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# **Food Standards Agency in Northern Ireland**

## **Resource Accounts 2014/15**

(For the year ended 31 March 2015)

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## Annual Report

### Strategic Report

#### Chief Executive's statement



It's been another successful year for the Food Standards Agency (FSA).

I'm particularly pleased with the progress we've made on campylobacter, which is the most common cause of food poisoning in the UK and is our number one priority.

We've worked collaboratively with industry to encourage producers and retailers to make interventions that will reduce levels of campylobacter. To maintain public interest and, therefore, industry and retailer focus, we published the results of a survey of campylobacter levels on fresh chickens sold by major retailers. This prompted additional industry

responses with, for example, Marks & Spencer implementing a five-point plan that has resulted in a significant reduction in highly contaminated birds on sale in its stores.

During Food Safety Week in June 2014, for which we are the lead partner, our messages on how to avoid campylobacter poisoning reached more than 32 million people through the TV and press and 32.6 million on twitter. Our short films on campylobacter were viewed more than 50,000 times. An evaluation of this work indicated that almost two-thirds of the population reported awareness of our 'don't wash raw chicken' message.

I'm also pleased with our achievements on allergy and intolerance. During much of the year we focused on the implementation of new allergen information rules that came into force on 13 December 2014 following the introduction of an EU Food Information for Consumers Regulation.

We issued technical guidance, developed resources for enforcement officers and provided advice for businesses and consumers on how they would be affected by the new labelling requirements. Our approach was strengthened through partnership work with more than 45 organisations, including other government departments, consumer organisations and food businesses.

There were also more than 86,000 visits to our allergy e-learning website, which contains information on the new laws.

The Food Hygiene Ratings Scheme, which provides consumers with visual displays of the hygiene ratings of restaurants, takeaways and food shops, continued to drive up standards. Business compliance has risen, particularly in Wales where mandatory display of ratings has been introduced. This is all good news in terms of consumer information and reducing public health risk.

In response to Professor Chris Elliot's review of the integrity and assurance of the food supply network, we established a Food Crime Unit towards the end of 2014, building on the Agency's existing capabilities. Amongst our successes this year was a prosecution in Bradford involving the illegal halal meat trade across the north of England. The investigation, which the FSA provided intelligence analysis to support, also led to the discovery by police of Class A drugs and illegal immigrants.

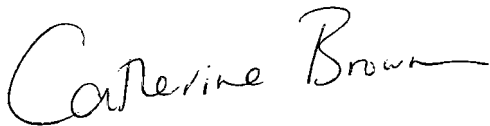
We continue to conduct checks on food hygiene and animal welfare in all abattoirs and as part of our work with industry to reduce campylobacter our meat hygiene inspectors have been involved in spreading best practice in poultry plants.

While these are only a few examples of what the FSA has achieved during the past year, the drive and determination of our people have enabled us to make progress on a wide range of areas at the same time as helping us realise efficiency savings. During the period covered by this report, the FSA delivered its function across the UK at a net cost of £112.4m.

Looking to the future, we spent considerable time this year in finalising the FSA Strategy for 2015-20 and our new Strategic Plan. These will enable us to develop approaches that will make us even more effective and efficient in our core purpose of protecting consumers' interests in relation to food. Our focus will be on ensuring that consumers have access to "food we can trust", that is safe and what it says it is.

In developing our new Strategy, we have involved consumer groups, the academic and science community, the food industry and trade bodies, non-governmental organisations, central and local government and the FSA leadership and colleagues. Everyone we spoke to emphasised the importance of us continuing to put consumers first, and provide a robust, independent, evidence based voice for consumers in the food chain.

During the past year, FSA people, our colleagues in local authorities, and many others with whom we work have continued to demonstrate great commitment to our work and to defending consumers' interests in relation to food. I would, therefore, like to thank all of my colleagues and all of those with whom we work for their efforts. We look forward to working with you over the coming year to continue to deliver benefits for consumers.



*Catherine Brown*  
Chief Executive and Accounting Officer

3 June 2015

## Our activities and performance during 2014/15

In this section of the report, we report on our key priorities for 2014/15.

1. Influencing and empowering consumers and purchasers of food to make better choices	
<p><b>Overall objective</b></p> <p>Consumers expect to be informed about the food they eat, so that they can make healthy and safe choices. We want to take a more active approach to this challenge, so that we are influencing and empowering, not just providing information. This approach applies to all purchasers of food, including schools and other public bodies.</p>	
Objectives for 2014/15	Assessment of delivery in 2014/15
<p>To continue to promote access to Food Hygiene Ratings Scheme (FHRS) information in England, Wales and Northern Ireland and Food Hygiene Information Scheme (FHIS) information in Scotland; supporting the roll-out of mandation in Wales and Northern Ireland (NI).</p> <p>To deliver the requirements of the Food Information Regulation, so that consumers have improved information on allergies in food, whether eating at home or eating out.</p>	<p>By the end of 2014/15, the Food Hygiene Rating Scheme for England, Wales and Northern Ireland was operating in all but one local authority Rutland, display of ratings at premises in Wales had been mandatory for over a year, and draft Food Hygiene Rating Bill for mandatory display was being considered by the Northern Ireland Assembly.</p> <p>The FSA website contains information on over 440,000 food businesses.</p> <p>In February 2015, we presented a report to the National Assembly for Wales on the first year of operation of the statutory scheme and the changes in the ratings profile over that period.<sup>1</sup></p> <p>We commissioned a major independent evaluation of the impact of FHRS and FHIS, which reported in 2014/15.</p> <p>The results of that evaluation were included in a full update for the FSA Board, which the Board considered at its meeting in March 2015.<sup>2</sup></p> <p>Implementation of the EU Food Information for Consumers Regulation meant that changes to food labelling applied from December 2014. They help provide allergen information in a clearer and more consistent way. For example, any of the 14 allergens that are on the regulatory list are emphasised on the label of a pre-packaged food if they are used as ingredients.</p>

1 <http://www.assembly.wales/laid%20documents/gen-ld10113%20-a%20report%20for%20the%20national%20assembly%20for%20wales%20review%20of%20the%20implementation%20and%20operation%20of%20the%20statutory%20food/gen-ld10113-e.pdf>

2 <http://www.food.gov.uk/sites/default/files/fsa150306.pdf>

<b>1. Influencing and empowering consumers and purchasers of food to make better choices</b>	
<p>To support delivery of improved nutrition in Scotland and Northern Ireland.</p>	<p>We worked with all our stakeholders to develop industry-led guidance to support businesses with regard to their responsibilities on provision of allergen information for foods sold prepacked and non-prepacked.</p> <p>We also produced a toolkit for local authorities to support them in promoting locally the new allergen provisions. The toolkit outlined ideas and suggestions to help local authority communications, food safety and environmental health departments to deliver outcomes together.<sup>3</sup></p> <p>As a result, the 2 million people in the UK who live with food allergies are now able to buy food and eat out with more confidence.</p> <p>In February 2015, the FSA in NI published results from the National Diet and Nutrition Survey (NDNS). For the first time, it contained figures specifically related to Northern Ireland.</p> <p>The Survey, which was co-funded by the FSA in NI, the Department of Health, Social Services and Public Safety (DHSSPS) and safefood showed the Northern Ireland population was consuming too much saturated fat, added sugars and salt – and not enough fruit, vegetables and fibre.<sup>4</sup></p> <p>FSA in Scotland funded a boost of the NDNS from years 2008-2012 to provide representative data for Scotland. The results for Scotland were released in September 2014.<sup>5</sup></p>

3 <https://www.food.gov.uk/science/allergy-intolerance>

4 <https://www.food.gov.uk/northern-ireland/news-updates/news/2015/13562/ni-ndns-results-published>

5 <https://www.food.gov.uk/scotland/researchscot/scotlandresearch/scotlandprojectlist/n10036>

<b>2. Reducing foodborne disease: campylobacter reduction</b>	
<p>Our vision for the period 2010-2015 was ‘Safer food for the nation’. Our key strategic food safety priority in 2014/15 was the reduction of the foodborne disease campylobacter – the most common cause of food poisoning in the UK. Campylobacter is a bacterium that is often present on raw poultry. Raw and improperly-cooked chicken is the main source of campylobacter.</p> <p><b>Overall objective</b></p> <p>Our ambition is to achieve the 2015 target to reduce levels of campylobacter post-slaughter, and beyond that to deliver a future where campylobacter in poultry is no longer a threat to human health in the UK. We will do this by:</p> <ul style="list-style-type: none"> <li>• bringing together the food industry – farmers, producers, retailers and caterers – to act on the level of campylobacter in the poultry it sells</li> <li>• addressing legislative barriers</li> <li>• campaigning on behalf of consumers to hold industry to account and ensure it takes concrete action at all stages of production and retail that results in a reduction in the public health risk</li> <li>• helping consumers understand the risks and their responsibility to prepare and cook poultry safely</li> </ul>	
<b>Objectives for 2014/15</b>	<b>Assessment of delivery in 2014/15</b>
<p>To get all major retailers and producers to commit publicly to a campaign pledge, and have delivered a series of events and interventions, supported by other parts of government, that capitalise on this support, building sustained and effective pressure for action by industry and recognition for those parts of industry that make material investments.</p> <p>To be recognised by Government, industry and other stakeholders as having run an effective campaign.</p> <p>To drive and co-ordinate the above through an effective and appropriately-resourced programme board and governance structure.</p>	<ul style="list-style-type: none"> <li>• We worked well with other parts of government to achieve our objectives.</li> <li>• We used our Food Safety Week public campaign to achieve significant public impact (see the section in this report on Publicity and Advertising, page 30).</li> <li>• We put in place sound governance by coordinating all our work in this area within a single programme, overseen by a programme board.</li> <li>• We encouraged industry to test and adopt large scale, end of slaughter line physical interventions (e.g. Rapid Surface Chilling, Sonosteam etc.)</li> <li>• We published the cumulative results for the first nine months sampling in the retail survey, including results by major retailers, at the end of February 2015. 19% of fresh whole chickens tested had Campylobacter over 1000 cfu/g, the highest level of contamination, and more than 70% of fresh whole chickens tested positive for the presence of Campylobacter at some level. Once again we secured strong media coverage for the campaign, and industry and retailers remain focused on addressing this issue, encouraged by continuing public interest.</li> </ul>



<b>2. Reducing foodborne disease: campylobacter reduction</b>	
	<ul style="list-style-type: none"> <li>• The first major retailer (Marks &amp; Spencer) responded to our request to share with us and the public the results of their efforts on reducing Campylobacter. The preliminary results indicated a significant reduction in the number of the most highly contaminated birds, to below the 10% industry target.</li> <li>• The Acting on Campylobacter Together (ACT) Board, which replaced the previous industry/regulator Campylobacter Joint Working Group, met for the first time in February 2015 under the chairmanship of Richard MacDonald with a good level of senior representation from most major retailers and processors.</li> </ul>

<b>3. Productive relationships with others</b>	
<b>Overall objective</b>	
<p>We will only be successful if we build productive relationships with other partners. Our need to improve in this area was a finding from the 2012 capability review. We've made good progress since then, but we need to continue our work.</p>	
<b>(i): Preparing for the establishment of Food Standards Scotland</b>	
<b>Objectives for 2014/15</b>	<b>Assessment of delivery in 2014/15</b>
<p>To create the structures, processes and culture within the FSA to support cohesive working arrangements with Food Standards Scotland (FSS) for the benefit of UK consumers.</p> <p>To establish a clear framework for working with FSS and to facilitate a smooth transition, ensuring that working arrangements support the provision of a unified evidence base, European voice and response capability across England, Wales, Northern Ireland, and Scotland, taking account of local political and operational delivery differences.</p>	<p>We agreed formal working arrangements with FSS, including a schedule of meetings and a signed Memorandum of Understanding with protocols on incident handling, data sharing, science, evidence and analysis, and an EU and international protocol.</p> <p>The FSA delivered on its requirements to enable the launch of FSS on vesting day and Scottish FSA staff have transitioned to FSS. The functions and staff relating to meat inspection within the Scottish boundary also transferred to FSS from Food Standards Agency Westminster.</p> <p>The Chair and Chief Executive regularly engaged with Ministers and key Government officials in Northern Ireland and Wales.</p> <p>Devolved perspectives were taken into account in key strategic work programmes, including: effective policy making; regulatory strategy; incident response; information management; and the human resources strategy.</p>

