant that trends such as greater use of the outdoors remained strong. Demand for sustainable travel and practices within the tourism industry grew further during the year and is expected to continue to grow in the medium term. As a result, the onus is on destinations to demonstrate that they can deliver sustainable experiences.

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 plays a leadership role in working with the tourism industry to ensure that Northern Ireland becomes a truly sustainable tourism destination. In terms of strategy, the Tourism NI Senior Management Team and Board continued this year to work with Department officials on developing the foundations for a regenerative tourism strategy.

The emerging vision identified as part of this work was to “Create a Thriving Tourism Ecosystem that enriches Northern Ireland, its People and its Guests”. For Tourism NI, the new strategy will enable the sector to demonstrate how it is delivering the UN’s Sustainable Development Goals as well the NI Climate Change Act and supporting policies including the NI Green Growth Strategy. It is expected that the Regenerative Tourism Strategy will be developed in detail by the Department for the Economy in 2022-23, working closely with Tourism NI and other stakeholders.

In parallel with the visioning work, Tourism NI delivered a number of valuable actions for the industry during the year, including:

These actions included:

- A Sustainability strand of the Kickstart programme which provided one to one support to businesses to accelerate recovery and improve competitiveness;
- A new package of support for events and experiences spanning all 11 Council areas in Northern Ireland to drive business and activity in the shoulder season;
- The rollout of the second phase of the Experience Development Programme with a clear focus on creating authentic sustainable tourism experiences; and
- The delivery of new virtual masterclasses and workshops to the industry on key aspects of sustainability.

Within Tourism NI, a Sustainability Action Plan was developed during the year, setting out the key short-term priorities for the organisation. Four priorities were identified as follows:

- Educate and empower staff to take action in their part of the business;
- Establish sustainable tourism development baselines;
- Review all funding, support scheme and supplier tender criteria; and
- Respond to our industry's plea for guidance.

In parallel, a number of workstreams were established, with the workstream leads meeting regularly to review progress under the leadership of a member of the Senior Management Team.

Broader engagement in sustainability issues within Tourism NI continued to be facilitated via an active Sustainability Working Group which met on a regular basis during the year. In addition, an all staff, all day virtual sustainability event was held in March 2022. Comprising a mix of expert speakers and staff participation exercises, the event enabled staff to improve their understanding of latest policy and insights on sustainability issues as well as identify and agree specific actions which could be taken in their business area.

Internal Engagement

During 2022-23 Tourism NI continued to operate a hybrid approach to internal engagement; offering wellness programmes and training opportunities online whilst returning to in-person engagements for inductions, all staff briefings, bi-weekly Senior Management Team meetings and monthly Corporate Management Team meetings.

External Engagement

Tourism NI hosted five university placement students in various units throughout the organisation in 2022-23, imparting valuable knowledge, experience and career skills in the process, with the aim of helping to build the leaders of tomorrow.

Signed



John McGrillen
Accounting Officer
Date: 10 April 2025

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 2023.

Results

The net expenditure after interest for the year is £34.5 million (2021-22: £60.1 million).

Directors

The Directors are the Board Members as listed below. The Senior Management Team are listed in the Remuneration and Staff Report. For the year ended 31 March 2023, John McGrillen was the Chief Executive Officer. The Board Members who served during the year up to 31 March 2023 are as follows:

Ellvena Graham OBE- Chairman **Appointed 30 June 2022**

Ellvena has extensive business experience, having worked across a number of different sectors including Energy, Banking, Agri-Food, Business Tourism, Higher Education & Sport. Ellvena is Chairman of Catalyst Inc, also a Non-Executive Director in Dale Farm Ltd and is the Senior Independent Governor of Queen's University Belfast. Amongst a range of other roles, she has been Chairman of the Electricity Supply Board (ESB), one of the major state-owned utilities in Ireland and a Non-Executive Director of Ulster Bank Ltd. She has been Chairman of Belfast Waterfront & Ulster Hall since the new conference centre was established in 2016 and has played an active role in driving business tourism into Northern Ireland. Ellvena was President of NI Chamber of Commerce & Industry for two terms and is a past Chair of the Economic Advisory Group. Ellvena has over 30 year's experience in Banking, most recently at Executive Management level as Head of Ulster Bank in Northern Ireland, ending in 2015.

Ellvena is a Fellow of the Institute of Directors, a Fellow of the Institute of Banking and a Chartered Bank Director. She was awarded an OBE in the 2018 New Year's Honours list, for contribution to the economy and advancement of women in Business. She received the IOD NI Non-Executive Director of the Year award in 2021.

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. Angelina was awarded an Ochberg Fellowship on Journalism and Trauma from the Dart Centre, Columbia University, NYC. She chairs Dart Centre Europe. She is a member of Ofcom's NI Advisory Committee, a former member of Ofcom's Content Board and served two terms on 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.

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 Executive Support Team, Tourism Northern Ireland, Linum Chambers, Floors 10-12, Bedford Square, Bedford Street, Belfast, BT2 7ES.

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% (2021-22: 100%) 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 99% of bills paid within 10 days (2021-22: 99%).

Personal Data Related Incidents

There are no Personal Data Related Incidents to report in 2022-23 (2021-22: two).

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 10 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 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 2022-23 (2021-22: two).

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 2022-23 (2021-22: £Nil).

Auditor

The Comptroller and Auditor General is the external auditor for Tourism NI. Costs were incurred totalling £1,319 in relation to the National Fraud Initiative during 2022-23 (2021-22: £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 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 (FReM) 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. ; and
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable and-the annual report, 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 the Accounting Officer, 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 Tourism NI's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance Statement

INTRODUCTION

This Governance Statement is intended to give a clear understanding of the dynamics and control structure of Tourism NI by reflecting the organisation's governance, risk management and internal control arrangements during 2022-2023 and up to the date of approval of this Annual Report and Accounts.

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 and Senior Management Team assures itself and its stakeholders that it is in control of the business and the associated risks.

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 Partnership Agreement, previously 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.

GOVERNANCE FRAMEWORK

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;
- Marketing Committee; and
- Senior Management Team meetings.

From July 2023, Tourism NI introduced a new management structure to include an Executive Leadership Team (ELT) which is composed of the Chief Executive plus the senior representative of each Division. The Senior Management Team remains in place and includes all Heads of Departments and supports ELT as and when required.

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. The Board and its three Committees take 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 of Economy, 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 of Economy;
- 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 of Economy 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, Marketing Committee and Finance & Casework Committee to help the Board address key 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

In the year from 1 April 2022 to 31 March 2023, the Tourism NI Board met on nine occasions. 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 to 30 June 2022)	2	2
Ellvena Graham (Chair from 1 July 2022)	6	6
Angelina Fusco	8	8
Terry McCartney	8	8
Colin Neill	7	8
Michele Shirlow	7	8
Geoff Wilson	7	8
John West	8	8
Patricia Corbett	7	8
Anya O'Connor	7	8

In the course of the year the Board resumed fully physical meetings, post-Covid-19. In addition to meetings held at Tourism NI's headquarters, the Board met at Armagh Planetarium in May 2022; at Kingspan Stadium, Belfast in August 2022; at the Slieve Donard Hotel, Newcastle in October 2022; at Mount Stewart House in November 2022 and at Magheramorne Estate in March 2023.

In its regularly scheduled meetings, the Board focussed on the strategic objectives of Tourism NI set out in the Operating Plan and received quarterly reports on 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.

The Board also continued its participation in the Boardroom Apprentice programme which assists individuals from the business community in gaining experience of the roles and responsibilities involved in taking up a public appointment. Sarah Jayne Smith's term as Boardroom Apprentice ended on 31 August and Stephen Garvin of Henderson Foods joined meetings of the Board and its sub-committees for a twelve-month period commencing on 1 September 2022.

Key Issues Considered by the Board

The Board's discussions throughout the year included Tourism NI's Operating Plans for 2022-23 and 2023-24, and the associated budget requirements and allocations for programme activity and capital development; bids for additional resource; a recruitment campaign to promote the opportunities provided by careers in tourism and hospitality and the importance of skills training; the reach and impact of Tourism NI's marketing activity; a review of the Northern Ireland Golf Strategy; the value and impact of the Meet the Buyer workshop and more broadly, of familiarisation or "fam" visits; a new framework of governance arrangements for such fam visits; and outputs and application of the learnings from Tourism NI's new data Hub.

Other themes running throughout the year related to pressure on Tourism NI's financial and people resources, ongoing implementation of the new senior structure within the organisation, a conference and incentive support scheme as well as a pilot programme with Northern Ireland businesses on the Tourism Exchange (TXGB) platform. The Board also discussed the impact on the tourism industry of rises both in the cost of living for consumers and of the cost to the industry of actually doing business.

In addition to quarterly reports setting out Tourism NI's performance against its Operating Plan targets, the Board received regular updates on tourism performance and 'horizon scanning' analysis of trends in visitor preferences and behaviour, through market outlook reports. At each Board meeting reports were also received on the Chair's engagements, from the Chief Executive on key operational and strategic issues, and from the Chairs of the Board's Sub-Committees on the proceedings at their meetings. The Board also considered further refinements to a new risk management framework and corporate Risk Register, following the previous year's review of Tourism NI's risk management processes.

Other key issues the Board considered during 2022-23 included:

- Tourism NI's Annual Report and Accounts for 2020-21 and 2021-22;
- A presentation by Armagh Planetarium on its current activity and future development plans;
- The potential impact of a proposal to introduce Electronic Travel Authorisations on cross-border visitor traffic;
- Tourism NI's policy position on windfarm proposals and a review of policy generally;
- Work by the Department to revise and update the Tourism (NI) Order 1992;
- Recommendations to the Board by the Finance and Casework Committee on support for capital projects and events;
- Requests for Board approval of Direct Award Contracts;
- Implications for Tourism NI of the independent review of Invest NI;
- Terms of Reference for a review by DfE of its arm's-length bodies; and
- Reports on HR issues, including the results of a staff engagement survey.

With Covid-19 restrictions fully lifted, the Board also undertook a programme of stakeholder engagement aligned to its external Board Meetings. The Board held dinner discussions with tourism industry figures and local authority representatives ahead of its meetings in Armagh, Mount Stewart and in Magheramorne House. The Board's meeting in October 2022 at the Slieve Donard was held to coincide with Tourism NI's Giant Spirit awards at the same venue. The Board also had dinner with the Board Members of Tourism Ireland in Belfast on 30 November 2022.

Tourism NI Board Members

In early 2023, the Department for Economy commenced a process to appoint new Members to the Tourism NI Board. Five members were due to end their full term on 31st March 2024 with a further three Members due to end their first term on 30th May 2024. The intention was to appoint five new Members and re-appoint three members for a second term.