<b>3. Productive relationships with others</b>	
<b>(ii): Local authority delivery of official controls</b>	
<b>Overall objective</b>	
To ensure official controls for food and feed safety and authenticity are carried out appropriately across the UK, in accordance with the FSA Strategy and EU and UK law. Controls must be demonstrably effective and provide value for money.	
To develop a revised approach to increase transparency and accessibility to the FSA's reporting of local authority audit findings.	
<b>Objectives for 2014/15</b>	<b>Assessment of delivery in 2014/15</b>
To support local authorities to deliver effective official controls that provide appropriate safeguards for consumers and protect the reputation of the UK food and feed industry.	<p>Provided update to the Board in November 2014 and decided to initiate a collaborative piece of work to develop and consider new approaches to delivery of official controls by local authorities as part of a new Regulatory Strategy.</p> <p>In January 2015, the Board approved a new Regulatory Strategy for the FSA, which recognises the challenging landscape for local authorities and the current delivery models.</p> <p>Reported on local authority food law enforcement activity within food businesses in the UK and on the checks carried out by port health authorities on food imports from countries outside the EU in 2013/14, based on the Local Authority Enforcement Monitoring System (LAEMS).</p>

<b>4. Prevention and management of food incidents: post horse meat intelligence hub and incident response</b>	
<p><b>Overall objective</b></p> <p>We deal with more than 1,000 food incidents each year. Many are small scale and have no impact on consumers. In other cases we are faced with major challenges and potential risks to public health. We need to continue to be vigilant in this area and ensure that we learn from experience, most recently the horse meat incident. We will develop improved approaches to gathering and sharing intelligence on food fraud.</p> <p>Our objective is to protect consumers and maintain consumer confidence in the food chain. We will do this by:</p> <ul style="list-style-type: none"> <li>• establishing an effective, fully resourced Food Crime Unit (FCU) that has support and credibility across Government, industry and stakeholders</li> <li>• continuing to test, review and develop the existing FSA resilience arrangements</li> <li>• ensuring effective import controls, supporting businesses exporting to the EU and third countries (non-EU countries), developing effective surveillance and monitoring systems to identify risks and issues in respect of food standards and authenticity for imported and home produced food.</li> </ul>	
<b>Objectives for 2014/15</b>	<b>Assessment of delivery in 2014/15</b>
<p>To develop and increase our investigations, intelligence and resilience capacities in line with recommendations from the Elliot and Troop reviews.</p> <p>To establish an FCU by the end of 2014, in line with the commitment made in the Government’s response to Elliott. We will focus initially on building the intelligence and evidence picture of the risks and the nature of food fraud and food crime in the UK, and on establishing links to access and exchange intelligence and priorities with a range of Government and EU enforcement partners. Gain industry buy-in through the establishment of a safe haven to deliver intelligence to the FCU.</p> <p>To put in place robust governance for oversight of FSA resilience policy by setting up an Emergency Preparedness, Resilience and Response Board.</p>	<p>We ensured that the FCU was operational in line with the Government’s commitment. Following recruitment and restructuring, the majority of staff were in post and working. We identified the unit’s priority areas for further investigation. We began mapping and analysing the paths by which intelligence and information is received into the FCU.</p> <p>FCU oversight group was established following the first meeting of the Ministerial Food Integrity and Food Crime Group, with the FSA providing the secretariat.</p> <p>We established an Emergency Preparedness, Resilience and Response Board, which has provided robust governance and reviewed our plan for 2015/16.</p>

<b>4. Prevention and management of food incidents: post horse meat intelligence hub and incident response</b>	
<p>To continue to develop and refine the FSA Major Incident Management plan (IMP) with key partners, which ensures the FSA's resilience and ability to respond to business as usual, significant or major incidents.</p> <p>To develop and implement a new surveillance and sampling strategy at national, regional and local level (including imports and local authority sampling) agreeing the strategy by 1 April 2015.</p> <p>Maintenance and development of proportionate import controls.</p>	

<b>5. Supporting growth through better, smarter regulation</b>	
<b>Overall objective</b>	
Continue the removal of unnecessary burdens to help good-performing businesses to grow, while supporting local authorities to concentrate resource on higher risk areas of the food chain.	
<b>Objectives for 2014/15</b>	<b>Assessment of delivery in 2014/15</b>
<p>To develop a regulatory strategy.</p> <p>To implement a new model for animal feed.</p>	<p>We developed a new Regulatory Strategy for the FSA for 2015-20, which the Board approved in January 2015. The regulatory strategy will inform our approach to our regulatory functions and the way that we work with businesses to deliver benefits to consumers. A key objective of the strategy is to align incentives for businesses and make greater use of a wider suite of regulatory tools, in order to achieve benefits for consumers.</p> <p>We started collaborative work with the Sentencing Council, which is currently consulting on draft guidelines on food safety and hygiene offences for England and Wales, with a view to developing sanctions that act as a deterrent and are proportionate.</p>

<b>5. Supporting growth through better, smarter regulation</b>	
	<p>Following a comprehensive review, the FSA took a number of measures to improve local authority delivery of Animal Feed Official Controls. We commissioned the National Trading Standards Board to co-ordinate official feed controls on a regional basis in England and to manage the government funding for this work, as well as to undertake a series of regional and national projects with the aim of continuous improvement of delivery.</p>
<b>6. Improving capacity and capability – a future model of the FSA</b>	
<p>We will continue to invest time in developing our people and our processes so that we can deliver our plan as effectively and efficiently as possible. We will also be developing our strategy for 2015-20.</p>	
<p><b>(i) Our People</b></p> <p><b>Overall objective</b></p> <p>To be a high performing organisation with highly effective and capable employees.</p> <p>To recruit and retain quality people who are motivated and passionate about the Agency and what it stands for, which we will do through developing our culture, growing our capability and developing our process and structure.</p>	
<b>Objectives for 2014/15</b>	<b>Assessment of delivery in 2014/15</b>
<p>To work on our staff engagement levels, increasing staff flexibility and skill levels, investing in our management community, increasing staff involvement, and ensuring we identify and develop the skills we require for the future.</p>	<p>In the 2014 Civil Service People Survey, we increased our staff engagement index by 3% from the previous year to 53%.</p> <p>We developed a corporate action plan in response to the results of the 2014 Civil Service People Survey, supported by divisional plans with special focus where there was a low score.</p> <p>We reinvigorated and embedded learning and development and performance management processes.</p> <p>We developed divisional Learning &amp; Development plans and embedded the principle of staff attending 5 L&amp;D activities per year.</p> <p>We developed a visible recognition initiative.</p> <p>We developed a 5-year diversity plan.</p> <p>We started a new programme on ‘the way we work’ to realise a vision of a vibrant, learning organisation that attracts and retains the best staff, each of whom are engaged, motivated to deliver, collaborative and well led.</p>

<b>6. Improving capacity and capability – a future model of the FSA</b>	
<b>(ii) Our Strategy for 2015-20</b>	
<b>Objectives for 2014/15</b>	<b>Assessment of delivery in 2014/15</b>
<p>To develop the FSA Strategy for 2015-20.</p> <p>To develop a strategic plan for 2015-20 to implement the new strategy.</p>	<p>Following extensive engagement with stakeholders, we developed a new strategy for the FSA for 2015-20, which the Board agreed in November 2014. The strategy focuses on why we exist – our purpose and mission, and our big objectives – and how that relates to the changing environment in which we operate. In developing the strategy we reviewed a large amount of evidence and engaged with consumers, colleagues within the FSA, and a very wide range of stakeholders (academic and scientific, consumer organisations, industry representatives, local authorities, and other government departments and NGOs), to identify the key themes that the FSA would use to inform its planning for the period 2015-2020.</p> <p>Following the Board agreeing the FSA's strategy for 2015-20, we developed a strategic plan, which identifies the major themes that will inform how we will set about building the organisation and its capabilities to achieve the purpose and objectives that are set out in the strategy.</p> <p>Effective use of science, evidence and information underpins all of FSA's strategic aims, as articulated in the FSA Strategy 2015-20. In March 2015, the Board agreed a framework for the FSA's Science, Evidence and Information Strategy for 2015-20.</p>

## Principal risks and uncertainties

This information is reported as part of the FSA Governance Statement 2014/15 on page 39.

### Composition of the Board and Executive Management Team

Number of persons of each sex who were directors (as of 31 March 2015):

	Male	Female
Executive members	7	4
Board members	7	3

Number of SCS staff by pay band

Pay band	Westminster	Scotland	Wales	Northern Ireland	Total
SCS1	11	0	1	<b>1</b>	13
SCS2	4	1	0	<b>0</b>	5
SCS3	1	0	0	<b>0</b>	1

### Formal enforcement action

In accordance with the requirements of the Food Standards Act 1999, we report each year on enforcement action taken.

Statutory notices may be served for failures in hygiene, unsatisfactory structural matters, to stop the use of particular types of equipment, to impose conditions on the meat production process, to close down the operation completely, or to stop a particular practice that contravenes the hygiene provisions of the legislation. Statutory notices must accurately reflect the non-compliance, refer correctly to the relevant legislation, and be clearly legible and unambiguous, to be legally valid.

**Formal and informal enforcement action taken during 2014/15**

<b>Formal action</b>	<b>Number of notices 1 April 2013 to 31 March 2014</b>	<b>Number of notices 1 April 2014 to 31 March 2015</b>
Hygiene Emergency Prohibition Notice, served under the Food Hygiene Regulations (Northern Ireland) 2006, giving a food business operator a day's notice of the intention to apply to a court for the granting of a Hygiene Emergency Prohibition Order which would result in an immediate cessation of business	NIL	NIL
Hygiene Improvement Notice served under the Food Hygiene Regulations (Northern Ireland) Regulations 2006	8	13
Remedial Action Notice served under the Food Hygiene Regulations (Northern Ireland) 2006	2	3
<b>Informal action</b>	<b>Number of warnings 1 April 2013 to 31 March 2014</b>	<b>Number of warnings 1 April 2014 to 31 March 2015</b>
Written warning	87	104



## Complaints to the Parliamentary Ombudsman

Complaints to the Parliamentary and Health Service Ombudsman from members of the public must be made via an MP. During 2014, the FSA was contacted by the Ombudsman's office following receipt of two complaints about the FSA. The Ombudsman investigated the FSA's actions in relation to one of these cases. The Ombudsman found in the FSA's favour, although minor administrative failings were acknowledged by the FSA.

The FSA aims to resolve any complaints quickly and as close as possible to the point of service. Complaints are, therefore, handled initially at a local service level. If, however, a complainant is not satisfied, he or she can make a formal complaint, using the FSA's two-stage complaints process. Information on how to make a formal complaint is set out on the FSA's website.<sup>6</sup>

The FSA received nine formal complaints from members of the public and food businesses during 2014/15. Of these complaints, two have been referred to stage two, which is reviewed by the FSA Chief Executive. Of all the complaints received, four were dismissed, two were upheld, one was partially upheld and two are pending.

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<sup>6</sup> <http://www.food.gov.uk/about-us/data-and-policies/fsacomplaintsprocedure>

## Comparison of Outturn against Estimate

### Resource Spend in 2014/15

#### Reconciliation of resource expenditure between Estimates, Accounts, and Budgets (Northern Ireland only)

The comparison of actual resource expenditure to Estimate is shown below:

	<b>2014/15</b>	
	Estimate	Net Resource Outturn
	£m	£m
FSA in Northern Ireland	8.2	8.0

The comparative figures for 2013/14 are shown below:

	<b>2013/14</b>	
	Estimate	Net Resource Outturn
	£m	£m
FSA in Northern Ireland	8.5	8.2

The net cost of the FSA was £8.0m against available funding of £8.2m to 31 March 2015. The underspend was largely due to expenditure on meat hygiene enforcement activity being less than expected.

## Reconciliation of resource expenditure

### Reconciliation of resource expenditure between Estimates, Accounts, and Budgets

	£000 <u>2013/14</u>	£000 <u>2014/15</u>
<b>Net Resource Outturn (Estimates)</b>	<b>8,173</b>	<b>7,986</b>
Adjustments to remove:		
Provision voted for earlier years	-	-
Adjustments to additionally include:		
Non-voted expenditure in the OCS	-	-
Consolidated Fund Extra Receipts in the OCS	-	-
Reductions in planned spend unable to be included in the Estimate	-	-
Other adjustments	-	-
<b>Net Operating Cost (Accounts)</b>	<b>8,173</b>	<b>7,986</b>
Adjustments to remove:		
Capital grants to local authorities	-	-
Capital grants financed from the Capital Modernisation Fund	-	-
European Union income and related adjustments	-	-
Voted expenditure outside the budget	-10	-10
Adjustments to additionally include:		
Other Consolidated Fund Extra Receipts	-	-
Resource consumption of non-departmental public bodies	-	-
Unallocated resource provision	-	-
Other adjustments	-	-
<b>Resource Budget Outturn (Budget)</b>	<b>8,163</b>	<b>7,976</b>
<b><i>of which</i></b>		
Departmental Expenditure Limits (DEL)	8,163	7,976
Annually Managed Expenditure (AME)	-	-

## Sustainability report – Northern Ireland

The following table reports greenhouse gas emissions and related expenditure.

<b>Greenhouse gas emissions</b>				
<b>Non-Financial indicators</b>	2011/12	2012/13	2013/14	2014/15
<b>Scope 2</b>				
Total energy consumption (KWH)	162,710	123,435	116,522	120,225
<b>Financial indicators (£)</b>				
Total energy expenditure	9,879	11,759	13,323	15,040

The following table reports waste data and related expenditure.

<b>Waste</b>				
<b>Non-Financial indicators (Tonnes)</b>	2011/12	2012/13	2013/14	2014/15
Recycled/reused waste	5.1	2.6	3.5	2.55
Landfill	0.8	0.8	0.7	0.18
Waste incinerated	0	0	0	0
Confidential waste	0.2	0.8	0.6	1.65
Total waste	6.1	4.2	4.8	4.38
<b>Financial indicators (£)</b>				
Total waste expenditure	1,047	1,042	1,124	2,297

The following table reports water data and related expenditure

<b>Water</b>				
<b>Non-Financial indicators (m3)</b>	2011/12	2012/13	2013/14	2014/15
Total water consumption	155	145	173	175
<b>Financial indicators (£)</b>				
Water expenditure	662	722	751	-74

### Forward commitments to improve performance

The FSA continues to support staff with information and training to ensure sustainable development is taken into account in all that we do.

The FSA is currently on target to meet its Greening Government Commitment on electricity, gas, water and paper use with significant reductions shown in the tables between 2011/12 and 2014/15.

The Executive Management Team has signalled its support for home working, which reduces travel by staff, albeit private travel, leading to less carbon emissions globally and supporting a more flexible workforce. In 2015 we instigated a Ways of Working initiative to further embrace flexible working.

From April 2014, we introduced a cap on the use of domestic flights and issued monthly management information showing progress against the cap to help team leaders reduce the FSA's carbon emissions. This has resulted in more than a 20% reduction in flights during the year 2014/15 and we remained within our target.

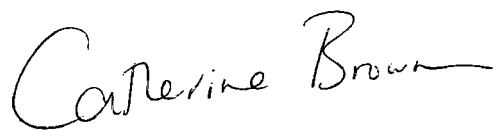
We have continued to promote the use of new video-conferencing facilities to give staff an alternative to travel.

During the year, the FSA has increased from 50% to 67% the number of 'advance' and 'saver' rail tickets purchased, realising significant savings in rail costs.

During 2014 we missed our waste-reduction targets only because of refurbishment work undertaken in Aviation House to reduce the FSA's floor space and enable additional tenants to move into the building.

The FSA's reduced footprint in Aviation House will, however, result in a significant reduction in our waste production during 2015. An accommodation project underway in Foss House, York, includes the development of additional video-conferencing facilities and should, likewise, reduce our carbon footprint.

From April 2015 we have begun to provide managers and staff with information on travel, waste, water and paper use, and greenhouse gas creation, with the aim of encouraging everyone to think more sustainably and reduce costs.



*Catherine Brown*  
Chief Executive and Accounting Officer

3 June 2015

## Directors' report

The FSA<sup>7</sup> is a non-Ministerial Government Department. Staff are accountable through a Chief Executive to the Board, rather than directly to ministers. The Board consists of a Chair, Deputy Chair and up to 12 members. The Chair and Deputy Chair are appointed by the Secretary of State for Health in agreement with health ministers in Scotland, Wales and Northern Ireland. The Board is mainly appointed by the Secretary of State for Health, with one member appointed by the Welsh Health Minister, one by the Northern Ireland Health Minister and two by the Scottish Health Minister.

The Board is responsible for the overall strategic direction of the FSA, ensuring that it fulfils its legal obligations so that its decisions or actions take proper account of scientific advice, the interests of consumers and other relevant factors. Day-to-day management of the FSA is delegated to officials through the chief executive. In addition to the FSA Board, the FSA has advisory committees, chaired by Board members, in Scotland, Wales, and Northern Ireland. The role of the committee in each country is to advise the Board. The Board is required by statute to take account of their advice in its work.

### Details of Board members and directors

#### The FSA Board<sup>8</sup>

With the creation of FSS in April 2015, the two Board members from Scotland stepped down from the FSA Board as of vesting day. During the year, the membership of the non-executive FSA Board was:

Tim Bennett	FSA Chair (Interim)
Dr Henrietta Campbell CB	Deputy Chair (Interim) and Chair of the Northern Ireland Advisory Committee
Dr James Wildgoose	Chair of the Scottish Food Advisory Committee (until 31 March 2015)
Dr Roland Salmon	Chair of the Welsh Food Advisory Committee
Jeff Halliwell	Board member
Liz Breckenridge	Board member (until 31 March 2015)
Paul Wiles CB	Board member
Ram Gidoomal	Board member (from 1 May 2014)
Heather Peck	Board member (from 1 May 2014)
Jim Smart	Board member (from 1 May 2014)

<sup>7</sup> More information about our organisation and structure can be found on our website: <http://www.food.gov.uk/about-us/about-the-fsa>

<sup>8</sup> More information about our Board members can be found on our website: <http://www.food.gov.uk/about-us/how-we-work/our-board/boardmem>

**Executive Management Team<sup>9</sup>**

During the year, the membership of the Executive Management Team was:

Catherine Brown	Chief Executive
Professor Guy Poppy	Chief Scientific Advisor (from 1 August 2014)
Andrew Rhodes	Chief Operating Officer (until 4 January 2015)
Jason Feeney CBE	Chief Operating Officer (from 5 January 2015)
Rod Ainsworth	Director of Regulatory and Legal Strategy
Chris Hitchen	Director of Finance and Strategic Planning
Lynne Bywater	Director of Human Resources
Stephen Humphreys	Director of Communications
Steve Wearne	Director of Policy
Maria Jennings	Director, FSA in Northern Ireland
Nina Purcell	Director, FSA in Wales
Charles Milne	Director, FSA in Scotland (until 30 June 2014)
Geoff Ogle	Portfolio Director (until 30 June 2014), then Acting Director, FSA in Scotland

All senior officials have been appointed under the rules laid down by the Civil Service Commissioners. Salary and pension details of the Board and the EMT are disclosed in the Remuneration Report.

**The Northern Ireland Food Advisory Committee<sup>10</sup>**

The Northern Ireland Food Advisory Committee provides advice and information to the Agency on its functions. It is chaired by the Northern Ireland Board Member and the FSA Board is required by statute to take account of their advice and its work.

During the year, the membership of the NI Food Advisory Committee was:

Dr Henrietta Campbell CB	Chair
David Lindsay	
Brian Smyth	
Christine Kennedy	
Colin Reid	
Aodhan O'Donnell	From 1 August 2014
Phelim O'Neill	From 1 August 2014
Sydney Neill	Until 7 November 2014
Dorothy Black	Until 31 July 2014

<sup>9</sup> More information about members of the EMT can be found on our website:  
<http://www.food.gov.uk/about-us/how-we-work/profiles>

<sup>10</sup> More information about the Committees of the FSA Board can be found on our website:  
<http://www.food.gov.uk/about-us/how-we-work/our-board/boardcommittees>

**Audit Committee until June 2014**

Membership of the FSA Audit Committee: Non-executive members

Dr Henrietta Campbell CB	Chair (until 31 March 2014)
Paul Wiles CB	Chair (from 1 April 2014)
Dr James Wildgoose	
Liz Breckenridge	
Jeff Halliwell	Until 31 May 2014
Heather Peck	From 1 May 2014
Jim Smart	From 1 May 2014
Caroline Mawhood (Co-opted Adviser)	Until 22 June 2014

**Risk Committee until June 2014**

Membership of the FSA Risk Committee: Non-executive members

Paul Wiles CB	Chair
Dr Roland Salmon	
Dr Henrietta Campbell CB	
Dr James Wildgoose	

**Executive members**

Catherine Brown  
Chris Hitchen  
Steve Wearne  
Andrew Rhodes

The Risk Committee was combined with the Audit committee from July 2014.

**Audit and Risk Assurance Committee as of July 2014**

Membership of the FSA Audit and Risk Assurance Committee: Non-executive members

Paul Wiles CB	Chair (from July 2014)
Liz Breckenridge	(From July 2014)
Dr James Wildgoose	(From July 2014)
Jim Smart	(From July 2014)
Heather Peck	(From July 2014)

**Succession and Development Committee**

Membership of the FSA Succession and Development Committee: Non-executive members

Liz Breckenridge	Chair (until 31 March 2015)
Dr Roland Salmon	
Jeff Halliwell	Chair (from 1 April 2015)
Ram Gidoomal	



## Management commentary

### Supplier payment policy

It is FSA policy to pay all invoices not in dispute within five days of receipt. During 2014/15, 98% of all invoices were paid within this target. The policy is likely to remain the same for 2015/16.

### Off-payroll engagements

The FSA in Northern Ireland had no 'off-payroll' engagements at a cost of over £58,000 per annum during 2014/15 or during 2013/14.

### Bringing sustainable development, adapting to climate change and rural proofing into the mainstream of our work

Sustainable development is taken into account in FSA policy through the Government mandated Impact Assessment process. This includes assessing the impact on businesses including those in rural locations. The impact on nature and the potential to influence and mitigate climate change are also considered along with, as a matter of course, equality and diversity. Stakeholders are engaged throughout the policy-making process to ensure the best possible information and data are collected to inform our policies.

We continue to monitor and manage the potential impact of our work on climate change, and to assess how we may need to adapt our work in response to the effects of climate change. For example, the pattern and incidence of foodborne infections may be affected by increasing ambient temperatures. We also scan for emerging risks, including those resulting from climate change or from measures to mitigate or adapt to climate change. Our work is aligned with the National Adaptation Plan, in collaboration with other departments and agencies.

### Social and community issues

The FSA seeks to support employees who wish to contribute to the wider community and is committed to assist employees in undertaking volunteering activities. This is facilitated through the provision of paid special leave at individual and team level.

Our Special Leave Policy supports employees who want to contribute and participate in civic and/or public duties. Special leave in the form of time off with pay can be granted to staff who undertake one or more of the following roles amongst others:

- a magistrate/JP
- a local councillor
- a school governor
- a member of any statutory tribunal e.g. an Employment Tribunal or The Children's Panel

Special leave with pay can also be granted to allow employees to take part in activities that support voluntary organisations that make an impact on local and national communities, as well as:

- to Reservists (for both training and mobilisation), Cadet forces, and Special Constabulary training
- to staff who are summoned to attend court for a non-work-related matter
- to staff required to provide jury service

Special leave has only been recorded centrally for part of this year; since July, our employees have recorded 44.5 days of volunteering, with a range of activities including public duties, and community work such as gardening for a care home, and bus-washing and maintenance for an accessible transportation charity. We would anticipate an increase in the level of volunteering in the next financial year, as we continue to encourage individuals and teams to participate.

### **Reporting on Better Regulation**

We recognise that enabling businesses to deliver their obligations in relation to food in the least burdensome way is the best way of protecting consumers' health and other interests in relation to food. We therefore produce guidance and other material to help businesses comply with the law and promote consistency and proportionality in how official controls and enforcement are applied across the UK.

Development of the FSA's new regulatory strategy began in 2014/15. It is envisaged that it will play an important part in delivering the overall FSA Strategy 2015-20, and will develop the right blend of 'traditional' regulatory based tools, for example rules-based legislation, with communication based tools, such as campaigning and leveraging influence through others.

### **One-in, one-out; one-in, two-out**

Our approach is consistent with the Government's 'One-in, one-out' and 'One-in, two-out' approach to regulation.

The FSA's validated balance at 31 March 2015 for 'One-in, one-out and one-in, two-out' combined is a net reduction to business of £0.80m with further savings to business expected to be delivered in April 2015. Details are available in the UK Government's Ninth Statement of New Regulation <https://www.gov.uk/government/publications/one-in-two-out-ninth-statement-of-new-regulations>.

### **Regulatory Policy Committee**

During 1 April 2014 to 31 March 2015 the FSA made four applications to the Regulatory Policy Committee (RPC) on new regulatory measures, all of which were validated successfully. Two measures were confirmed as deregulatory by the RPC prior to consultation, and two impact assessments (IAs) received RPC validation of the Equivalent Annual Net Costs to Business (EANCB).