In late March 2023 Tourism NI was advised that, along with a number of other NICS bodies, Board members could not be appointed in the absence of a Minister. This applied to the appointment, re-appointment or extension of any terms. Therefore, Tourism NI found itself in the position of having only one Board Member, being the Chairman, as of 31st May 2023.

On 10 July 2023 Tourism NI was advised that the required Statutory Instrument, *The Northern Ireland (Ministerial Appointment Functions) Regulations 2023*, was laid in Parliament with an effective date of 11 July 2023. This legislative change allowed the Secretary of State to exercise the Northern Ireland Ministers' appointment functions. Subsequently, five new Members were appointed to the Tourism NI Board effective 8 August 2023 with three further appointments made on 27 November 2023.

The main impact on the organisation during this period was on the governance arrangements, processes and approvals. As well as missing two scheduled Board meetings between April-July 2023, all sub-committee meetings also had to be cancelled. This meant that any items requiring Board approval, via the Finance & Casework Committee or Audit & Risk Assurance Committee, could not be progressed. Very quickly, the Executive team worked to identify these items and determined that the impact on operations would significantly increase if the situation were to continue beyond end of August. This information was provided to the Department to inform submissions to the NIO. In the interim several decisions had to be delayed, for example approval for the 2023-24 capital funding programme.

The last Board meeting of 2022-23 was held on 30th March, during which a draft 2023-24 Operating Plan and Risk Register was discussed and agreed on the basis of an indicative budget allocation. This allowed Tourism NI to continue with the agreed activities for the first five months of the year when there was no Board in place. The final 2023-24 Operating Plan and budget allocation was subsequently approved by the Board when it convened its first meeting with six members on 31 August 2023. All other priority issues were taken to the Board at its first meeting including the Q3 Performance Reports and Risk Reports. At the first meeting after the remaining members were appointed, in December 2023, the Board appointed Members to the Audit & Risk Assurance Committee (ARAC) and the Finance & Casework Committee. Both sub-Committees met in January 2024 and normal governance and reporting structures have resumed.

In March 2023, Tourism NI engaged Deloitte to undertake an independent Board Effectiveness Review of the Tourism NI Board for the period 1 April 2022 to 31 March 2023. This work commenced with the Board Members in post at that time, however due to the circumstances noted above this work was forced to pause. Deloitte resumed work in 2023-24 and issued a final report on 8 March 2024. Overall, the survey results indicated that the Board was operating effectively during the period under review. Some areas for improvement were identified, these were approved by the Board in 2024-25.

THE 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, and making recommendations to the Board on potential areas for improvement. The Committee reviews the Annual Report and Financial Statements before submission to the Board for approval.

The Audit and Risk Assurance Committee was chaired by Angelina Fusco. There were no vacancies during the year. During 2022-23 the Audit and Risk Assurance Committee met six times. Details of the attendance of members during the year is shown below:

Committee Member	Meetings Attended	Out of a possible
Angelina Fusco (Chair)	6	6
Colin Neill	5	6
John West	5	6
Dorinnia Carville (Independent)*	1	1
Gerard Byrne**	4	5

**Dorinnia Carville resigned on 9 May 2022 due to her forthcoming appointment as the new Comptroller and Auditor General in NIAO.*

***Gerard Byrne was appointed as an Independent member by the Committee on 9 May 2022*

The Committee Members also participated in a Risk Management workshop on 8th March 2023 to facilitate the development of a revised Risk Register for 2023-24.

There were regular meetings between the Chair and both the NIAO and Head of IAS during the year and the matters considered by the Committee during 2022-23 included the following:

- Annual Report & Accounts 2020-21;
- NIAO Audit Strategy 2021-22;
- Annual Report & Accounts 2021-22;
- Review and discussion of the Quarterly Risk Register;
- Review of risk management approach, including participation in a risk management workshop to facilitate the development of a revised Risk Register for 2023-24;
- Review of Bi-Annual Assurance Statements;
- Approval of the 2022-23 Internal Audit Charter;
- Approval of the Internal Audit Plan 2022-23;
- Ongoing progress on the Internal Audit Plan for 2020-21 and 2021-22; planned work was delayed as a result of Covid-19. This work programme was complete by August 2023.
- Review and discussion of all outstanding Internal Audit Recommendations;
- Approval of a new Financial Instructions Manual and associated Finance Policies;
- Tourism NI organisational restructuring;
- Ongoing review and discussion of a Field Based Mileage Policy;

- Data Security;
- Fraud Notifications; and
- Direct Award Contracts.

The following items were due to be considered by the Committee in March 2023 however due to the circumstances outlined on page 29 regarding Tourism NI Board Members this was not possible:

- Chair's Annual Report to the Board 2022-23;
- NIAO Audit Strategy 2023-24;
- Internal Audit Annual Report and Opinion 2022-23; and
- Approval of the Internal Audit Plan 2023-24;

These items were considered by the Committee at the first meeting of 2023-24 which was held on 30 January 2024.

THE FINANCE AND CASEWORK COMMITTEE

During the 2022-23 year the Finance and Casework Committee met twelve 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, approve and make recommendations to the Board on events and capital projects.

The Committee includes three Non-Executive members and one independent member. The Director of Finance, the Director of Business Support and Events, the Head of Regions and Head of Programmes are invited to attend meetings as required. The Committee was chaired by Michele Shirlow.

Details of the attendance of members during the year 2022-23 are shown below:

Committee Member	Meetings Attended	Out of a possible
Michele Shirlow (Chair)	12	12
Terence Brannigan	4	4
Catherine Doran (independent)	1	12
Patricia Corbett	5	12
John West	11	12

In the early part of the year John West attended meetings on an ad-hoc basis, for the discussion of major casework projects where it was felt that his financial expertise could help to inform decision making. From July on, he joined the Committee as a full member to fill a vacancy created by the departure from the Board of Terence Brannigan. While there were no vacancies on the Committee, for much of the year the independent member was unable to participate owing to maternity leave.

The Committee reviewed Tourism NI's budgets and financial position during the year and discussed allocation of the resource budget for programme and marketing activity. In addition, the Committee discussed programme submissions under the Experience Development Programme, the Website Development Programme and the International Events Funding Programme, as well as casework submissions relating to a number of major flagship events. In addition to individual casework submissions the Committee also considered the proposals and parameters for a Tourism Events Funding Programme for 2023-24 and for Phase 2 of the Kick Start Programme. Other issues considered

by the Committee included ongoing organisational restructuring and the implications for Tourism NI's statutory activity of a judicial ruling on the Charities Commission.

THE MARKETING COMMITTEE

The Marketing Sub-Committee met on three occasions during the year. Its role is to review and advise on matters relating to marketing strategy and the membership consists of three non-executive Board Members and an independent committee member.

Details of the attendance of members during the 2022-23 year is shown below:

Committee Member	Meetings Attended	Out of a possible
Terry McCartney (Chair)	3	3
Anya O'Connor	3	3
Geoff Wilson	3	3
Claire McElligott (independent)	2	3

Discussion at the Committee's meetings focused on qualitative research in the Republic of Ireland and domestic Northern Ireland markets; reviews of performance of the previous year's marketing campaigns; campaign plans for the year; the importance of marketing partnership activity, in particular to make the best use of limited resources; and budget bids for marketing activity. The Committee also reviewed its Terms of Reference. Also discussed was a forward work programme and strategic marketing approach for 2023-24, in anticipation of a significantly reduced budget for marketing activity.

THE EXECUTIVE LEADERSHIP TEAM (formerly SMT)

During the 2022-23 year, the Executive Leadership Team (ELT) met as follows:

- Quarterly to formally review the operating plan, budget, HR issues and risk management and for oversight / review of progress on key projects;
- Monthly to review the reports on performance on finance, governance procurement and to monitor risk and progress on key projects; and
- Fortnightly to discuss ongoing operational issues.

As noted on page 26 regarding the new management structure, from July 2023 the newly formed Executive Leadership Team meet fortnightly in place of the current SMT meetings, with members of the wider SMT invited to join meetings as relevant or if there is an item of particular interest.

Members of the Executive Leadership Team meet with the DfE Tourism Branch as part of the quarterly Oversight and Liaison (O&L) meetings to report on and discuss Tourism NI's Performance, Governance, Risk, Policy and Finances alongside any other topical areas. The agenda and minutes are shared with Tourism NI's Audit & Assurance Committee.

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 or, if appropriate, remain for the discussion but not participate in decision-making.

Eight conflicts of interest or potential conflicts were declared in Board meetings during the year. These related to event funding programmes and funding for major events, potential applications for support from Hospitality Ulster members, Tourism NI work with the Department for Communities and to a direct award contract for Titanic and Maritime Belfast.

Four conflicts of interest were declared at Finance and Casework Committee meetings, two of which related to projects supported under the Experience Development Programme, another to a City and Region Growth Deals project and the fourth to the Website Development Programme. In the case of the Experience Development Programme discussions the member in question abstained from the Committee's discussions. The interest declared by the Member in respect of the City and Growth Deals project was not considered material to the discussion. In the case of the interest declared in relation to the Website Development Programme, no action was deemed necessary as the discussion did not require a decision by the Committee.

No conflicts of interest were declared in relation to the work of the Marketing Sub-Committee.

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 2022-23 Operating Plan was approved by the Board and the Department for the Economy (DfE). Formal reporting against Operating Plan objectives and budget to the Board and DfE is on a quarterly basis.

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 Tourism NI Risk Management Framework aligns with the HM Treasury Orange Book guidance, outlines the processes for identifying and controlling risk, and sets out the responsibilities for risk management across all levels of the organisation. The responsibility for setting the Tourism NI risk appetite rests with the Tourism NI Board.

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 to manage and mitigate the likelihood and impact of risk, and ensure organisational objectives and targets are achieved.

In 2022-23 the Corporate Risk Register was subject to a comprehensive review, involving the Tourism NI Board, 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, challenges, and opportunities faced by Tourism NI as an organisation, as well as those of the wider NI Tourism Industry.

Risks, controls and actions within the Corporate Risk Register are 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.

A Risk Report is presented to the Board and Audit and Risk Assurance Committee to facilitate the monitoring 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. Any recommendations made by the Committee are reported through the annual report to the Board.

The Tourism NI Risk Register is reported to DfE through quarterly Oversight and Liaison Committee meetings.

ANNUAL ASSURANCE STATEMENTS

As Accounting Officer, I have to provide Bi-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. Assurance statements are scrutinised and challenged by the Audit and Risk Assurance Committee prior to submission.

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 Director of Corporate Services, 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.

Tourism NI re-accredited with the IASME Cyber Essentials certificates during the year.

There were no Data Related Incidents to report in 2022-23 (2021-22: one minor data breach).

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.

During the 2022-23 year, one consultancy review and three audits were ongoing from previous years due increased pressures as a result of the pandemic. All reports were issued in final in the 2022-23 year with a Satisfactory opinion. Alongside the completion of the 2021-22 audit plan an additional four audits were scheduled for 2022-23, in line with the 2022-23 Audit Strategy, with one follow-up review and a number of consultancy days.

One final audit report was issued in 2022-23, with a Satisfactory audit opinion along with a management letter from the consultancy review. Leaving four areas of work ongoing as at 31st March 2023. One audit from 2022-23 which was deferred to the 2023-24 plan and two audits and one follow-up review from 2022-23 which commenced in year. IAS continued to provide advice and guidance throughout the 2022-23 year with regards to internal controls, risk mitigation, fraud and error etc.

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 2022-23 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. This independent scrutiny of the Financial Statements provides me with additional assurance in respect of financial regularity.

The External Audit Strategy for 2022-23 and the Report to those charged with Governance (RTTCWG) for 2021-22 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 commissions 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.

MINISTERIAL DIRECTIONS

No Ministerial Directions were received by Tourism NI in 2022-23 (2021-22: nil).

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 Head of Financial Accounts and Head of Management Accounts has responsibility at SMT level for the proper management of the organisation's finances. Responsibility is delegated for the management of finances to other Head of Departments through the allocation of budgets.

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. A review of the Fraud Policy was undertaken during the 2022-23 year with the final version approved by Audit Committee in August 2022.

GOVERNANCE ISSUES ARISING DURING THE YEAR

INTERNAL AUDIT ISSUES

The final IAS report for the 2022-23 year stated 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

Delays in completing the 2022-23 audit has resulted in an overlap with the completion of the 2023-24 audit. Therefore the governance matters noted below are as at the time of finalising the Governance Statement, in March 2025, and are reported in both years of account.

Tourism NI Board

As noted on page 29, Tourism NI was unable to operate under its established governance framework after finding itself in the unprecedented circumstance of only having one Board member, being the Chairman, from 31 May 2023 to 8 August 2023.

This meant that any items requiring Board approval, via the Finance & Casework Committee or Audit & Risk Assurance Committee, could not be progressed. Very quickly, the Executive team worked to identify these items and determined that the impact on operations would significantly increase if the situation were to continue beyond end of August. This information was provided to the Department to inform submissions to the NIO. In the interim a number of decisions had to be delayed, for example approval for the 2023-24 capital funding programme.

Five new Board members were appointed on 8 August 2023 and the first Board meeting of 2023-24 was held on 31 August 2023, with all priority items included on the agenda. Board Members were appointed to all sub-Committees in December 2023 with the Audit & Risk Assurance Committee and Finance & Casework Committee having met in January 2024.

Tourism NI Pay Scales

TNI pay increases were withheld between 2014-15 and 2017-18 due to queries about pay scales and pension contributions with respect to the NICS “no better, no worse” policy. Authorisation to make payment for these years was given during 2018-19, however this was subject to the condition that the pay scales issue was addressed. During 2020-21 a business case was progressing with DfE to resolve the matter, however as this work was ongoing DoF advised the matter was being considered centrally, as it impacted a number of organisations. In the interim, approval was granted to progress Tourism NI staff from the 1 Aug 2017 payscales onto the 1 August 2021 pay scales whilst awaiting DoF instruction on this wider issue, this payment was made to staff in 2022-23.

DoF has since instructed all bodies to complete a Business Case for review. Tourism NI’s Business Case is progressing through the DfE review process. In 2024-25, Tourism NI was granted approval to progress staff from the 1 August 2021 to 1 August 2023 payscales.

Pay Policy

During the 2020-21 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 to apply the terms and conditions of service in line with NICS HR Policy, as per the Management Statement and Financial Memorandum. As of 1 June 2021, the correct NICS

policy is being applied and internal controls and processes have been reviewed to ensure all pay policies are being applied correctly. This matter was reported through the correct governance channels, including ARAC, when it arose. Tourism NI had accrued for any historic payments and these payments to staff were made in September 2023 after a submission was issued to DfE in August 2023. This matter is now resolved.

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.

Tourism Ireland's Financial Memorandum requires NSMC approval for its business plans however no NSMC meetings took place that would facilitate the approval of the 2022 or 2023 business plans in the year of payment. Payments totalling £13,768k were paid to Tourism Ireland in 2022-23; £8,768k core funding which is subject to business plan approval and £5m jurisdictional funding from DfE which is not.

Whilst this process is outside the control of Tourism NI and arrangements are in place with DoF to ensure the legality of payments, all core payments totalling £8,768k made to Tourism Ireland between April 2022 – March 2023 were deemed irregular for a period of time, until 24 June 2024 when the NSMC met and retrospectively approved Tourism Ireland's business plans for 2022, 2023 and 2024. Therefore, there is no irregular expenditure to be disclosed within Tourism NI's 2022-23 accounts.

Grading Scheme Legislation

Since June 2011, Tourism NI (TNI) has been operating a voluntary Quality Assurance Grading Scheme (QGS) for the serviced Accommodation Sector (comprising of Hotels, B&Bs, Guest Houses, Guest Accommodation and Hostels) under Article 21 of The Tourism (Northern Ireland) Order 1992 ("the 1992 Order"). At the end of the grading inspection, accommodation providers are assigned a grade rating of between one to five stars. The Scheme was extended in January 2012 to include the Self-Catering Sector. TNI charge a fee for this service.

During the 2022-23 year, it came to light that there are no regulations in place that set out the prescribed fees, and therefore, TNI does not have the authority to charge such fees. This resulted in the scheme being put on pause in November 2022 whilst work was undertaken to put in place the required fee Regulations. Furthermore, it has been confirmed that TNI did not have the power to extend this service to visitor attractions.

The Grading Inspection of Certified Tourist Establishments (Fees) Regulations (Northern Ireland) 2023 came into effect on 15 August 2023 and the Quality Grading Scheme resumed from that date. All income and expenditure associated with this scheme up to 14 August 2023 is deemed irregular. The Visitor Servicing aspect of the Scheme remains closed and TNI is considering whether a replacement scheme can be put in place.

From the period 1 April 2012 to 31 March 2023, the Quality Grading Scheme income was £553,404 and expenditure was £1,116,573 (£45,685 income and £72,839 expenditure relating to 2022-23). The cumulative deficit on the Quality Grading Scheme was £563,169 (£27,154 of which relates to 2022-

23). All cumulative income and cumulative expenditure figures noted above are deemed to be irregular as the scheme operated without the required regulations to set prescribed fees as required by Article 20 (2) of the 1992 Order.

Tourism NI is currently undertaking a review of the costs incurred and potential fees to be charged so as to meet the objectives relating to full cost recovery as set out in Managing Public Money NI and DoF guidance. DoF approval has been obtained to operate the scheme in a deficit until this review is completed.

Certification Scheme

Tourism NI has a Statutory responsibility for the certification of tourism accommodation under Article 20 of the 1992 Tourism Order. The Statutory Inspection of Tourist Establishments (Fees) Regulations (Northern Ireland) 2011 sets the fees to be charged.

As a result of the Covid-19 pandemic, DfE and Tourism NI (TNI) chose to waive the collection of fees associated with TNI's Certification Scheme for statutory re-inspections of existing accommodation establishments to support the industry's survival and recovery through the pandemic. TNI has since been informed that given its statutory responsibility to collect the fees and had no legal power to waive it, the waiving was considered irregular. Costs incurred in this period from 1 April 2020 to 31 March 2022 total £127,731.

TNI has subsequently restarted the charging of fees from 1st April 2022 but has advised that this is not at full cost recovery due to the fact that the fees which it can charge are set out in the regulations associated with the scheme. Since 2011 the cumulative income received is £1,110,575 against a total cost of £1,410,029. Income generated from certification inspections from 1 April 2022 – 31 March 2023 totals £172,011 and incurred costs of £228,173 resulting in irregular expenditure of £56,162 in this period.

TNI is currently undertaking a review of the costs incurred and potential fees to be charged to achieve the objective of full cost recovery as outlined in Managing Public Money NI and DoF guidance and therefore regularise expenditure. Any future deficit will continue to be deemed irregular until the review is completed and implemented.

Co-Operative Marketing Fund

Tourism NI has been operating the Co-Operative Marketing Fund since 2016. This fund was established by TNI to encourage local tourism businesses to invest in marketing in order to secure a greater level of bookings and tourism expenditure in both the Republic of Ireland and domestic markets and in turn generate a much better rate of return on TNI's own promotional campaigns both in the Republic of Ireland (RoI) and the domestic markets. Tourism NI engaged the support of the Northern Ireland Hotels Federation (NIHF) in administering the scheme due to their ability to secure the applications to the fund from businesses within the accommodation sector which was the primary audience of the fund.

The fund operated successfully until paused in 2023. Over the period, where the fund operated alongside TNI's marketing campaigns, visitor spend from the Republic of Ireland rose from £60.9m in 2015 to an estimated £233m in 2022, a growth of 283%. Spend by domestic visitors rose from £219m in 2015 to £267m over the same period.

The scheme also met its objective in driving up the return on TNI's marketing investment. An independent post project evaluation of the campaigns in the Summer of 2022 showed a return of £148.76 per pound spent in the NI Market and £217.04 per pound spent in the ROI Market.

During 2023-24, an audit of the Co-Operative Marketing Fund was undertaken as part of the Internal Audit plan for that year. In September 2023, IAS advised that TNI should seek legal advice to assure itself that it had the powers to administer the fund in partnership with an external partner. Up to that point, TNI was of the understanding that Article 4, Part 2(a)-(k) of the 1992 Tourism Order (the Order) provided it with the necessary powers to administer the fund. Legal advice has since confirmed that the legislative authority to deliver financial assistance is governed by Article 11 of the Order and not Article 4. Article 11 does not provide TNI with the authority to engage another body in the administration of financial support to tourism businesses. Consequently, the delivery of the Co-operative Marketing Fund was deemed irregular. On receipt of this advice TNI has paused the activity whilst a review of how the funding can be legitimately disbursed is carried out.

The total investment provided through by fund during the period 2016-17 to 2023-24 was £6,021,760 with expenditure of £920,754 having been incurred in 2022-23.

In setting up and operating the Co-operative Marketing Fund, TNI did so on the understanding that it had the necessary powers to administer the fund. The fund was delivered with specific strategic objectives in mind and has been highly successful in the delivery of those objectives, particularly during the Covid pandemic. Approved business cases are in place for all the expenditure incurred under the programme and the money spent in accordance with the intention set out in the business case. The outcomes achieved clearly demonstrate that value for money has been obtained.