The FSA also re-submitted two IAs that received red (not fit for purpose) opinions, due to a lack of supporting evidence, as reported during 2013/14. Both IAs have now been approved.

### **Small business/micro moratorium**

The FSA makes every effort to minimise burdens on small and micro businesses, which make up the vast majority (generally greater than 90%) of UK food and feed businesses.

We continued to run training courses on food and feed enforcement for local authority officers during 2014/15. This training helps ensure consistent local authority enforcement action, underpinned by up-to-date knowledge of particular food sectors. More than 130 courses were held for 2,600 local authority officers across the UK, and feedback has been positive.

## Red Tape Challenge

The FSA has continued to progress its commitments to improve and simplify those regulations identified through the Government's Red Tape Challenge (RTC) as being the most burdensome.

In particular, we have now fulfilled our commitment to consolidate UK food and feed law.

## Alternatives to regulation

In April 2014, the FSA introduced further earned recognition for the food and feed industry, removing unnecessary burdens on business and enabling local authorities to redirect their resources towards non-compliant and higher-risk businesses. The Feed Law Code of Practice was revised to reduce inspection frequencies for compliant members of approved assurance schemes within the feed industry. The Food Law Code of Practice was also revised to improve the effectiveness in enforcement by intervening less frequently at a number of businesses and focusing on businesses that are non-compliant with food law.

The Food Hygiene Rating Scheme (FHRS) now operates in all but one local authority in England, Wales and Northern Ireland. It provides an alternative approach to improving public health by using incentives to drive businesses to behave in ways that benefit consumers.

An independently-conducted evaluation completed this year provided firm evidence that the scheme is driving up hygiene standards. In Wales, display of FHRS is now required by law, and Northern Ireland is currently considering legislative proposals for mandatory display. A similar scheme, the Food Hygiene Information Scheme, operates in Scotland.

## Implementation and guidance

The FSA continues to participate in the Accountability for Regulator Impact (ARI) initiative, and is committed to consulting industry on measuring the impact of policies. We see this as good practice in policymaking. We also continue to monitor FSA guidance and our approach to engagement and consultation in relation to how we implement measures.

The FSA continues to develop guidance to help small businesses comply with food law, such as the guidance and materials to assist local authorities and food businesses in promoting, implementing and complying with the EU Food Information for Consumers Regulation.<sup>11</sup>

The FSA's Safer Food, Better Business (SFBB) tool, aimed at small food businesses, continues to be one of the most-quoted examples of how a regulator helps businesses and supports growth. All versions of SFBB are downloadable free from the FSA website and this includes a version that can be completed electronically if the business prefers that format. In the past year, local authorities have distributed the SFBB Caterers' Pack to new food businesses in their area from allocations supplied by the FSA.

In 2014/15, all local authorities in England will have been approached and invited to participate in the FSA-funded food business compliance coaching scheme. The project, which will be rolled out across England to focus on take-away establishments with low levels of compliance, was introduced successfully in the run-up to the Olympics. By the end of 2014/15 we estimate the coaching will have been delivered to a further 1,950 businesses. This will bring to 6,659, the total number of businesses that will have received FSA-funded business compliance coaching since the scheme was first introduced.

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<sup>11</sup> <http://www.food.gov.uk/business-industry/allergy-guide/allergen-resources>

## Focus on enforcement

The FSA estimates that we have saved business £11m through reforms we introduced in response to the Review on Enforcement of Regulation in Small Food Manufacturing Businesses.<sup>12</sup> This has primarily been delivered through our introduction of MyHACCP and our revised E. coli O157 cross-contamination guidance. MyHACCP is an online tool that helps small food manufacturers produce their own food safety management system based on the principles of hazard analysis and critical control points (HACCP). The E. coli O157 guidance provides further flexibility for business while ensuring that consumers continue to be protected from E. coli O157 cross-contamination.

The Fresh Produce Consortium (FPC) produced a draft report in October 2014 identifying a number of issues for the FSA to address in the application of official controls on imports of fresh produce. Issues include the costs charged to business for delivering official controls and the time taken to clear imported consignments of fresh produce for release onto the market. We have drawn up an action plan and are working closely with the FPC to address issues raised.

## EU regulation

We apply the principles of good regulation to all of our regulatory activities and promote the UK Government's better regulation agenda in EU negotiations – where the vast majority of food law in the UK originates.

As part of the updating of the novel foods regulation that is expected to be finalised in Spring 2015 the UK has sought to minimise burdens on business. The UK has supported the Commission proposal seeking changes to the current system, allowing a faster authorisation process for foods commonly consumed in third countries (non-EU countries) but new to the EU. We have also sought to ensure that the scope of the regulation is proportionate to the risks to be managed, while being flexible enough to respond to increasingly-changing food technologies.

## Recruitment practice

The FSA recruitment policy follows the Civil Service recruitment principles, and is based on appointment of the best candidate on merit, identified through a process of open and fair competition. The recruitment policy is set out on our intranet site and followed to provide a transparent approach that identifies high calibre individuals and promotes equality and diversity. All external recruitment is currently subject to the restrictions of the Civil Service recruitment freeze, and approved by the FSA Chief Executive by exception.

## Diversity and employment of disabled persons

The FSA maintains its commitment to providing equality of opportunity to all (including disabled persons) and is working to eliminate all forms of discrimination, harassment and bullying, to create a diverse workforce and a working environment in which everyone is treated with dignity and respect.

The FSA's vision is for a workplace in which everyone feels:

- we can be ourselves
- our unique contribution is recognised and respected

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<sup>12</sup> <http://discuss.bis.gov.uk/focusonenforcement/review-findings/food-review-regulatory-reform-package-announced-summary/>

- achieving a healthy balance between work and the rest of our lives is valued
- we can find meaning in our work
- we belong and there is space for us to grow
- we serve each part of the community in a way that reflects its needs

Further information on the FSA's approach in this area can be found in the FSA Diversity Report for 2015, at: <http://www.food.gov.uk/about-us/data-and-policies/equality/diversity-report>

### **Employee involvement**

The FSA provides employees with relevant information, and we invite responses and feedback through our intranet site (FoodWeb) and through Yammer, an internal social media network. Our external website (food.gov) provides information on the Agency, including performance-related and financial information.

The FSA is committed to maintaining effective employee relations with staff and their trade union representatives. The FSA's Recognition and Facility Agreement looks to maintain effective arrangements for formally and informally communicating, consulting and negotiating with staff and/or their union representatives.

The FSA Staff Group is a consultative group that forms a link between staff and directors on a wide range of issues; and the Policy Advisory Group is a consultative group that helps to ensure that human resources policies reflect the structures, processes and culture within the FSA and supports effective people management.

The Civil Service People Survey is a key tool for the FSA in understanding and improving employee engagement: all staff are invited to participate in this annual survey and contribute to follow-up action plans at both a local and organisation-wide level.

### **Performance in responding to correspondence from the public**

The FSA does not record centrally all incoming and outgoing correspondence and contact with members of the public, as contact details for FSA business areas are available on the FSA website for members of the public and food businesses to call directly. During 2014, the FSA's general enquiries helpline handled 9,811 emails from members of the public and 14,278 phone calls. The FSA's Private Office team handled 159 letters and emails from MPs and Peers for reply by Department of Health Ministers and the Chair and Chief Executive of the FSA, 87% of which were replied to within our 20-day target date. Additionally, FSA officials responded to 258 items of correspondence sent by members of the public to ministers, the FSA Chair and Chief Executive, replying to 96% within target.

### **Health and Safety Reporting**

Within the reporting period a number of further improvements were made to our health and safety management system, including the appointment of Health and Safety (H&S) leads in Field Operations. The leads will assist local management in ensuring compliance with H&S policies and procedures.

The Advisory Committee on Dangerous Pathogens conducted an investigation into whether additional controls were required when processing cattle that have tested positive for bovine tuberculosis. We have now received their report and are in the process of implementing their recommendations. These include health surveillance and additional personal protective equipment, at specific inspection positions.

**Reportable Incidents, Diseases and Dangerous Occurrences (RIDDOR) 2012/13 – 2014/15**

RIDDOR Category	2012/13	2013/14	2014/15
Fatal	0	0	0
Major	2	0	0
<7 day	5	8	7
Disease	2	2	2
Dangerous Occurrence	0	0	0
Total	9	10	9

The H&S strategic targets were reviewed, following the completion of the three year cycle to 2014. The targets, for the reporting period 2014 -17, are as follows:

Target 1 – Maintain or improve, on a level of 3.2% of lost time, attributable to work-related injury or illness. The figure to March 2015 is 4% due to two cases of long-term sickness.

Target 2 – An aspirational target of 0 (zero) RIDDOR accidents. The number of incidents for the year 2014/15 was 9, indicating a decrease of 10% from last reporting year.

Target 3 – Maintain or improve upon a total accident incidence rate of 7,380. This was the outturn to March 2014. As a new measure for the FSA, this target covers all injury incidents, irrespective of severity. It is primarily (but not exclusively) focused on injury incidents recorded within the delivery of an official controls environment. The figure for the year 2014/15 showed a slight improvement at 7,320.

**Publicity and advertising**

Although we have not paid for any advertising this year, our communications campaigns have been particularly successful. The costs detailed here reflect the total of contributions from England, Scotland, Wales and Northern Ireland.

**Food Safety Week 2014**

Food Safety Week was held in June 2014 and our campaign reached more than 60m people through a combination of PR, viral social media, work with partners including local authorities, major supermarkets and industry bodies. Our tracking research shows that this piece of activity had a measurable positive effect on consumer attitudes and claimed behaviour. Its success was widely recognised and it won five awards for low-cost and social media campaigning. This was a consumer-facing element of our broader campaign to reduce the risk of campylobacter in poultry – see [food.gov.uk/actnow](http://food.gov.uk/actnow). The total budget for this piece of work was £120,000.

**Good hygiene practice**

We ran a low-cost campaign using PR and social media to remind people about good hygiene practice when barbecuing. This gained widespread coverage and reached more than 30m people. The budget for this work was £30,000.

## **EU FIR (Food Information for Consumers Regulation)**

Our work to communicate the changes to legislation on how food businesses display information about the 14 major allergens increased levels of awareness of the allergens among the general public and significantly so among people with allergies. Again, we did not pay for advertising, but used PR, social media and partnerships with more than 40 organisations, including trade partners and representative bodies. The budget for this work was £81,200.

## **Christmas campaign 2014**

We undertook some low-key activity around Christmas that recycled old and well-loved advertisements on social media, helping people to understand the risks of not defrosting and handling turkey properly. The budget for this was £8,000.

## **Food Hygiene Rating Scheme**

Our campaign to increase the use and value of the Food Hygiene Rating Scheme on key occasions has just finished and evaluation is underway. We estimate that it reached more than 40m people through a combination of PR and social media – particularly through the use of innovative new channels targeting a younger audience. The budget for this work was £145,000.

## **Details of paid sponsorship agreements over £5,000**

We have not secured any paid-for sponsorship deals, preferring to work with partners who can offer help for free through their own channels and networks.

## **Going concern**

The FSA has significant net liabilities. The accounts, however, are prepared on a going concern basis since, as a government department, all liabilities are underwritten by HM Treasury.

## **Pensions**

FSA employees are civil servants. Most are members of the Principal Civil Service Pension Scheme (PCSPS). This is a central government unfunded pension scheme. Pension payments are made through the PCSPS resource account. Board members are not civil servants. Therefore they are not members of the PCSPS. However, some have similar pension arrangements independent of the PCSPS.

## **Disclosure of Board members' interests**

Board members are appointed to act collectively in the public interest, not to represent specific sectors. Provisions for declaration of interests and withdrawal from meetings are intended to prevent the Chair, Deputy Chair, and members being influenced or appearing to be influenced, by their private interests in the exercise of their collective public duties.

All personal or business interests which may, or in the judgement of the member may, be perceived by a reasonable member of the public to influence their judgement, should be declared. Such interests include, but are not limited to, involvement in the agriculture, food, and related industries. The Code of Conduct for Board members includes a guide to the categories of interest that must be declared.

Details of Board members, their register of interests, and the Code of Conduct are on our website: <http://www.food.gov.uk/about-us/how-we-work/our-board/>

## Auditors

The accounts have been audited by the Comptroller and Auditor General in accordance with Schedule 4 of the Food Standards Act 1999. The audit fee for all the FSA's accounts for the year was £84,000. I have taken all necessary steps to make myself aware of relevant audit information and to ensure that information is made available to the auditors.

No payments were made to the auditors for non-audit work in 2014/15.

## Reporting of sickness absence data

The provisional figure for staff absence as a result of physical and mental illness including injuries, disability, or other health problems is approximately 4.0 days per employee, compared with 1.6 and 4.4 for the previous two years.

**Table 1: Sickness data by country**

	2014/15	2013/14	2012/13
Westminster	7.7	6.2	6.3
FSA in Wales	8.5	6.2	6.3
FSA in Scotland	3.6	6.2	6.3
FSA in Northern Ireland	4.0	1.6	4.4
Consolidated	7.2	6.2	6.3

## Public sector information

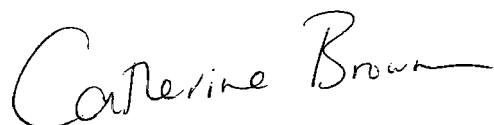
The FSA has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

## Reporting of personal/sensitive data losses and/or incidents

This information is provided as part of the FSA Governance Statement 2014/15 on page 39.

## Important events which have occurred since the end of the financial year

On the 1 April 2015, the activities of the Food Standards Agency in Scotland (FSAS) ceased operating and its functions and staff transferred to Food Standards Scotland, a devolved body of the Scottish Government. The functions and staff relating to meat inspection within the Scottish boundary also transferred to FSS from Food Standards Agency Westminster.



*Catherine Brown*  
Chief Executive and Accounting Officer

3 June 2015



## Remuneration report

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at [www.ome.uk.com](http://www.ome.uk.com)

### *Service contracts*

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at [www.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk)

This report has been prepared in accordance with guidance EPN 430. The tables in the remuneration report are subject to audit.

## Salary and pension entitlements

The annual increase in Board members' remuneration is based on that recommended for office holders by the Senior Salaries Review Body. Senior Civil Service (SCS) staff salaries are uplifted in line with the central (Cabinet Office) SCS performance based pay and review system.

Full details of the remuneration and pension interests of Board members and the Executive Management Team are detailed below and are subject to audit.

*a) Remuneration***Executive Management Team**

<b>Single total figure of remuneration</b>										
	Salary (£'000)		Bonus Payments (£'000)		Benefits in kind (to nearest £100)		Pensions benefits (£'000) <sup>1</sup>		Total (£'000)	
	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14
Maria Jennings (Director, FSA in Northern Ireland from 9/9/13)	70-75	40-45	10-15	-	-	-	45-50	5-10	125-130	45-50
Gerry McCurdy (Director, FSA in Northern Ireland to 31/8/13)	-	30-35	-	-	-	-	-	(15)-(10)	-	20-25

**Notes**

- 1 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 or any increase or decreases due to a transfer of pension rights.
- 2 All starter and leaver salaries are shown for their actual periods of employment. The corresponding full year equivalent was £80-85K for Gerry McCurdy 2013-14, £66/70K for Maria Jennings 2013/14.

*Pay Multiples*

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

Northern Ireland	2014/15	2013/14
Band of Highest Paid Director's Total Remuneration	£80k-£85k	£65k-£70k
Median Total Remuneration	£32k	£29k
Ratio	2.54	2.29
Remuneration Range	£20k-£61k	£19k-£63k

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.

This is different to the total remuneration reported for Executive Management Team members which includes a pension benefit valuation. This is to allow like for like comparison of average staff and highest paid director remuneration.

*Salary*

Salary includes gross salary; overtime; reserved rights to London Weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the department and thus recorded in these accounts.

*Bonuses*

A Pay Committee is set up each year to assess implementation of pay awards including bonus payments in line with guidance provided by the Cabinet Office. Membership of the Pay Committee is made up of directors and one independent member. Pay recommendations are considered on the basis of review of individual performance against objectives as well as overall consistency.

The Committee provides a breakdown of awards to the Cabinet Office, covering performance group distribution, analysis of bonuses awarded and feedback on the operation of the system. The bonuses reported in 2013/14 relate to performance in 2012/13 and bonuses reported in 2014/15 relate to performance in 2013/14.

*Benefits in Kind*

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

*(b) Pension benefits***Executive Management Team**

		2014/15				
		Accrued pension at pension age as at 31/3/15 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2015	CETV at 31 March 2014	Real increase in CETV
Bands		£5,000 (£'000)	£2,500 (£'000)	(£'000)	(£'000)	(£'000)
Maria Jennings	Director, FSA in Northern Ireland	25-30	2.5-5	373	324	30
Gerry McCurdy	Director, FSA in Northern Ireland (13/14 only)	-	-	-	891	-

		2013/14				
		Accrued pension at pension age as at 31/3/14 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2014	CETV at 31 March 2013	Real increase in CETV
Bands		£5,000 (£'000)	£2,500 (£'000)	(£'000)	(£'000)	(£'000)
Gerry McCurdy	Director, FSA in Northern Ireland	35-40 plus lump sum of 115-120	0-2.5 plus lump sum of 0-2.5	891	878	1
Maria Jennings	Director, FSA in Northern Ireland (from September)	20-25	0-2.5	324	304	3

### Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a “final salary” scheme (**classic**, **premium**, or **classic plus**); or a “whole career” scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** have been increased annually in line with changes in Pensions Increase legislation.

Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality “money purchase” stakeholder pension with a significant employer contribution (**partnership** pension account).

Employee contributions are salary related and range between 1.5% and 6.85% of pensionable earnings for **classic** and 3.5% and 8.85% for **premium**, **classic plus** and **nuvos**. Increases to employee contributions applied from 1 April 2014. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years’ pension is payable on retirement.

For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 calculated as in **premium**.

In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension was uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers.

The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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 already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website [www.Civilservice.gov.uk/pensions](http://www.Civilservice.gov.uk/pensions)

#### *Cash Equivalent Transfer Values*

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 figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost.

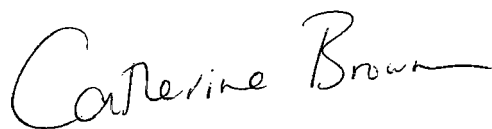
CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

#### *Real Increase in 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.

#### *Compensation for loss of office*

There have been no leavers within the individuals reported on who received compensation for loss of office during the 2014/15 financial year.



Catherine Brown  
Chief Executive and Accounting Officer

3 June 2015

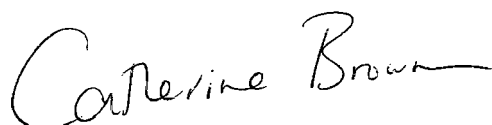
## Statement of Accounting Officer's responsibilities

Under the Food Standards Act, 1999, the Food Standards Agency (the Department) is required to prepare, for each financial year, resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the FSA and of its net resource outturn, resources applied to objectives, changes in taxpayers' equity 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 and in particular to:

- observe the Accounts Direction issued by the Department of Finance & Personnel, 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 accounts; and
- prepare the accounts on a going concern basis.

The Department of Finance and Personnel has appointed the Chief Executive as principal Accounting Officer of the department. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records, and for safeguarding the FSA's assets, are set out in Managing Public Money Northern Ireland.



*Catherine Brown*  
Chief Executive and Accounting Officer

3 June 2015

## FSA Governance Statement 2014/2015

### Introduction

1. As Accounting Officer for the Food Standards Agency (FSA) I am responsible for ensuring that the Department has an effective governance framework in place to support the delivery of the FSA's strategy, ensure value for money, manage risks and ensure effective organisational performance. During 2014/15 the FSA was a UK-wide non-Ministerial Government Department, and I was accountable to the Westminster Parliament and the relevant Devolved Parliament and Assemblies in Scotland, Wales and Northern Ireland through Health Ministers.
2. The FSA ceased operating in Scotland on 1 April 2015 and its functions (and staff) have been transferred to Food Standards Scotland (FSS). The FSS is a devolved body of the Scottish Government.

### Governance Structure

3. As a non-Ministerial Government Department, the FSA is led by a non-Executive Board which complies with the relevant requirements of the Corporate Governance Code. In line with the FSA's culture of openness the Board holds its decision-making meetings in public, and they are broadcast live via the FSA's website. The agendas, papers and minutes of Board meetings are also published.
4. In May 2014 three new Board members were appointed to the FSA Board. All the new Board members undertook a comprehensive induction programme that included briefing in relation to all aspects of the FSA's governance structure and supporting processes. In December 2014 Ministers in all four administrations extended Tim Bennett's role as interim Chair and Henrietta Campbell's role as interim Deputy Chair until a substantive Chair is appointed.
5. With the creation of FSS in April 2015, the two Board members from Scotland stepped down from the FSA Board as of vesting day. The terms of office for two Board members, Paul Wiles and Jeff Halliwell, will be extended for one year as of 1 June 2015 until 31 May 2016 and Tim Bennett's substantial appointment as Deputy Chair has been extended until 31 March 2016.
6. The Board is supported and advised by Food Advisory Committees in each of the devolved countries, and a Succession and Development Committee that focuses on Board members. The Audit Committee and the Risk Committee merged in July 2014 when the newly created Audit and Risk Assurance Committee met for the first time. The terms of reference for the Succession and Development Committee, and the Audit and Risk Assurance Committee are available on our website<sup>13</sup>.
7. The Chairs of the Food Advisory Committees report formally to each Open Board meeting on issues considered. The Chair of the Audit and Risk Assurance Committee provides the FSA Board with an oral update following each meeting, and reports formally in writing annually. The Chair of the Succession and Development Committee provides the Board with a formal annual report.

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<sup>13</sup> <http://www.food.gov.uk/about-us/how-we-work/our-board/boardcommittees>

8. As Accounting Officer, I attend all Board meetings and I am invited to attend all meetings of the FSA's Audit and Risk Assurance Committee and the Succession and Development Committee.
9. Each year the Chair holds appraisal meetings with the Board members to review their effectiveness and future development as a member of the FSA Board. Records of Board member's attendance at Board meetings and at Audit Committee and Audit and Risk Assurance Committee meetings are detailed below.<sup>14</sup>

#### RECORD OF ATTENDANCE AT BOARD MEETINGS 2014/15

Board Member	11 Jun	23 Jul	10 Sep	5 Nov	28 Jan	25 Mar
Tim Bennett	✓	✓	✓	✓	✓	✓
Dr Henrietta Campbell CB	✓	✓	✓	✓	✓	X
Liz Breckenridge	✓	✓	✓	✓	✓	✓
Jeff Halliwell	✓	✓	✓	✓	✓	X
Dr Roland Salmon	✓	X	✓	✓	✓	✓
Dr James Wildgoose	✓	✓	✓	✓	✓	✓
Paul Wiles CB	✓	✓	X	✓	✓	✓
James Smart	✓	✓	✓	✓	✓	✓
Ram Gidoomal	✓	✓	✓	✓	✓	✓
Heather Peck	✓	✓	✓	✓	✓	✓

#### Audit Committee Member Attendance April 2014 – June 2014

Committee Member	23 May 2014 (Teleconference)	10 Jun 2014
Paul Wiles CB	✓	✓
Dr Henrietta Campbell CB	X	
Jeff Halliwell	✓	
Dr James Wildgoose	X	✓
Liz Breckenridge	X	✓
Jim Smart		✓
Heather Peck		✓

<sup>14</sup> <http://www.food.gov.uk/about-us/how-we-work/our-board/boardmem#>



### Audit & Risk Assurance Committee Member Attendance July 2014 – March 2015

Committee Member	22 Jul 2014	4 Nov 2014	16 Dec 2014	24 Mar 2015
Paul Wiles CB	✓	✓	✓	✓
Jim Smart	✓	✓	✓	✓
Liz Breckenridge	✓	✓	✓	✓
Dr James Wildgoose	✓	✓	✓	✓
Heather Peck	✓	✓	✓	✓
Ram Gidoomal				✓

10. A review of the outcomes from the 2013/14 governance review has been undertaken. The review looked at the actions implemented as a result of the review and whether any further changes would support the FSA to work more effectively. A review of the FSA Board's performance and effectiveness is planned during the 2015/16 financial year.
11. The Board agrees the FSA's high level budget for the following financial year at its March meeting.
12. Our Scientific Advisory Committees and General Advisory Committee on Science (GACS) continue to provide an independent challenge and assurance function.

#### The Executive Management Team

13. The Executive Management Team (EMT) provides corporate leadership to the FSA and supports me, as the FSA's Accounting Officer, in delivering the FSA strategy, directing the day-to-day business of the FSA and championing the values of the FSA. The EMT meets every two weeks and more often when required.
14. Membership of the EMT is comprised of eight Directors, including a suitably qualified Finance Director and the FSA's Chief Scientific Advisor and myself.