Retrospective approval of IT Projects

Following an internal review of the 2024-25 work programme for the Digital Services team, Tourism NI reached out to DfE to clarify the definition of an "IT Project" and its application to the delegated limits as outlined in the MSFM, since replaced by the Partnership Agreement. At the same time, clarification was sought regarding the application of the delegated limit for Capital projects.

Upon receipt of the definition from the Department, the Tourism NI finance team undertook a thorough review of all 2022-23 and 2023-24 expenditure which could be deemed IT and/or Capital spend. This review identified 18 business cases that exceeded TNI's delegated limit in one or both of these categories which had not previously been submitted to the Department for approval. Consequently, the expenditure associated with these business cases required Departmental retrospective approval.

Tourism NI management took immediate action, informing the Audit and Risk Assurance Committee, Board and the DfE Tourism Branch to maintain transparent working relationships and arrive at a swift solution. It was agreed that Tourism NI would seek retrospective approval for this expenditure and on 8 July 2023 the Department confirmed that all 18 business cases had received the appropriate approvals.

Therefore, there is no irregular expenditure to be disclosed within Tourism NI's 2022-23 accounts.

Going forward, Tourism NI management have an agreed process in place with the Department to submit a business case for review and there is a clear understanding of all delegated limits. Tourism NI Management have ensured that all staff are aware of the delegated limits to be applied to business cases containing IT or Capital expenditure and these cases will be overseen centrally by the Procurement team to ensure all appropriate approvals are obtained within appropriate timeframes.

External Review of Tourism NI's Legislative and Regulatory Framework

In response to the issues set out above the Tourism NI Board, with the agreement of DfE, appointed a suitably qualified and experienced external consultant to advise on the conformance of other areas of financial support provided by Tourism NI to third parties with the Tourism Order 1992. The consultant has also been asked to advise on any further changes which may be required to existing regulations, funding schemes and to the Order itself to allow Tourism NI to deliver on the objectives of the draft Northern Ireland Tourism Strategy.

A report was presented to the Tourism NI Board on 14 August 2024 which outlined the findings from the review and proposed recommendations for consideration. The Tourism NI Board, alongside the Department, agreed to take on all recommendations and an action plan was approved with progress against the plan subsequently reported through the Audit & Risk Assurance Committee. A key recommendation in the report was for DfE to secure DSO legal advice to confirm the vires under the Tourism (NI) Order 1992 around the mechanisms in place for number of areas of income and expenditure. This largely focussed on funding schemes and the use of Service Level Agreements.

This was discussed in detail at the Tourism NI Audit and Risk Assurance Committee meeting on 8 August 2024 and it was agreed that Tourism NI management would undertake a detailed review of all income and expenditure for 2022-23 and 2023-24 to provide the Board and Department with the required assurance over all expenditure and not solely the few areas mentioned specifically in the report.

This work concluded in December 2024 with the Department providing DSO advice. The review did not identify any other areas of irregular spend other than the £920,753.72 relating to the Co-Operative Marketing Scheme, as detailed on pg 39, which was already an known to all parties and was a contributing factor in commissioning the external review.

The review identified one area of expenditure which is deemed to be a breach of internal controls, this relates to using Destination Marketing Companies (DMCs) or Tour Operators for Familiarisation Trips (FAM Trips). Whilst there was the appropriate business case approval in place, these items should have followed the procurement route of a DAC. The total spend in 2022-23 was £36k which is immaterial however going forward Tourism NI will ensure a proper procurement route is followed for this area of expenditure.

In summary, it was concluded that all other current arrangements in place are within the vires of Tourism NI. However, there is an understanding within Tourism NI and DfE that the Tourism (NI) Order 1992 is outdated. A working group has been established to take forward a review of the legislation and associated funding schemes. In the interim, all staff are aware of the importance of ensuring all activity, and the mechanism by which it is delivered, is within the scope of the legislation.

Actual, Attempted and Suspected Frauds

There were no actual or attempted frauds during the year 2022-23 (2021-22: nil).

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, the work of Internal and External Auditors and their comments and recommendations as well as the consideration of recommendations received from the Audit and Risk Assurance Committee.

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 previously, 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 the 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)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Elvena Graham ¹ Chairperson	20-25 (25-30 FTE)	-	-	-	20-25	
Terence Brannigan ² Chairperson	5-10 (25-30 FTE)	25-30			0-5	25-30
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 ³ Board Member	-	-	-	-	-	-
John West Board Member	5-10	-	-	-	5-10	-
Patricia Corbett Board Member	5-10	-	-	-	5-10	-

1 Elvena Graham was appointed to the Board on 1st July 2022

2 Terence Brannigan's appointment to the Board ended on 30 June 2022

3 Anya O'Connor was appointed to the Board in June 2020 and does not draw a salary

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)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
John McGrillen Chief Executive	115-120 (105-110 FTE)	100-105	-	-	-37	-2	75-80	100-105
Eimear Callaghan ¹ Head of Programmes	65-70 (50-55 FTE)	0-5 (50-55 FTE)	-	-	13	1	65-70	5-10
Louise Fitzsimons ² Head of People and Organisational Development	50-55	-	-	-	17	-	65-70	-
Naomi Waite Director of Marketing	65-70 (55-60 FTE)	50-55	-	-	10	13	75-80	65-70
Lesley McKeown Head of Financial Accounting	65-70 (55-60 FTE)	45-50	-	-	16	14	80-85	60-65
David Roberts ³ Director of Strategic Development	75-80	50-55 (65-70 FTE)	-	-	24	17	100-105	95-100
Una Foy ⁴ Head of Management Accounting	25-30 (55-60 FTE)	-	-	-	8	-	30-35	-
Dot Erskine Director of Strategy and Policy	65-70 (55-60 FTE)	45-50	-	-	16	14	65-70	50-55
Ciaran Doherty ⁵ Head of Regions	55-60	40-45 (50-55 FTE)	-	-	21	13	70-75	55-60
Aine Kearney ⁶ Director of Events	70-75	50-55	-	-	23	13	95-100	65-70
Ainsley McWilliams ⁷ Head of Programmes	50-55	-	-	-	8	-	40-45	-
Anne Marie Donnelly ⁸ Head of Management Accounting	0-5 (50-55 FTE)	-	-	-	1	-	0-5	-

The salary figures included in the table above reflect what was paid to the individuals during 2022-23, which may include an element of back pay relating to the previous year.

1 Eimear Callaghan was appointed Head of Programmes on 15 February 2022

2 Louise Fitzsimons joined Tourism NI on 4 April 2022

3 David Roberts was appointed Director of Strategic Development on 1 July 2021

4 Una Foy was appointed Temporary Head of Management Accounts on 24 October 2022

5 Ciaran Doherty was appointed Head of Regions on 14 June 2021

6 Aine Kearney was appointed Temporary Director of Events on 16 January 2023

7 Ainsley McWilliams was appointed Temporary Head of Programmes on 12 September 2022

8 Anne Marie Donnelly was appointed Head of Management Accounts on 13 March 2023

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.

Bonuses

During the year 2022-23 there were no bonuses paid (2021-22: £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. There were no Benefits in Kind paid during 2022-23 (2021-22: £100).

Pay Ratios (Audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest paid Director in Tourism NI in the financial year 2022-23 was £105,000-110,000 (2021-22: £100,000-105,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2022-23	25th Percentile	Median	75th Percentile
Total Remuneration (£)	28,706	32,893	39,748
Pay Ratio	3.74	3.27	2.70
2021-22	25th Percentile	Median	75th Percentile
Total Remuneration (£)	26,962	30,149	33,189
Pay Ratio	3.80	3.40	3.09

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

For 2022-23 and 2021-22, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2022-23, there were no employees that received remuneration in excess of the highest paid director (2021-22: Nil).

Remuneration ranged from £18,783 to £107,500 (2020-21: £17,974 to £102,500).

Pay ratios in 2022-23 remained in line with 2021-22.

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- a) salary and allowances, and
- b) performance pay and bonuses

of the highest paid director and of their employees as a whole.

The percentage changes in respect of Tourism NI are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2022-23 v 2021-22	2021-22 v 2020-21
Average employee salary and allowances	5.5%	6.0%
Highest paid director's salary and allowances	4.9%	-

No performance pay or bonuses were payable to the highest paid director or any employees in these years.

Pension Entitlements (Audited)

	Accrued pension at pension age as at 31/3/23 and related lump sum €'000	Real increase in pension and related lump sum at pension age €'000	CETV at 31/03/2023 €'000	CETV at 31/03/2022 €'000	Real Increase in CETV €'000
John McGrillen Chief Executive	55-60 plus lump sum of 85-90 €'000	(0-5) plus lump sum of (5-10) €'000	1,147	1,072	-45
Eimear Callaghan ¹ Head of Programmes	5-10 plus lump sum of 0-5 €'000	0-2.5 plus lump sum of 0-2.5 €'000	103	83	20
Louise Fitzsimons ² Head of People and Organisational Development	0-5 plus lump sum of 0-5 €'000	0-2.5 plus lump sum of 0-2.5 €'000	10	-	10
Naomi Waite Director of Marketing	10-15 plus lump sum of 0-5 €'000	0-2.5 plus lump sum of 0-2.5 €'000	147	122	25
Lesley McKeown Head of Financial Accounting	5-10 plus lump sum of 0-5 €'000	0-2.5 plus lump sum of 0-2.5 €'000	43	31	12
David Roberts ³ Director of Strategic Development	0-5 plus lump sum of 0-5 €'000	0-2.5 plus lump sum of 0-2.5 €'000	33	13	20
Una Foy ⁴ Head of Management Accounting	0-5 plus lump sum of 0-5 €'000	0-2.5 plus lump sum of 0-2.5 €'000	7	-	7
Dot Erskine Director of Strategy and Policy	5-10 plus lump sum of 0-5 €'000	0-2.5 plus lump sum of 0-2.5 €'000	73	52	21
Ciaran Doherty ⁵ Head of Regions	20-25 plus lump sum of 0-5 €'000	20-25 plus lump sum of 0-2.5 €'000	230	9	221
Aine Kearney ⁶ Director of Events	10-15 plus lump sum of 0-5 €'000	0-2.5 plus lump sum of 0-2.5 €'000	134	104	30
Ainsley McWilliams ⁷ Head of Programmes	0-5 plus lump sum of 0-5 €'000	0-2.5 plus lump sum of 0-2.5 €'000	25	17	8
Anne Marie Donnelly ⁸ Head of Management Accounting	0-5 plus lump sum of 0-5 €'000	0-2.5 plus lump sum of 0-2.5 €'000	1	-	1

1 Eimear Callaghan was appointed Head of Programmes on 15 February 2022

2 Louise Fitzsimons joined Tourism NI on 4 April 2022

3 David Roberts was appointed Director of Strategic Development on 1 July 2021

4 Una Foy was appointed Temporary Head of Management Accounts on 24 October 2022

5 Ciaran Doherty was appointed Head of Regions on 14 June 2021

6 Aine Kearney was appointed Temporary Director of Events on 16 January 2023

7 Ainsley McWilliams was appointed Temporary Head of Programmes on 12 September 2022

8 Anne Marie Donnelly was appointed Head of Management Accounts on 13 March 2023

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. A triennial valuation was carried out as at 31 March 2019 and the outcome determined the employer contribution rates for the 3 years commencing 1 April 2020 which were set at 19.5% for the 2020-21, 2021-22 and 2022-23 financial years. Tiered employee contribution rates were introduced from 1 April 2009 and the employee contribution rates for 2022-23 are outlined below.

Pensionable Pay	Employee Contribution Rate 2022-23
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 2022-23 calculations is 10.10%.

Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent 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 the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension 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) Regulations 1996 (as amended) and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The Real Increase in the Value of the CETV

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

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)

	Permanently employed staff £000	Other £000	2022-23 Total £000	2021-22 Total £000
Wages and salaries	4,660	708	5,368	5,152
Social security costs	468	38	506	412
Pension costs	2,065	53	2,118	2,098
Sub Total	7,193	799	7,991	7,662
Less recoveries in respect of outward secondments	(76)	-	(76)	(124)
Staff costs charged to Net Expenditure Account	7,118	799	7,916	7,538
Of which:	Charged to Administration	Charged to programme	Charged to income	Total
	<u>1,824</u>	<u>6,168</u>	<u>(76)</u>	<u>7,916</u>
	1,824	6,168	(76)	7,916

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 2022-23 additional information has been included in note 15 and the valuation at 31 March 2023 has been included in the Statement of Financial Position. The latest full actuarial valuation of the scheme was at 31 March 2022.

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 2022-23 was 19.5% (2021-22: 19.5%), and between 5.5% and 10.5% for the employee.

The total employer contribution paid under the scheme in 2022-23 was £955,000 (2021-22: £772,000). Non-cash costs in relation to the current service were also incurred and are included in the figures disclosed in the above table.

The total employer contribution made for the Defined Contribution Scheme provided by Zurich for ROI employees in 2022-23 was £43,880 (2021-22: £39,430). For both 2022-23 and 2021-22, the contribution rates were 16% for the employer and 6% for the employee.

During 2022-23 there was no early retirees (2021-22: Nil).

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:

	2022-23			2021-22
	No.			No.
	Permanent	Other	Total	Other
City & Growth Deals	2	-	2	-
Computer Services	5	1	6	5
Corporate Communications & NI PR	2	-	2	3
Events	3	1	4	-
Finance	6	1	7	5
Marketing	41	2	43	45
People & Organisational Development	24	2	26	28
Programmes	9	2	11	-
Strategic Development	15	2	17	40
Strategy & Policy	11	1	12	12
Total	118	12	130	138
Of Which:				
NITB Staff	118	-	118	122
Agency	-	12	12	16
Total	118	12	130	138

There were six ROI staff members as at 31 March 2023 (six as at 31 March 2022).

Staff Composition (gender analysis) as at 31 March 2023

A breakdown of staff in Tourism NI is included below.

	2022-23			2021-22		
	No.			No.		
	Male	Female	Total	Male	Female	Total
Board Members	4	5	9	5	4	9
Senior Management Team*	3	9	12	3	5	8
Employees	40	96	136	41	98	139
Total	47	110	157	49	107	156

*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 2022-23 Tourism NI recorded a staff sickness absenteeism rate of 2.78% or 6.6 days per employee (2021-22: 3.45% or 5.4 days).

Staff Turnover (Audited)

	2022-23	2021-22
Average Permanent FTEs during year	130	138
Number of Leavers (on Perm Contract)	10	10
Staff Turnover Rate	7.7%	7.3%

Other Employee Matters

Staff Engagement

Tourism NI undertook a Staff Engagement Survey in Dec 2022 which all employees were invited to complete.

114 out of a possible 143 people responded to the survey, representing an 80% response rate.

This survey was based on the NI Civil Service 'People Survey', with additional questions regarding hybrid working and change management. The survey was split into various categories, please see satisfaction results below:

	Tourism NI	NICS Average
Engagement Index	77%	42%
My work	88%	72%
Organisational objectives & purpose	88%	77%
My manager	79%	71%
My team	89%	80%
Learning & development	50%	49%
Culture (*slightly different questions to NICS survey)	81%	72%
Resources & workload	79%	76%
Pay & Benefits	60%	40%
Leadership & managing change	57%	42%
Tourism NI vision	95%	n/a

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.

Expenditure on Consultancy (Audited)

In 2022-23 there was no expenditure on consultancy (2021-22: £1,776).

Off-payroll Engagements (Audited)

There were no off-payroll payments in 2022-23 (2021-22: £Nil).

Compensation and Exit Packages for All Staff (Audited)

There were no exit packages in 2022-23 (2021-22: £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 2022-23 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.

Co-Operative Marketing Fund Expenditure

As disclosed in the Governance Statement on page 39 and 40, expenditure of £0.9 million in 2022-23 is deemed to be ultra vires and therefore irregular due to the Co-operative Marketing Fund not operating in accordance with Article 11 of the 1992 Tourism Order.

Fees & Charges (Audited)¹

Certification of Tourist Accommodation	2022-23 £	2021-22 £
Income	172,011	45,162
Cost	<u>(228,173)</u>	<u>(64,734)</u>
Surplus / (Deficit)	(56,163)	(19,572)

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 2022-23. Department of Finance approval needs to be sought for Tourism NI not to charge at a level that fully recovers costs, this was not done and as such the deficit of £56,163 is irregular. See page 39 of the Governance Statement for more details.

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/>

Grading of Tourist Accommodation	2022-23 £	2021-22 £
Income	45,685	10,913
Cost	<u>(72,839)</u>	<u>(44,510)</u>
Surplus / (Deficit)	(27,154)	(33,597)

The financial objective of the grading of tourist accommodation is to subsidise the cost of providing this service. This objective was not met in 2022-23. As per page 38 of the Governance Statement, during 2022-23 it was discovered that there were no regulations in place to provide Tourism NI with the legal authority to charge fees under the grading scheme therefore the total income and costs for 2022-23 are deemed irregular.

During the 2022-23 year there is a notable variance to the 2021-22 year for both the Certification and Grading Schemes. This is in large part due to the continuing impact of Covid-19 restrictions throughout 2021-22 and as a result inspectors were only on the road for a total of four months in the year, compared to a full twelve months in 2022-23. Moreover, the Grading Scheme was paused from November 2022 to August 2023 whilst a review of the legislation was undertaken. During this period, all inspectors focussed on Certification visits, which is reflected in the significantly increased income and costs in the current year.

Remote Contingent Liabilities (Audited)

There were no remote contingent liabilities as at 31 March 2023 (2021-22: none).

Losses and special payments (Audited)

	2022-23 Losses £'000	2022-23 Number of Cases over £250k	2022-23 Number of Cases under £250k	2021-22 Losses £'000	2021-22 Number of Cases over £250k	2021-22 Number of Cases under £250k
Total	-	-	-	20	-	-

There were no Losses or Special Payments made in 2022-23 (2021-22: £20k).

Signed:



John McGrillen
Accounting Officer
Date: 10 April 2025

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 2023 under the Tourism (Northern Ireland) Order 1992. The financial statements comprise: Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted 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 2023 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 Department for the Economy directions issued thereunder.

Qualified opinion on regularity

In my opinion, except for the effects for the matters described in the Basis for qualified opinion section of my report, in all material respects 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.

Basis for qualified opinion

I have qualified my regularity audit opinion due to:

- expenditure of £920,754 paid to the Northern Ireland Hotel Federation for the delivery of the Co-Operative Marketing Fund, without the NITB having the necessary legal powers in place to delegate this to a third party;
- income of £45,685 relating to fees charged under the Quality Grading Scheme without the NITB having the necessary legal powers in place to make these charges and expenditure of £27,154 without the necessary related Department of Finance approvals; and
- expenditure of £56,162 relating to the Certification Scheme without the necessary Department of Finance approvals.

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies 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 that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, 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 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 Northern Ireland Tourist Board is adopted in consideration of the requirements set out in the Government Financial 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 and report. 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
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of the Board and Accounting Officer's 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;
- ensuring the annual report, which includes the Remuneration and Staff Report is prepared in accordance with the applicable financial reporting framework; and
- 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 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 and any other relevant laws and regulations identified;
- making enquires of management and those charged with governance on 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: revenue recognition and posting of unusual journals;
- 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; and
 - investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risks 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.

Report

My detailed observations are included in my report attached to the financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU
18 April 2025

NORTHERN IRELAND TOURIST BOARD
trading as
TOURISM NI

SECTION 3 - FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

Statement of Comprehensive Net Expenditure for the year ended 31 March 2023

	Note	2022-23 £000	2021-22 £000
Revenue from contracts with customers	6	172	45
Other operating income	6	296	849
Total Operating Income		<u>468</u>	<u>894</u>
Staff Costs	3	(7,916)	(7,538)
Purchase of goods and services	3	(15,326)	(28,135)
Depreciation and Impairment Charges	7 & 8	(1,713)	(1,215)
Grant Expenditure	4	(2,412)	(2,228)
Other operating expenditure	3	(5,125)	(5,483)
Grants to Tourism Ireland		(13,963)	(22,190)
Total Operating Expenditure		<u>(46,455)</u>	<u>(66,789)</u>
Net Operating Expenditure		<u>(45,987)</u>	<u>(65,895)</u>
Finance Income		12	1
Finance Expense	15d	(278)	(312)
Lease Interest		(23)	-
Net Expenditure for the year		<u>(46,276)</u>	<u>(66,206)</u>
Items which will not be reclassified to net operating expenditure:			
Net gain / (loss) on revaluation of Property, Plant and Equipment	7	1	33
Actuarial gain/(loss) on pension scheme	15d	11,734	6,081
Comprehensive Expenditure for the year		<u>(34,541)</u>	<u>(60,092)</u>

The notes on pages 67 to 94 form part of these accounts.