#### External Assurance Reviews

15. The FSA has supported a number of external assurance reviews which have contributed to assuring the effectiveness of our governance framework, while also identifying some opportunities for improvement.
16. Reviews in the year have included a Cabinet Office review of the Communications Directorate, a review of the charging model used to apportion costs between meat and non-meat related activities by Baker Tilly and audits performed by the Food and Veterinary Office of the EU. Additionally an IT security check by private contractors and an assessment for ISO 9001 by the British Standards Institution have been completed.

## Internal Management

### FSA risk management framework and capacity to handle risk

17. The FSA has a well-established risk management framework that is used to provide reasonable assurance to the FSA Board, the Audit and Risk Assurance Committee (ARAC) and me as Accounting Officer that risks to achieving business objectives are being effectively identified and managed and that those involved understand their roles and responsibilities.
18. The framework is founded on a Risk Management Strategy, which outlines our plans for continuing to embed a risk management culture across the FSA and further raising the FSA's maturity in risk management as set out in HM Treasury's Risk Management Assurance Framework.
19. I commissioned an Internal Audit review of the FSA's risk management framework in 2014/15 to report on progress. The review found that the improvements we had made to our system of governance, including the amalgamation of the Audit and Risk Committees into a single Audit and Risk Assurance Committee (ARAC) from July 2014, had resulted in clearer accountability for managing risk. The review also drew attention to the improved risk management strategy and found evidence that our risk policy was promoting and supporting innovation through improved handling of opportunities and risks.
20. During the course of the year, ARAC reviewed the Agency's approach to risk management. This review resulted in the corporate-level risk register differentiating between direct risks to the consumer and risks relating to the organisation, which may then subsequently impact on consumers.
21. Following ARAC's review, the Board and EMT carried out a review of the content of the corporate-level risk register to ensure that it contained the right risks, in the light of the organisation's new strategy for 2015-20 and continuing budget reductions. The Board also reviewed their risk appetite.
22. Corporate-level risks are defined by the FSA as those which:
  - Materially alter our ability to achieve our strategic outcomes;and/or
  - Fundamentally damage the ability of the FSA to operate (including reputational risks);and/or
  - Cannot be managed or mitigated at the current level within the organisation.
23. Each of the risks on the register has an executive "owner" and a mitigation plan. At the end of the financial year, the risks on the FSA's corporate level risk register included:
  - failure to reduce campylobacter in poultry – and hence related public health impacts – despite it being a top priority for the FSA;
  - failure to manage material incidents as effectively as possible affecting our ability to minimise consumer detriment; and
  - failure to reduce food crime as effectively as possible affecting consumers' interests in relation to food.

24. The high-level focus during the year on the corporate-level risk register is complemented by the systematic bottom up risk management already in place across the FSA. We have an established network of Risk Advisors to help consistently embed Risk Management across the FSA and help embed good risk management across the FSA.

**Director Assurance Statements**

25. At the start of the financial year, Directors agree to operate an adequate system of internal controls over a budget delegation received from me as Accounting Officer, including forecasting, managing risk and ensuring adequate segregation of duties. As part of the year end process Directors complete an assurance statement setting out how an effective system of internal controls has been maintained. I have reviewed all of the statements produced by my Directors and can confirm that no serious issues have been reported in relation to the effectiveness of our internal controls.

**Information Security**

**Training and Awareness**

26. All staff are required to complete the annual mandatory e-learning course “Responsible for Information security” by 31 March. This is available on Civil Service Learning. An Open University course “Introduction to Cyber Security” was also made available to all staff and promoted through Intranet and Yammer social networking site.

27. The National Archives delivered Cyber awareness training to the Executive Management Team on 24 February and to the FSA Board on 24 March.

28. A programme of Information updates and Awareness posters has been published on our Intranet throughout the year.

29. The Information Security Forum continues to meet on a quarterly basis. The forum includes representatives from all Directorates.

**Incidents**

30. There were no protected personal data incidents formally reported to the Information Commissioner’s Office (ICO) in 2014/15.

<b>TABLE 1: SUMMARY OF PERSONAL DATA RELATED INCIDENTS FORMALLY REPORTED TO THE INFORMATION COMMISSIONER’S IN 2014/15</b>				
<b>Date of incident (month)</b>	<b>Nature of incident</b>	<b>Nature of data involved</b>	<b>Number of people potentially affected</b>	<b>Notification steps</b>
No personal data losses have been reported to the ICO during 2014/15				
<b>Further action on information risk</b>	The FSA will continue to monitor and assess its information risks. All staff are required to complete the Civil Service Learning ‘Responsible for Information’ e-learning module.			

**TABLE 2: SUMMARY OF OTHER PERSONAL DATA RELATED INCIDENTS IN 2014/15**

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within the Department are set out in the table below. Small, localised incidents are not recorded centrally and are not cited in these figures

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises	0
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	1
IV	Unauthorised disclosure	6
V	Other	0

### Macpherson Review of Quality Assurance of Government models

31. In response to the Macpherson Review of Quality Assurance of Government Models<sup>15</sup> we have reviewed annually our list of business critical models, and have processes in place to quality assure their inputs, methodology and outputs. We are embedding quality assurance capacity and capability within our analytical and scientific professions, and are improving our processes related to communicating any risks or limitations across all sources of evidence, so that they are properly logged, managed and communicated to decision makers and policy makers.

### Head of Internal Audit's Opinion on the FSA's governance, management and risk control

32. Based on the results of the audit work completed during the year and understanding the Agency's control environment, the Head of Internal Audit's opinion is that the FSA has maintained adequate risk control and governance arrangements.
33. The results of the business audits conducted during the year found that at a high level, risks are managed with management action and decisions taken about identified risks being adequate. Financial controls remain strong with those over travel and accommodation expenses, social media, risk and project management being good. Official Controls audits found good or reasonable controls operating over dairy and egg hygiene, food chain information and the use of inspection assistants in poultry houses.

<sup>15</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/206946/review\\_of\\_qa\\_of\\_govt\\_analytical\\_models\\_final\\_report\\_040313.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206946/review_of_qa_of_govt_analytical_models_final_report_040313.pdf)

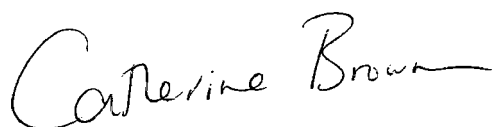
34. From the audit work performed in the year two themes have been identified. Firstly, clarification of some official control policy areas would enable a more consistent and proportionate assessment of risks to be undertaken by operational staff, however, an improvement in collaboration between Policy and Operations has been evidenced in the year. Secondly, the evaluation of policy and project outcomes does not routinely include a post implementation review to assess how well, or if, project objectives have been met. Management in both policy and project management areas have taken action to address this issue.
35. In submitting his opinion, the Head of Internal Audit has confirmed that there were no limitations placed on the scope of the Internal Audit activities during 2014/15, and that he considers the breadth of the work conducted in audits performed during the year sufficient to provide me, as the Accounting Officer, with an evaluation and opinion on the effectiveness of governance and risk management processes in those areas audited. He has also confirmed that he is satisfied that the work conducted by the Internal Audit team complies with the standards outlined in the Public Sector Internal Audit Standards.

### Looking Ahead

36. Looking ahead to 2015/16 we will continue to seek to improve the effectiveness of our governance, risk and control structures and mechanisms. In particular we will be updating our risk strategy to best support the FSA's new strategy to 2020. We will also implement the Internal Audit recommendations on risk management, ensuring risk is further embedded across the FSA. We will continue to develop our Business Committee performance reporting to support the delivery of our new strategy ensuring we prioritise activities in line with our strategy and deliver best value for money. We will also continue to improve and integrate our business planning and budgeting process to further support the delivery of the new strategy in a way which offers best value for money.

### Significant internal control weaknesses

37. I am able to report that there were no significant weaknesses in the FSA's systems of internal controls in 2014/15 which affected the achievement of the FSA's key strategic outcomes, aims, objectives and policies.
38. I can also confirm that there have been no Ministerial Directions given during the course of the year.



*Catherine Brown*  
Chief Executive and Accounting Officer

3 June 2015

## **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

I certify that I have audited the financial statements of the Food Standards Agency (Northern Ireland) for the year ended 31 March 2015 under the Food Standards Act 1999. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. I have also audited the Statement of Assembly Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Food Standards Act 1999. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Food Standards Agency (Northern Ireland)'s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Food Standards Agency (Northern Ireland); and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Assembly Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Assembly control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also 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.

### **Opinion on regularity**

In my opinion, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2015 and shows that those totals have not been exceeded; and

- 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.

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of to the Food Standards Agency (Northern Ireland)'s affairs as at 31 March 2015 and of its net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Food Standards Act 1999 and Department of Finance and Personnel directions issued thereunder.

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions made under the Food Standards Act 1999; and
- the information given in the Strategic Report and the Directors' 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**

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 returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; 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 HM Treasury's guidance.

### **Report**

I have no observations to make on these financial statements.

**Sir Amyas C E Morse**  
**Comptroller and Auditor General**

**10 June 2015**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

## Statement of Assembly Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires the Food Standards Agency to prepare a Statement of Assembly Supply (SOAS) and supporting notes to show resource outturn against the Supply Estimate presented to the Assembly, in respect of each request for resources.

### Summary of Resource Outturn 2014/15

	Note	Estimate			2014/15 Outturn			2013/14 Outturn	
		Gross expenditure £000	Accruing Resources £000	NET TOTAL £000	Gross expenditure £000	Accruing Resources £000	NET TOTAL £000	Estimate saving/ (excess) £000	Net total £000
<b>Request for Resources</b>									
<b>Departmental Expenditure in DEL:</b>									
A-1 Food Safety, Nutrition and Standards									
SOAS2		11,933	(3,757)	8,176	11,671	(3,695)	7,976	200	8,163
<b>Non-Budget:</b>									
A-2 Notional Charges									
SOAS2		12	-	12	10	-	10	2	10
Total resources	SOAS3	11,945	(3,757)	8,188	11,681	(3,695)	7,986	202	8,173
Non-operating cost		-	-	-	-	-	-	-	-
Accruing Resources		-	-	-	-	-	-	-	-

	Note	2014/15		2013/14 Outturn
		Estimate £000	Outturn £000	
Net cash requirement	SOAS4	8,392	7,970	8,323

### Summary of income payable to the Consolidated Fund

There was no income payable to the Consolidated Fund during the year.

Explanations of variances between Estimate and outturn are given in Note SOAS2 and in the Management Commentary.

The notes on pages 56 to 68 form part of these accounts



## Notes to the Departmental Resource Accounts (Statement of Assembly Supply)

### SOAS1 Statement of accounting policies

The Statement of Assembly Supply and supporting notes have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury. The Statement of Assembly Supply accounting policies contained in the FReM are consistent with those set out in the Consolidated Budgeting Guidance and Supply Estimates in Northern Ireland Guidance Manual.

#### SOAS 1.1 Accounting convention

The Statement of Assembly Supply and related notes are presented consistently with Treasury budget control and Supply Estimates in Northern Ireland. The aggregates across government are measured using National Accounts, prepared in accordance with the internationally agreed framework 'European System of Accounts' (ESA95). ESA95 is in turn consistent with the System of National Accounts (SNA93), which is prepared under the auspices of the United Nations.

The budgeting system and the consequential presentation of Supply Estimates and the Statement of Assembly Supply and related notes have different objectives to IFRS-based accounts. The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with relevant Assembly authority, in support of the Government's fiscal framework. The system provides incentives to departments to manage spending well so as to provide high quality public services that offer value for money to the taxpayer.

The Government's objectives for fiscal policy are set out in the Charter for Budget Responsibility. These are to:

- ensure sustainable public finances that support confidence in the economy, promote intergenerational fairness, and ensure the effectiveness of wider government policy; and
- support and improve the effectiveness of monetary policy in stabilising economic fluctuations.

## SOAS2 Analysis of Net Resource Outturn by function

						Outturn		2014/15	2013/14	
	Admin	Other current	Grants	Gross Resource Expenditure	Accruing Resources	Net total	Net total	Estimate	£000	£000
<b>Request for Resources made by FSA in NI</b>										
<b>Departmental Expenditure in DEL:</b>										
A-1 Food Safety, Nutrition and Standards	-	10,472	1,199	11,671	(3,695)	7,976	8,176	200	200	8,163
<b>Non-Budget:</b>										
A-2 Notional Charges	-	10	-	10	-	10	12	2	2	10
<b>Total</b>	<b>-</b>	<b>10,482</b>	<b>1,199</b>	<b>11,681</b>	<b>(3,695)</b>	<b>7,986</b>	<b>8,188</b>	<b>202</b>	<b>202</b>	<b>8,173</b>

The FSA in Northern Ireland resource spend for the period was £7,986,000 compared to the estimate of £8,188,000. The underspend was largely due to expenditure on meat hygiene enforcement activity being less than expected.