Statement of Financial Position as at 31 March 2023

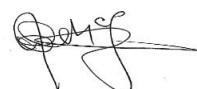
		2022-23	2021-22
	Note	£000	£000
Non-Current Assets			
Property, Plant & Equipment	7	1,980	124
Intangible Assets	8	1,020	1,142
Total Non-current Assets		3,000	1,266
Current Assets			
Trade and Other Receivables	10	468	1,347
Cash and Cash Equivalents	11	1,553	6,793
Total Current Assets		2,021	8,140
Total Assets		5,021	9,406
Current Liabilities			
Trade and Other Payables	12	(8,869)	(21,478)
Total Current Liabilities		(8,869)	(21,478)
Total Assets less Current Liabilities		(3,848)	(12,072)
Non-current Liabilities			
Pension Liabilities	15d	(381)	(10,724)
Leases	12	(1,491)	-
Total Non-current Liabilities		(1,872)	(10,724)
Total Assets less Total Liabilities		(5,720)	(22,796)
Taxpayers' Equity and Other Reserves			
General Fund		(5,787)	(22,862)
Revaluation Reserve		67	66
Total Equity		(5,720)	(22,796)

The notes on pages 67 to 94 form part of these accounts.

The financial statements on pages 63 to 66 were approved by the Board on 20 March 2025 and were signed on its behalf by:



Chairman



Chief Executive

Date 10 April 2025

Date: 10 April 2025

Statement of Cash Flows for the year ended 31 March 2023

	Note	2022-23 £000	2021-22 £000
Cash Flow from Operating Activities			
Net Deficit after Interest		(46,276)	(66,206)
Adjustment for Non Cash Transactions			
Amortisation	8	1,130	1,070
Depreciation	7	583	145
Interest Charges	15d	301	312
Non-cash Actuarial Pension Charges		1,113	1,241
(Increase)/Decrease in Trade and Other Receivables	10	880	(618)
Increase/(Decrease) in Trade Payables	12	(10,353)	1,203
Increase/ (Decrease) in Provisions	13	-	(95)
Net Cash Outflow from Operating Activities		<u>(52,621)</u>	<u>(62,948)</u>
Cash Flows from Investing Activities			
Purchase of Intangible Assets	8	(1,009)	(1,042)
Purchase of Property, Plant and Equipment	7	-	(10)
Net Cash Outflow from Investing Activities		<u>(1,009)</u>	<u>(1,052)</u>
Cash Flows from Financing Activities			
Government Grant from Sponsoring Department		51,642	57,090
Lease payments		(510)	-
Net Financing		<u>51,132</u>	<u>57,090</u>
 Net Increase/(Decrease) in Cash and Cash Equivalents in the year	 11	 (2,498)	 (6,910)
 Cash and Cash Equivalents at the Beginning of the year	 11	 <u>2,616</u>	 <u>9,526</u>
 Cash and Cash Equivalents at the End of the year	 11	 <u>118</u>	 <u>2,616</u>

The notes on pages 67 to 94 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2021		(19,827)	33	(19,794)
Grants from Sponsoring Entity		57,090	-	57,090
(Loss) on Revaluation of PPE	7	-	33	33
Actuarial (Loss)	15d	6,081	-	6,081
Comprehensive Net Expenditure for the Year		(66,171)	-	(66,171)
Auditor's Remuneration	3	(35)	-	(35)
Balance at 31 March 2022		(22,862)	66	(22,796)
Cumulative impact of applying IFRS 16		(25)	-	(25)
Grants from Sponsoring Entity		51,642	-	51,642
Gain on Revaluation of PPE	7	-	1	1
Actuarial Gain	15d	11,734	-	11,734
Comprehensive Net Expenditure for the Year*		(46,236)	-	(46,236)
Transfer Between Reserves		-	-	-
Auditor's Remuneration	3	(40)	-	(40)
Balance at 31 March 2023		(5,787)	67	(5,720)

The notes on pages 67 to 94 form part of these accounts.

Notes to the Accounts

for the year ended 31 March 2023

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

These financial statements have been prepared in accordance with the 2022-23 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
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

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 has been implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022. See note 14 for further details.

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 2022-23, 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 15.

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 2022-23 notional charge was £48,475 (2021-22: £40,890).

Adoption of New and Revised Standards

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 has been implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022. Tourism NI hold three Leases which have transferred onto the Statement of Financial Position (SoFP) in accordance with IFRS 16 on 1 April 2022. Three leases with a combined Net Book Value (NBV) of £2,434k have come onto the SoFP.

2. STATEMENT OF NET EXPENDITURE BY OPERATING SEGMENT

2022-23	Gross Expenditure £000	Income £000	Net Expenditure £000
Finance	3,387	-	3,387
Events	1,469	-	1,469
People & Organisational Development	2,593	-	2,593
Strategic Development	9,326	218	9,108
Marketing	12,861	251	12,610
Computer Services	1,164	-	1,164
Strategy & Policy	1,726	-	1,726
Corporate Communications & PR	267	-	267
TOTAL	32,794	469	32,325

Reconciliation to SoCNE

Interest Receivable	-	12	(12)
Pension Interest (Income)/Charge	-	-	-
Corporation Tax	-	-	-
Payments to Tourism Ireland	13,963	-	13,963
	46,757	481	46,276

2021-22	Gross Expenditure £000	Income £000	Net Expenditure £000
Finance	3,035	-	3,035
People & Organisational Development	3,177	-	3,177
Strategic Development	15,198	141	15,057
Marketing	20,577	753	19,824
Computer Services	1,093	-	1,093
Strategy & Policy	1,589	-	1,589
Corporate Communications & PR	242	-	242
Events	-	-	-
TOTAL	44,911	894	44,017

Reconciliation to SoCNE

Interest Receivable	-	1	(1)
Pension Interest (Income)/Charge	-	-	-
Corporation Tax	-	-	-
Payments to Tourism Ireland	22,190	-	22,190
	67,101	895	66,206

Finance Division comprises of the finance, governance and procurement functions. The Head's of the Division report to the Chief Executive.

People & Organisational Development comprises of the following units- HR and Central Services and the Executive Support team. The Director of the Division reports to the Chief Executive.

Strategic Development comprises of the following Units – Regions, Programmes (including Industry Development and Investment Programmes), Events, Quality & Standards, Business Support & Events and Major Events. The Director of the Division reports to the Chief Executive.

Marketing Division comprises of the following Units – Visitor Information, Business Solutions (B2B), 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.

Computer Services comprises the IT team. The IT Manager reports directly to the Chief Executive.

Strategy & Policy Division comprises of the following Units – Insights and Intelligence, Business Planning and Improvements and Digital Services. The Director of the Division reports to the Chief Executive.

3. EXPENDITURE

	2022-23	2021-22
	£000	£000
Staff Costs		
Wages and Salaries	5,368	5,152
Social Security Costs	506	412
Other Pension Costs	2,118	2,098
Recoveries in Respect of Outward Secondments	(76)	(124)
Total Staff Costs¹	7,916	7,538
Purchase of Goods and Services		
Marketing, Advertising and Promotions	13,636	26,341
Premises Cost	44	455
Printing and Stationery	45	47
Legal Fees	25	91
Professional Fees	339	139
Catering and General Office Expenses	425	106
Staff Development (Training and Recruitment)	125	84
Publications	142	142
Press and Public Relations	364	334
Hospitality	17	12
Rentals Under Operating Leases	164	384
<u>Non-cash items</u>		
Notional Charges	48	41
Reversal of Notional Charges	(48)	(41)
Total Purchase of Goods and Services	15,326	28,135
Other Operating Expenditure		
Events	2,511	2,448
Licensing and Information Services	2,268	2,031
Travel and Subsistence – Board Members	6	4
Travel and Subsistence – Other Employees	121	72
Gain/(Loss) on Exchange Rate	16	23
Auditor's Remuneration and Expenses	40	35
Support for Grant Expenditure	170	855
<u>Non-cash Items</u>		
Depreciation and Impairment Charges	1,713	1,215
Bad Debts Written Off	(7)	15
Total Other Operating Expenditure	6,838	6,698

¹ Further analysis of staff costs is located in the Staff report on page 51.

Auditor's Remuneration – Non Audit Services

The external audit fee included in Other Operating Expenditure totalled £40,000 in 2022-23 (2021-22: £35,000). During the year, Tourism NI incurred costs of £1,319 relating to non-audit services from the Northern Ireland Audit Office (2021-22: £Nil) which are disclosed as expenditure under professional fees.

4. GRANT EXPENDITURE

	2022-23 £000	2021-22 £000
Capital Funding Programme	2,412	2,228
Total	<u>2,412</u>	<u>2,228</u>

5. GRANTS

5.1 Grant from the Department for the Economy

In 2022-23, 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.

During the year, Tourism NI received grants from DfE, on behalf of Tourism Ireland Limited to the value of £13,962k (2021-22: £22,190k). The total of this grant was paid to Tourism Ireland Limited in its entirety.

6. INCOME

6.1 Revenue from Contracts with Customers

	2022-23 £000	2021-22 £000
Statutory Certification Fees	172	45
Total	172	45

6.2 Other Operating Income

	2022-23 £000	2021-22 £000
Grading	46	11
Other Income	250	838
Total	296	849

7. PROPERTY, PLANT AND EQUIPMENT

2022-23	Leasehold Improvements	Buildings	Furniture & Equipment	Computers	Total
	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 April 2022	643	2,835	26	1,034	4,537
Additions at Cost / Valuation	-	-	-	-	-
Indexation	-	-	-	12	12
At 31 March 2023	643	2,835	26	1,046	4,549
Depreciation					
At 1 April 2022	643	401	21	911	1,975
Charge for Period	-	488	4	90	583
Indexation	-	-	-	11	11
At 31 March 2023	643	889	25	1,012	2,569
Net Book Value					
At 31 March 2023	-	1,945	1	34	1,980
At 31 March 2022	-	2,434	5	124	2,563
Asset Financing					
Owned	-	-	-	34	34
Finance Leased	-	1,945	1	-	1,946
Carrying amount at 31 March 2023	-	1,945	1	34	1,980

2021-22	Leasehold Improvements	Furniture & Equipment	Computers	Total
	£000	£000	£000	£000
Cost or Valuation				
At 1 April 2021	603	5	1,022	1,630
Additions at Cost / Valuation	-	-	10	10
Indexation	40	-	3	43
At 31 March 2022	643	5	1,035	1,683
Depreciation				
At 1 April 2021	600	5	799	1,404
Charge for Period	35	-	110	145
Indexation	8	-	2	10
Disposals	-	-	-	-
At 31 March 2022	643	5	911	1,559
Net Book Value				
At 31 March 2022	-	-	124	124
At 31 March 2021	3	-	223	226
Asset financing:				
Owned	-	-	124	124
Finance Leased	-	-	-	-
Carrying amount at 31 March 2022	-	-	124	124

8. INTANGIBLE FIXED ASSETS

2022-23

	Software Licenses £000	Digital Data £000	Total £000
Cost or Valuation			
At 1 April 2022	1,164	3,212	4,376
Additions	-	1,009	1,009
At 31 March 2023	1,164	4,221	5,385
Amortisation			
At 1 April 2022	1,164	2,071	3,235
Charge for Period	-	1,130	1,130
At 31 March 2023	1,164	3,201	4,365
NBV at 31 March 2023	-	1,020	1,020
NBV at 31 March 2022	-	1,142	1,142

2021-22

	Software Licenses £000	Digital Data £000	Total £000
Cost or Valuation			
At 1 April 2021	1,164	2,170	3,334
Additions	-	1,042	1,042
At 31 March 2022	1,164	3,212	4,376

Amortisation			
At 1 April 2021	1,164	1,000	2,164
Charge for Period	-	1,070	1,070
At 31 March 2022	1,164	2,070	3,234

NBV at 31 March 2022	-	1,142	1,142
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NBV at 31 March 2021	-	1,170	1,170
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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

	2022-23 £000	2021-22 £000
<i>Amounts falling due within one year:</i>		
Trade Receivables	209	539
Prepayments and Accrued Income	242	789
Other receivables	17	19
Total	468	1,347

11. CASH AND CASH EQUIVALENTS

	2022-23 £000	2021-22 £000
Balance at 1 April 2022	2,616	9,526
Net Change in Cash and Cash Equivalent Balances	(2,498)	(6,910)
Balance at 31 March 2023	118	2,616
The following balances at 31 March 2023 were held at:		
Commercial Banks and Cash in Hand	118	2,616
Balance at 31 March 2023	118	2,616

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

	Note	2022-23 £000	2021-22 £000
Current Assets		1,553	6,793
Current Liabilities	12	(1,435)	(4,177)
Total		118	2,616

12. TRADE AND OTHER PAYABLES

	Note	2022-23 £000	2021-22 £000
Amounts falling due within one year:			
Bank	11	1,435	4,177
Accruals		5,990	13,307
Trade Payables		617	263
Deferred Income		10	20
VAT Payable		330	778
Other Payables		-	2,933
Lease Liabilities		487	-
Total		8,869	21,478
Amounts falling due after more than one year:			
Lease Liabilities		1,491	-
Pension		381	10,724
Total		1,872	10,724

13. PROVISIONS FOR LIABILITIES AND CHARGES

	2022-23 Legal £000	Dilapidations £000	Pension £000	Total £000
Current Liabilities				
Balance at 1 April 2022	-	-	-	-
Provided in the Year	-	-	-	-
Provisions Not Required Written Back	-	-	-	-
Provisions Utilised in the Year	-	-	-	-
Balance at 31 March 2023	-	-	-	-

Analysis of Expected Timing of Provision	Legal £000	Dilapidations £000	Pension £000	Total £000
Not Later Than One Year	-	-	-	-
Later Than One Year and Not Later Than Five Years	-	-	-	-
Later Than Five Years	-	-	-	-
Balance as at 31 March 2023	-	-	-	-

	2021-22			
Current Liabilities	Legal £000	Dilapidations £000	Pension £000	Total £000
Balance at 1 April 2021	95	-	713	95
Provided in the Year	-	-	-	-
Provisions Not Required Written Back	-	-	-	-
Provisions Utilised in the Year	(95)	-	(713)	(95)
Balance at 31 March 2022	-	-	-	-

Analysis of Expected Timing of Provision	Legal £000	Dilapidations £000	Pension £000	Total £000
Not Later Than One Year	-	-	-	-
Later Than One Year and Not Later Than Five Years	-	-	-	-
Later Than Five Years	-	-	-	-
Balance as at 31 March 2022	-	-	-	-

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.

14. LEASES

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 has been implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022. Under IFRS 16, Tourism NI recognise three right-of-use assets and lease liabilities. Tourism NI hold three Leases which have been transferred onto the Statement of Financial Position (SoFP) in accordance with IFRS 16 on 1 April 2022 with a combined Net Book Value (NBV) of £2,434k that has come onto the SoFP.

At transition, the three leases previously classified as operating leases were measured at their carrying amount as if IFRS 16 had been applied since the commencement date and discounted using the HM treasury PES discount rate.

The leases relate to:

- Tourism NI head office rent (including parking). This lease includes a break clause on 24/04/2024. At present, there is no intention to make use of the clause.
- Tourism NI ROI office rent. This lease includes a break clause on 03/10/2026 and a rent review on 03/10/2024 that will increase the lease by 3%. The rent review has been factored in when calculating the Net Present Value.
- Photocopiers. This lease ends on 29/06/2023. A new five year lease has been agreed with the same estimated cost.

Quantitative disclosures around right-of-use assets:

2022-23

	Buildings £000	Equipment £000	Total £000
Right-of-use assets			
As at 1 April 2022	2,433	1	2,434
Depreciation Expense	488	1	489
As 31 March 2023	1,945	-	1,945

Quantitative disclosures around lease liabilities

	2022-23
Buildings	£000
Not later than one year	506
Later than one year and not later than five years	1,395
Later than five years	126
Less interest element	-51
Present Value of obligations	1,976

	2022-23
Other	£000
Not later than one year	1
Later than one year and not later than five years	-
Later than five years	-
Less interest element	-
Present Value of obligations	1
Total Present Value of obligations	1,977
Current Portion	487
Non-current Portion	1,490

Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure

There are no lease payments included in the Statement of Comprehensive Net Expenditure.

Quantitative disclosures around cash outflow for leases

	2022-23
	£'000
Total cash outflow for lease	510
Total	510

15. 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 2022). 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 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Rate of Increase in Pensions	2.7%	3.0%	2.7%	2.0%	2.2%	2.1%	2.0%
Rate of Increase in Salaries	4.2%	4.5%	4.2%	3.5%	3.7%	3.6%	3.5%
Discount Rate	4.7%	2.7%	2.1%	2.3%	2.4%	2.6%	2.6%
CPI Inflation	2.7%	3.0%	2.7%	2.0%	2.2%	2.1%	2.0%

Mortality assumptions

Actuarial Assumptions for Average Future Life Expectancy	Males 31 March 2023	Males 31 March 2022	Males 31 March 2021	Females 31 March 2023	Females 31 March 2022	Females 31 March 2021
Member aged 65 at accounting date	22.2 years	21.8 years	21.9 years	25.0 years	25.0 years	25.1 years
Member aged 45 at accounting date	23.2 years	23.2 years	23.3 years	26.0 years	26.4 years	26.5 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 2023 and the projected service cost for the year ended 31 March 2024 is set out below.

Funded LGPS benefits

Discount rate assumption

Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M's)	34.238	34.901	35.564
% change in present value of total obligation	-1.9%		1.9%
Projected service cost (£M's)	0.908	0.946	0.985
Approximate % change in projected service cost	-4.0%		4.1%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M's)	34.971	34.901	34.831
% change in present value of total obligation	0.2%		-0.2%
Projected service cost (£M's)	0.946	0.946	0.946
Approximate % change in projected service cost	0.0%		0.0%

Rate of increase to pensions and rate of revaluation of pension accounts

Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M's)	35.494	34.901	34.343
% change in present value of total obligation	1.7%		-1.6%
Projected service cost (£M's)	0.985	0.946	0.908
Approximate % change in projected service cost	4.1%		-4.0%

Post retirement mortality assumption

Adjustment to mortality age rating assumption*	-1 year	Base figure	+1 year
Present value of total obligation (£M's)	35.843	34.901	33.959
% change in present value of total obligation	2.7%		-2.7%
Projected service cost (£M's)	0.980	0.946	0.912
Approximate % change in projected service cost	3.6%		-3.6%

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 2023	Assets at 31 March 2022
	%	%
Equities	40.0	42.9
Property	11.2	10.0
Government Bonds	20.6	24.7
Corporate Bonds	3.0	2.2
Multi Asset Credit	13.3	13.1
Cash	6.5	4.0
Other *	5.4	3.1
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 2023, 2022, 2021, 2020, 2019, and 2018 were measured in accordance with the requirements of IAS 19:

	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Fair Value of Scheme Assets	35,576	39,941	37,098	30,352	32,588	29,956
Present Value of Defined Benefit Obligations	(35,957)	(50,665)	(52,350)	(40,848)	(40,888)	(38,287)
Net Pension Liability	(381)	(10,724)	(15,252)	(10,496)	(8,300)	(8,331)

A change to the actuarial assumptions over the period, including financial and demographic has resulted in a more positive balance sheet position than if the financial assumptions at the start of the period had of been used. The discount rate has increased by 2.0%, the CPI inflation assumption has reduced by 0.30% and the salary increase assumption has reduced by 0.30%.

As at 31 March 2023, the funded pension benefits reported a surplus position of £675k however as per IAS19 this has been restricted to NIL. A liability of £381k has been recognised for the unfunded benefits.

d) Amounts Charged to Expenditure

	2022-23 £000	2021-22 £000
Analysis of amount charged to net expenditure statement in respect of defined benefit scheme:		
Current Service Cost	(2,013)	(2,061)
Curtailments and Settlements	-	-
Past Service Cost	-	-
Employer Contributions	859	772
Contributions in Respect of Unfunded Benefits	41	48
	<u>(1,113)</u>	<u>(1,241)</u>
Analysis of amounts charged to other finance costs:		
Interest on Net Defined Benefit Liability/(Asset) (Funded)	(266)	(301)
Interest on Net Defined Benefit Liability/(Asset) (Unfunded)	(12)	(11)
	<u>(278)</u>	<u>(312)</u>
Analysis of amounts in the statement of taxpayers' equity:		
Actuarial Gains/(Losses) (Funded)	11,694	(6,031)
Actuarial Gains/(Losses) (Unfunded)	40	50
	<u>11,734</u>	<u>(6,081)</u>
Movement in deficit during the year		
Deficit in Scheme at the Beginning of the Year	(10,724)	(15,252)
Movement in the year:		
Current Service Cost	(2,013)	(2,061)
Employer Contributions	859	772
Contributions in Respect of Unfunded Benefits	41	48
Past Service Cost	-	-
Financing Costs	(278)	(312)
Actuarial Gain/(Losses)	11,734	6,081
Deficit in Scheme at the end of the Year	<u>(381)</u>	<u>(10,724)</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 £36.0 million (2021-22: £50.7 million) and results in a net overall liability balance of £0.38 million (2021-22: £10.7 million) which is recorded on the Statement of Financial Position.

For 2022-23, the contribution rate for employers participating was 19.5% (2021-22: 19.5%).