### SOAS3.1 Reconciliation of net resource outturn to net operating cost

	Note	Outturn	Supply Estimate	2014/15 £000 Outturn compared with Estimate	2013/14 £000 Prior Year Outturn
Net Resource Outturn	SOAS2	7,986	8,188	202	8,173
<b>Net Operating Cost</b>		<b>7,986</b>	<b>8,188</b>	<b>202</b>	<b>8,173</b>

### SOAS3.2 Outturn against final Administration Budget

The Food Standards Agency in Northern Ireland is excluded from the Administration budget regime.

**SOAS4 Reconciliation of net resource outturn to net cash requirement**

	2014/15			Net Total Outturn compared with estimate savings/ (excess)	2013/14
	Note	Estimate	Outturn		Outturn
		£000	£000		£000
<b>Resource Outturn</b>	SOAS2	8,188	7,986	202	8,173
<b>Capital:</b>					
Acquisition of non-current assets	6	100	5	95	98
<b>Accruals to cash adjustments:</b>					
Adjustments to remove non-cash items:					
Depreciation	4	(40)	(35)	(5)	(26)
Other non-cash items	4	(12)	(10)	(2)	(10)
Changes in working capital other than cash		156	24	132	88
Movement on provision	14	–	–	–	–
Net Cash Requirement		8,392	7,970	422	8,323

**SOAS5 Analysis of income payable to the Consolidated Fund**

There was no surrender of excess Accruing Resources or Consolidated Fund Extra Receipts payable to the Consolidated Fund.

**SOAS6 Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund**

	Note	2014/15 £000	2013/14 £000
Operating income	5	(3,695)	(3,733)
Income authorised to be Accruing Resources		3,695	3,733
Operating income payable to the Consolidated Fund		–	–

**SOAS7 Non-operating income – Excess Accruing Resources**

There was no non-operating income Excess Accruing Resources during the year.

## Statement of Comprehensive Net Expenditure

### for the year ended 31 March 2015

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

			2014/15	2013/14
	Note	<b>Staff Costs</b>	<b>Other Costs</b>	<b>Income</b>
		£000	£000	£000
		_____	_____	_____
<b>Programme Costs:</b>				
Staff costs	2	1,649		1,733
Other operating costs	4		639	639
Monitoring and surveillance	4		9,393	9,534
Operating income	5		(3,695)	(3,733)
<b>Totals</b>		<b>1,649</b>	<b>10,032</b>	<b>(3,695)</b>
		_____	_____	_____
<b>Net Operating Cost</b>	SOAS3		<b>7,986</b>	<b>8,173</b>
			_____	_____

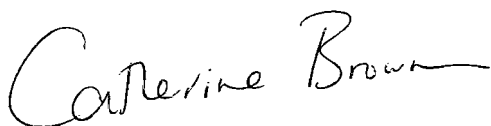
The notes on pages 56 to 68 form part of these accounts

## Statement of Financial Position

as at 31 March 2015

This statement presents the financial position of the Food Standards Agency. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	£000	2014/15 £000	£000	2013/14 £000
<b>Non-current assets:</b>					
Property, plant and equipment	6	99		129	
<b>Total non-current assets</b>			99		129
<b>Current assets:</b>					
Trade and other receivables	12	1,119		1,202	
Cash and cash equivalents	11	422		424	
<b>Total current assets</b>			1,541		1,626
<b>Total Assets</b>			<u>1,640</u>		<u>1,755</u>
<b>Current Liabilities</b>					
Trade and other payables	13	(1,877)		(1,986)	
<b>Total current liabilities</b>			<u>(1,877)</u>		<u>(1,986)</u>
<b>Non-current assets plus/less net current assets/liabilities</b>			<u>(237)</u>		<u>(231)</u>
<b>Non-current liabilities</b>					
Provisions	14	(119)		(119)	
<b>Total non-current liabilities</b>			<u>(119)</u>		<u>(119)</u>
<b>Assets less liabilities</b>			<u>(356)</u>		<u>(350)</u>
<b>Taxpayers' equity:</b>					
General fund			(356)		(350)
<b>Total equity</b>			<u>(356)</u>		<u>(350)</u>



Catherine Brown

Chief Executive and Accounting Officer  
3 June 2015

The notes on pages 56 to 68 form part of these accounts

## Statement of Cash Flows

### for the year ended 31 March 2015

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Department during the reporting period. The statement shows how the Department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Departments' future public service delivery. Cash flows arising from financing activities include Assembly Supply and other cash flows, including borrowing.

	Note	2014/15 £000	2013/14 £000
<b>Cash flows from operating activities</b>			
Net operating cost		(7,986)	(8,173)
Adjustment for non-cash transactions	4	45	36
(Increase)/Decrease in trade and other receivables	12	83	(123)
Increase/(Decrease) in trade payables	13	(109)	(247)
less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure	11	2	282
<b>Net cash outflow from operating activities</b>	SOAS4	<b>(7,965)</b>	<b>(8,225)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(5)	(98)
Net cash outflow from investing activities	SOAS4	<b>(5)</b>	<b>(98)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) – current year		7,968	8,041
<b>Net Financing</b>		<b>7,968</b>	<b>8,041</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustments for receipts and payments to the Consolidated Fund</b>			
		(2)	(282)
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustments for receipts and payments to the Consolidated Fund</b>			
Cash and cash equivalents at the beginning of the period	11	424	706
Cash and cash equivalents at the end of the period	11	422	424
		<b>(2)</b>	<b>(282)</b>

The notes on pages 56 to 68 form part of these accounts

## Statement of Changes in Taxpayer's Equity

### for the year ended 31 March 2015

This statement shows the movement in the year on the different reserves held by the Food Standards Agency, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). Financing and the balance from the provision of services are recorded here. Other earmarked reserves are shown separately where there are statutory restrictions of their use.

	Note	General Fund £000
<b>Balance at 31 March 2013</b>		(510)
Changes in accounting policy		–
Restated balance at 1 April 2013		<b>(510)</b>
Net Assembly Funding -drawdown		8,041
Net Assembly Funding – deemed		706
Supply (payable)/receivable adjustment		(424)
Comprehensive Net Expenditure for the year		(8,173)
<b>Non-Cash Adjustments:</b>		
Non-cash charges – auditors remuneration	4	10
<b>Balance at 31 March 2014</b>		<b>(350)</b>
Net Assembly Funding – drawdown		7,968
Net Assembly Funding – deemed		424
Supply (payable)/receivable adjustment		(422)
Comprehensive Net Expenditure for the year		(7,986)
<b>Non-Cash Adjustments:</b>		
Non-cash charges – auditors remuneration	4	10
<b>Balance at 31 March 2015</b>		<b>(356)</b>

The General Fund represents the net liability vested in the FSA in NI at 1 April 2000 (stated at historical cost less accumulated depreciation at that date), the surplus or deficit generated from notional charges and trading activities, and the Vote funding arising since that date.

## Notes to the Departmental Resource Accounts

### 1 Statement Of Accounting Policies

#### 1.1 Basis of Preparation

These financial statements have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The legislative basis for preparing the Northern Ireland account is the Food Standards Act 1999. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Food Standards Agency in NI (FSA in NI) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the FSA in NI are described below. They have been applied consistently in dealing with items which are considered material to the accounts. In accordance with the provisions of the Government Resources and Accounts Act 2000 and the Food Standards Act 1999, all of the accounts of the FSA are audited by the Comptroller & Auditor General of the National Audit Office.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare one additional primary statement. The Statement of Assembly Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

#### 1.2 Accounting Convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and liabilities where material.

#### 1.3 Non-Current Assets

Non-current assets are items of the Agency's property that have a value greater than or equal to £5,000 (inclusive of irrecoverable VAT and delivery costs) and have a useful life of greater than one year. The capitalisation policy applies to all construction, capital improvements which enhance the functionality of a building, major equipment purchases and other capital projects totalling £5,000 or more. This also applies to multiple low cost items of a similar nature which are functionally interdependent or collectively improve efficiency within the FSA in NI. If these collectively have a cost in excess of £5,000 and an intended useful period in excess of a year then the items are usually consolidated as one asset.

#### 1.4 Depreciation and Amortisation

Assets are depreciated from the month following the date of being available for use. Depreciation and amortisation are applied on a straight-line basis to write off costs evenly over the asset's anticipated life. This is in accordance with FReM requirements as a proxy for fair value as these assets have short useful lives or low values or both. Estimated useful lives are reviewed during the year and assets relifed where applicable:



## Property, plant and equipment

	<b>2014-15</b>	<b>2013-14</b>
Computer equipment	5 years	4 years
Office machinery	7 years	7 years
Furniture, fixtures and fittings	7 years	7 years

**1.5 Research & Development Expenditure**

Expenditure on research is not capitalised and is treated as an operating cost as it is incurred. Expenditure on development in connection with a product or service is capitalised if it meets those criteria specified in IAS38.

Most research projects have a retention clause to ensure the satisfactory delivery of the final report. The FSA in NI's policy is to accrue for the final retention amount if the work has been completed at the year end.

**1.6 Operating Income**

Operating income is income which relates directly to the operating activities of the FSA in NI. The FSA in NI has income from meat official controls and from government organisations. Income is recognised on an accruals basis reflecting the value of the work undertaken for the year and is shown net of Value Added Tax.

Income from meat official controls is recognised as time recorded by staff multiplied by charging rates and invoiced to industry. Additional charges have been included as programme income relating to meat official controls.

**1.7 Administration and Programme Expenditure**

FSA in NI are outside the administration budget regime.

**1.8 Pensions**

FSA past and present employees are covered by the provisions of PCSPS. The defined benefit scheme is unfunded. The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the scheme, the Department recognises the contributions payable for the year.

Further details can be found in the resource accounts of the Cabinet Office: Civil Superannuation and at [www.civilservicepensionscheme.org.uk/](http://www.civilservicepensionscheme.org.uk/).

**1.9 Early Departure Costs**

FSA in NI is required to meet the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The department provides in full for this cost when the early retirement programme and similar schemes have been announced and are binding on the department.

**1.10 Operating Leases**

All operating leases are accounted for under IAS17 Leases. Classification is made at the inception of the relevant lease.

Operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are recognised as a reduction in the rental expenses and are allocated over the shorter of the lease or the period in which the rental has been reduced by the lessor. The allocation is on a straight line basis. The FSA does not currently have any finance lease liabilities.

### **1.11 Audit Costs**

A charge reflecting the cost of the audit is included in the operating costs. The FSA in NI is audited by the Comptroller and Auditor General (C&AG) of the National Audit Office. No charge by the C&AG is made for this service but a non-cash charge representing the cost of the audit is included in the accounts.

### **1.12 Value Added Tax**

The net amount of Value Added Tax (VAT) due to or from Her Majesty's Revenue and Customs is shown as a receivable or payable on the Statement of Financial Position. Irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure, or if it is incurred on the purchase of a non-current asset, it is capitalised in the cost of the asset.

### **1.13 Provisions**

Provisions are recognised in accordance with IAS 34. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation, arising from a past event, at the Statement of Financial Position date.

Provisions have not been discounted as the resulting adjustments are not considered material to these accounts.

### **1.14 Contingent Liabilities**

In addition to contingent liabilities disclosed in accordance with IAS37, the department discloses, for Assembly reporting and accountability purposes, certain contingent liabilities where the likelihood of a transfer of economic benefit is remote. These comprise:

- i) Items over £100,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to the Northern Ireland Assembly by Departmental minute prior to the Department entering into the arrangement;
- ii) All items (whether or not they arise in the normal course of business) over £100,000 (or lower, where required by specific statute or where material in the context of resource accounts) which are required by the FReM to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS37 are stated at discounted amounts and the amounts reported to the Northern Ireland Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS37 are stated at the amounts reported to the Northern Ireland Assembly.

### **1.15 Financial Assets and Liabilities**

The FSA holds the following financial assets and liabilities:

- 1) Assets
  - Cash and cash equivalents
  - Trade Receivables – current

- 2) Liabilities
- Trade and other payables
  - Provisions arising from contractual arrangements

Financial Assets and Liabilities are accounted for under IAS32, Financial Instruments: Presentation, IAS39 Financial Instruments: Recognition and Measurement and IFRS7 Financial Instruments: Disclosure.