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 2023 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2020 £'000	31 March 2019 £'000	31 March 2018 £'000
Actuarial Gain (loss) on Assets	14,375	6,185	6,000	(3,125)	1,393	717
Actuarial Gain (loss) on obligation / liability	(2,641)	(104)	(9,200)	1,744	(752)	(892)
Net Actuarial Gain (loss) Charged to Statement of Taxpayers Equity	11,734	(6,081)	(3,200)	(1,381)	641	(175)

Fair Value of Scheme Assets	35,576	39,941	37,098	30,352	32,588	29,956
Present Value of Defined Benefit Obligations	(35,957)	(50,665)	(52,350)	(40,848)	(40,888)	(38,287)
Net Pension Liability	(381)	(10,724)	(15,252)	(10,496)	(8,300)	(8,331)

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 2022-23 was £43,880 (2021-22: £39,430).

16. CAPITAL COMMITMENTS

Tourism NI had no capital commitments as at 31 March 2023 (31 March 2022 - £Nil).

17. OTHER FINANCIAL COMMITMENTS

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

	2022-23 £000	2021-22 £000
Not later than one year	1,307	943
Later than one year and not later than five years	-	-
Later than five years	-	-
Present Value of Obligations	<u>1,307</u>	<u>943</u>

18. CONTINGENT LIABILITIES

Pension liability - Goodwin judgement

As detailed in Note 15, TNI has recognised a Pension liability of £0.381m (2022: £10.724m) for the NILGOSC defined benefit scheme. In June 2020, an Employment Tribunal ruled, that the Teachers' Pension Regulations 2010 (as amended) directly discriminated on grounds of sexual orientation in relation to the provision of adult survivor pensions and thereby result in a breach of the non-discrimination rule in section 61(1) to the Equality Act 2010. The provisions found that survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. Although there is a similar differential treatment under the regulations governing the LGPS(NI), it is more limited in scope. The differential applies only where the marriage or civil partnership is entered into after the member has left the scheme (either as a pensioner or becoming a deferred member). As a result any future remedy, regardless of its retrospective scope, is therefore considered likely to be immaterial. The actuary for the scheme currently estimates the Goodwin judgement could add around 0.2% to the defined benefit obligation for a typical employer (and no higher than 0.5%), however the impact will vary depending on the membership profile. TNI's defined benefit obligation disclosed in Note 15 at 31 March 2023 is £35.957m (2022: £50.665m).

Tourism NI has not entered into any guarantees or indemnities or provided any letters of comfort at 31 March 2023 or at 31 March 2022.

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:

Ellvena Graham Chairperson

Member of the NI Chamber of Commerce & Industry – spend in year £10,860 (2021-22: £10,200).

Terry McCartney Board Member

Director Belmore Court and Motel – services paid: £Nil (2021-22: £220).

John West Board Member

Independent Board Member and Audit Committee Chair with Department for Communities – spend in year £345 (2021-22: £50).

Angelina Fusco Board Member

Member of the NI Chamber of Commerce & Industry – spend in year £10,860 (2021-22: £10,200).

John McGrillen Chief Executive

Board Member of Tourism Ireland – grant paid: £13,963k (2021-22: £22,190k) services paid: £370,626 (2021-22: £584,547). Amounts owed to Tourism Ireland as at 31 March 2023 was £Nil (2022: £60,000).

Eimear Callaghan

Board Member of Society of Incentive Travel Excellence Ireland – spend in year £Nil (2021-22: £30,426).

David Roberts

Board Member of Arts and Business NI Ltd – spend in year £648 (2021-22: £600).

Terry McGonigal

Independent Board Member and Audit Committee with Ards and North Down Borough Council – spend in year £205,468 (2021-22: £13,597).

Dot Erskine

Spouse is Operations Director of Mammoth Design Consultants Ltd – spend in year £2,911,059 (2021-22: £5,889,956).

Anne Marie Donnelly

Spouse is Managing Director of Hallmark Solutions Ltd - spend in year £9,840 (2021-22: £Nil)

20. MATERIAL IRREGULAR EXPENDITURE

The Accounts Direction given by the Department for the Economy for 2022-23 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.

As disclosed in the Governance Statement on page 39 and 40, expenditure of £0.9 million in 2022-23 is deemed to be ultra vires and therefore irregular due to the Co-operative Marketing Fund not operating in accordance with Article 11 of the 1992 Tourism Order.

DATE OF AUTHORISATION FOR ISSUE

The Accounting Officer authorised the issue of these financial statements on 18 April 2025.

**Northern Ireland Tourist Board
2022-23**

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.

Purpose of the Report

2. I am required to examine and certify the financial statements prepared by the NITB under the Tourism (Northern Ireland) Order 1992 (the 1992 Order). 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 have been applied for the purposes intended by the Assembly and whether the transactions comply with the authorities which govern them. This report explains the reasons for my qualified regularity audit opinion on the NITB financial statements for the year ended 31 March 2023.
3. I have qualified my regularity audit opinion due to:
 - expenditure of £920,754 paid to the Northern Ireland Hotel Federation for the delivery of the Co-Operative Marketing Fund, without the NITB having the necessary legal powers in place to delegate this to a third party;
 - income of £45,685 relating to fees charged under the Quality Grading Scheme without the NITB having the necessary legal powers in place to make these charges and expenditure of £27,154 without the necessary related Department of Finance approvals; and
 - expenditure of £56,162 relating to the Certification Scheme without the necessary Department of Finance approvals.

Previous audit opinions had been qualified due to issues with the approval of Tourism Ireland Limited's business plans

4. In 2000, TIL 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. The 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, under TIL's Management Statement and Financial Memorandum, NSMC approval must be obtained for TIL's Business Plan, outlining how core funding will be utilised. NITB provided total funding of £14 million to TIL in 2022-23, of which £8.8 million relates to core funding, requiring NSMC approval of the TIL 2022 Business Plan.
5. As part of my work to provide an opinion on the regularity of transactions, I must gather independent audit evidence to assess whether TIL funding provided by NITB had the appropriate approvals in place. This includes whether NSMC approval of TIL's business plan has been obtained. My regularity audit opinions on the 2020-21 and 2021-22 NITB financial statements were qualified since at that time the NSMC was unable to meet to provide the necessary approvals and I noted that this was beyond the control of NITB. Since the restoration of the NI Executive, NSMC meetings have now taken place and the business plans relating to the 2022-23 financial year have been approved meaning that my 2022-23 audit opinion on regularity is not qualified in respect of this

issue.

NITB did not have the legal power to delegate delivery of the Co-Operative Marketing Fund Scheme

6. In 2016-17, NITB developed a Co-Operative Marketing Fund to encourage Northern Ireland tourism providers to market in the Republic of Ireland. The scheme was delivered on behalf of NITB by the NI Hotel Federation (NIHF), the representative body for hotels, guesthouses, and other accommodation providers. The total investment of the fund between 2016-17 and 2023-24 was £6 million, of which £920,754 related to 2022-23.
7. Following an internal audit report recommendation, legal advice was sought to confirm whether NITB had the legal vires it required under the 1992 Order to delegate delivery of the scheme to a third party. Whilst it awaited this advice, NITB paused the scheme in September 2023. The legal advice subsequently received indicated that NITB could not rely on the powers it had under Article 4 of the 1992 Order to delegate delivery of the fund, without also referencing Article 11 which specifically deals with providing financial assistance. Article 11 however requires such a scheme to be made under secondary legislation by the Department for the Economy and with the approval of the Department of Finance. Since NITB did not understand that these requirements applied, the necessary arrangements were not put in place. In line with the guidance in Managing Public Money NI this expenditure is therefore irregular.

NITB did not have the authority to set fees for the Quality Grading Scheme and operated it at a deficit

8. Since 2012, NITB has operated a Quality Grading Scheme which provides ratings to hotels, guesthouses, self-catering premises and visitor attractions, and assesses the quality of facilities. NITB charges a fee for this service, however, it did not have a legal basis to do so. In 2022-23, NITB charged fee income of £45,685 under this scheme.
9. In addition, the fee set by NITB was not high enough to ensure that it recovered the costs of running the scheme, thereby resulting in an annual scheme financial deficit. Charging for this scheme was paused in November 2022 once this issue was identified.
10. In August 2023, the Department for the Economy introduced The Grading Inspection of Certified Tourist Establishments (Fees) Regulations (Northern Ireland) 2023 to prescribe fees for the scheme. All income and expenditure up to that point is irregular.
11. Between 1 April 2012 to 31 March 2023, the cumulative deficit on the Quality Grading Scheme was £563,169, of which £27,154 relates to 2022-23. DoF approval is required where services are provided without the full cost being recovered. However, NITB did not seek this approval, making the £27,154 of unrecovered expenditure irregular.
12. My regularity audit opinion relates only to the year of account and not earlier years. I have therefore qualified my opinion on regularity, on the basis that NITB did not have the legal authority required to charge income of £45,685 and did not have the necessary related Department of Finance approvals to incur expenditure of £27,154 (being the deficit) on this scheme in 2022-23.

NITB waived the collection of Certification Scheme fees and operated at a deficit

13. NITB is required by the 1992 Order to charge fees for carrying out certification of tourist accommodation. Statutory Inspection of Tourist Establishments (Fees) Regulations (Northern

Ireland) 2011 sets the fees to be charged. As with the Quality Grading Scheme, NITB charges a fee for this service, but this fee was not set at full cost recovery. In addition, during the COVID-19 pandemic DfE and NITB chose to waive the collection of fees for re-inspections. NITB had a statutory responsibility to collect the fees and no legal power to waive it. NITB restarted charging of fees from 1 April 2022 but has advised that this is still not at full cost recovery.

14. Where NITB chooses not to charge, or not to charge at a level that fully recovers costs, in delivering the service provided, DoF approval needs to be obtained as required by Managing Public Money NI and DoF guidance. NITB did not request DoF approval. The total deficit from the beginning of the Certification Scheme to 31 March 2023 was £299,454. However, my opinion on regularity relates only to the year of account. The deficit relating to 2022-23 is £56,162 and this is considered irregular as DoF approval had not been obtained. The expenditure on this scheme will continue to be irregular until such times as the charges are set at full cost recovery.

Conclusion

15. I asked NITB what they intend to do to address the irregularities in their income and expenditure and ensure that similar issues do not arise in future. They told me, that NITB was operating on the understanding that the vires were in place for all schemes, however once it was known this was not the case immediate steps were taken to address all areas of irregular spend incurred in 2022-23. This included a review of NITB's Legislative and Regulatory Framework.
16. I will keep these issues under review as part of my audit of the NITB 2023-24 financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
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18 April 2025