Cash balances are measured as the amounts received in FSA's bank account. The FSA does not currently have cash equivalents. Trade receivables are measured at fair value with an impairment review carried out on a monthly basis. Trade and other payables are measured at fair value, with use of agreed invoiced amount, or management estimate in the case of accrued expenditure, forming the basis for valuation.

Cash balances are recorded at current values. Account balances are set-off only where there is a formal agreement with the bank to do so. All other financial instruments are held for the sole purpose of managing the cash flow of the FSA on a day to day basis or arise from the operating activities of the FSA.

## 2 Staff numbers and related costs

### a) Programme staff costs consist of:

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Wages and Salaries	1,301	1,289
Social Security Costs	105	106
Other Pension Costs	237	244
<b>Sub Total</b>	<b>1,643</b>	<b>1,639</b>
Inward Secondment	–	55
Agency Staff	6	39
<b>Total</b>	<b>1,649</b>	<b>1,733</b>

No staff costs have been capitalised during the year.

### b) The average number of whole-time equivalent persons employed by the FSA in Northern Ireland during the year were as follows:

<b>2014/15</b>			<b>2013/14</b>		
<b>Permanent</b>	<b>Agency</b>	<b>Total</b>	<b>Permanent</b>	<b>Agency</b>	<b>Total</b>
<b>38</b>	<b>1</b>	<b>39</b>	<b>38</b>	<b>2</b>	<b>40</b>

### Principal Civil Service Pension Scheme

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the FSA is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2010. Details can be found in the

resource accounts of the Cabinet Office: Civil Superannuation and at [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions).

For 14/15, employers' contributions of £237k (2013/14 £244k) were payable to the PCSPS at one of four rates in the range of 16.7 to 24.3 per cent of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The Government Actuary's Department carried out an actuarial valuation of PCSPS as at 31 March 2012 and the contribution rates will change from 20.0 to 24.5 per cent for 2015/16. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No FSA in NI staff chose to do so.

## 2.1 Reporting of Civil Service and other compensation schemes – exit packages

Exit Package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	-	-	-
£10,000–£25,000	-	-	-
£25,000–£50,000	-	-	-
£50,000–£100,000	-	1 (2013/14 1)	1 (2013/14 1)
£100,000–£150,000	-	-	-
£150,000–£200,000	-	-	-
£200,000 and above	-	-	-
<b>Total number of exit packages</b>	-	1 (2013/14 1)	1 (2013/14 1)
		60,753 (2013/14	60,753 (2013/14
<b>Total resource cost £</b>	-	81,694)	81,694)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

There was 1 early retirement on ill health grounds in 2014/15 at a cost of £46,063 and none in 2013/14.

### 3 Other Administration Costs

The Food Standards Agency in Northern Ireland had no Administration Costs in 2014/15 (2013/14 nil).

### 4 Programme Costs

#### 4a) Programme costs

	2014/15	2013/14
	£000	£000
	<u>£000</u>	<u>£000</u>
<b>Rentals under operating leases:</b>		
Other operating leases	131	134
<b>Non-cash items:</b>		
Depreciation	35	26
Loss on disposal of fixed assets	-	-
Provision provided for in year	-	-
Audit fees	10	10
<b>Total non-cash items</b>	<u>45</u>	<u>36</u>
Accommodation costs	102	102
Staff overheads	173	172
Administration costs	39	42
IT costs*	112	116
Committee Costs	37	37
	<u><b>639</b></u>	<u>639</u>

\*Central IT costs are recharged to Devolved Offices from FSA Westminster.

#### 4b) Programme costs

Programme costs	2014/15	2013/14
	£000	£000
	<u>£000</u>	<u>£000</u>
<b>Monitoring and Surveillance:</b>		
Enforcement & Audit/Local Authority	1,375	1,414
Standards & Dietary Health	686	544
Meat Inspection	6,019	6,148
Press & Publicity	216	215
Microbiological Food Safety	1,097	1,213
	<u><b>9,393</b></u>	<u>9,534</u>

The programme headings were revised this year to better reflect the work of the agency. As a result, the 2013/14 headings for programme costs have been reclassified.

## 5 Income

Operating income, analysed by classification and activity, is as follows:

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
<b>Programme income:</b>		
Programme Income	(3,695)	( 3,733)
	<u>(3,695)</u>	<u>( 3,733)</u>

An analysis of programme income from services provided to external customers is as follows:

	<b>2014/15</b>			<b>2013/14</b>		
	<b>£000</b>			<b>£000</b>		
	Income	Full Cost	Surplus/ (Deficit)	Income	Full Cost	Surplus/ (Deficit)
Meat Hygiene Inspection	(3,557)	6,019	(2,462)	(3,686)	6,148	(2,462)
	<b>(3,557)</b>	<b>6,019</b>	<b>(2,462)</b>	<b>(3,686)</b>	<b>6,148</b>	<b>(2,462)</b>

The FSA's financial objective is to recover costs fully. There currently remains a shortfall between the costs for the FSA of delivering meat official controls and the income received from Food Business Operators (FBOs) for these services. This is effectively a subsidy of £2.5m from the FSA to the meat industry, which was received by 81% of FBOs (95% of premises that slaughter and 59% of cutting premises) across NI in 2014/15. EU regulations make provision for member states to take small/rural establishments into consideration when collecting fees and charges. However, the current system provides a level of subsidy to FBOs over and above that required by EU regulations. As a consequence some FBOs need to be invoiced supplementary charges to bring the overall level of charge up to the EU minimum or the full costs of official controls; the FSA can charge no more than the full cost. Invoices for the supplementary charges are issued after six, nine and twelve months of the financial year.

At its September 2012 meeting the FSA Board asked the meat industry to work with the FSA to develop a new discount system for meat official control charges that promotes efficiency, supports improving compliance (within a de-regulatory remit), appropriately supports Small and Medium Enterprises and provides a balanced discount arrangement that seeks to achieve a more balanced and more equitable system.

During 2014/15 the Steering Group on Meat Charging has continued to take forward work on the reform of the current discounts on meat official controls charges. The Steering Group is made up of industry stakeholders, led by an independent chair and supported by FSA staff. The Steering Group proposed and considered the impact of a number of options for changes to the method used to allocate discounts, arriving at a broad consensus in July 2014, which was presented to the FSA Board in September 2014. The Board accepted the proposals and asked FSA to launch a 12 week consultation. The consultation commenced on 9 March 2015. Subject to the outcome of the consultation, and the views of the Government's regulatory committees, the proposed new system would be implemented from the start of 2016/17.

In addition to meat hygiene inspection, the FSA received income in respect of joint projects, namely the National Diet & Nutrition Survey and a Urinary Sodium Project.

The above information is provided to meet the Fees and Charges disclosure requirements of the FReM and has not been provided for Segmental Analysis purposes under IFRS 8.

## 6 Property, plant and equipment

### 6a)

	Fixtures and Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2014	58	43	98	199
Additions	5	–	–	5
Disposals	–	–	–	–
<b>At 31 March 2015</b>	<b>63</b>	<b>43</b>	<b>98</b>	<b>204</b>
<b>Depreciation</b>				
At 1 April 2014	32	26	12	70
Charged in year	10	5	20	35
Disposals	–	–	–	–
<b>At 31 March 2015</b>	<b>42</b>	<b>31</b>	<b>32</b>	<b>105</b>
<b>Carrying amount at 31 March 2015</b>	<b>21</b>	<b>12</b>	<b>66</b>	<b>99</b>
Carrying amount at 31 March 2014	26	17	86	129
<b>Asset financing</b>				
Owned	21	12	66	99
<b>Carrying amount at 31 March 2015</b>	<b>21</b>	<b>12</b>	<b>66</b>	<b>99</b>

## 6b)

	Fixtures and Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2013	58	43	–	101
Additions	–	–	98	98
Disposals	–	–	–	–
<b>At 31 March 2014</b>	<b>58</b>	<b>43</b>	<b>98</b>	<b>199</b>
<b>Depreciation</b>				
At 1 April 2013	24	20	–	44
Charged in year	8	6	12	26
Disposals	–	–	–	–
<b>At 31 March 2014</b>	<b>32</b>	<b>26</b>	<b>12</b>	<b>70</b>
<b>Carrying amount at 31 March 2014</b>	<b>26</b>	<b>17</b>	<b>86</b>	<b>129</b>
Carrying amount at 1 April 2013	34	23	–	57
<b>Asset financing</b>				
Owned	26	17	86	129
<b>Carrying amount at 31 March 2014</b>	<b>26</b>	<b>17</b>	<b>86</b>	<b>129</b>

## 6c)

	Fixtures and Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
<b>Asset financing</b>				
Owned	34	23	–	57
<b>Carrying amount at 1 April 2013</b>	<b>34</b>	<b>23</b>	<b>–</b>	<b>57</b>

## 7 Capital Commitments

The FSA in NI has no capital commitments.



## 8 Commitments under leases

### Operating leases

Total future minimum payments under operating leases are given in the table below for each of the following periods.

	2014/15 £000	2013/14 £000
<b>Obligations under operating leases comprise:</b>		
Land and buildings:		
Not later than one year	-	123
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>123</u>

The FSA is continuing to occupy its premises under interim operational lease arrangements while new contracts are being negotiated.

There are no other operating leases.

## 9 Other financial commitments

The Food Standards Agency in Northern Ireland did not have any other commitments as at 31 March 2015.

## 10 Financial Instruments

As the cash requirements of the department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore exposed to little credit, liquidity or market risk.

## 11 Cash and cash equivalents

	<u>£000</u>
Balance at 1 April 2013	706
Net change in cash and cash equivalent balances	(282)
Balance at 31 March 2014	424
Net change in cash and cash equivalent balances	(2)
<b>Balance at 31 March 2015</b>	<u><b>422</b></u>

	2014/15 £000	2013/14 £000
The following balances at 31 March were held at:		
Government Banking Service	422	424
<b>Balance at 31 March</b>	<u><b>422</b></u>	<u><b>424</b></u>

## 12 Trade receivables and other current assets

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Trade receivables	138	518
Prepayments and accrued income	615	297
VAT recoverable	366	387
	<b>1,119</b>	<b>1,202</b>

### 12.1 Intra-government balances

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Balances with other central government bodies	366	387
Balances with bodies external to government	753	815
<b>Total at 31 March 2015</b>	<b>1,119</b>	<b>1,202</b>

## 13 Trade payables and other current liabilities

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Other taxation and social security	0	32
Trade payables	6	34
Other payables	0	18
Accruals and deferred income	1,449	1,478
Amounts issued from the Consolidated Fund for supply but not spent at year end	422	424
	<b>1,877</b>	<b>1,986</b>

**13.1 Intra-government balances**

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Balances with other central government bodies	1,581	1,688
Balances with local authorities	–	1
Subtotal: Intra-government balances	1,581	1,689
Balances with bodies external to government	296	297
<b>Total at 31 March 2015</b>	<b>1,877</b>	<b>1,986</b>

**14 Provisions for liabilities and charges**

	<b>£000</b>
Balance at 1 April 2013	119
Provided in the year	–
Provisions not required written back	–
Provisions utilised in the year	–
Balance at 1 April 2014	119
Provided in the year	–
Provisions not required written back	–
Provisions utilised in the year	–
Balance at 31 March 2015	119

**Analysis of expected timing of discounted flows**

	<b>2014/15</b>
	<b>£000</b>
	<b>Dilapidations</b>
Not later than one year	119
Later than one year and not later than five years	–
Later than five years	–
Balance at 31 March 2015	119

A provision has been created in respect of estimated dilapidation costs in respect of an operating lease held. The value is based on professional advice. The provision has not been discounted, as the resulting adjustment is not considered material to these accounts.

**15 Contingent Liabilities**

There were no contingent liabilities (2013/14 nil).

## **16 Losses and Special Payments**

The Food Standards Agency in Northern Ireland did not incur any losses, or make any special payments during 2014/15 (2013/14 nil).

## **17 Related-Party Transactions**

None of the Board Members, key managerial staff or related parties have undertaken any material transactions with the FSA in Northern Ireland during the year.

The FSA in Northern Ireland had a number of transactions with other government departments and other central government bodies. All Related Parties are with Other Government Bodies.

In Northern Ireland, these were the Department of Agriculture and Rural Development £6,692k, Centre for Environment, Fisheries and Aquaculture Science £383k, Public Health England £342k, Department of Finance and Personnel £57k, Agri-Food and Biosciences Institute £39k, Safefood £22k, Department of Environment Food and Rural Affairs £6k and the Office of the First Minister and Deputy First Minister £6k.

## **18 IFRSs, amendments and interpretations in issue but not yet effective, or adopted**

The IASB have issued an amended standard (IFRS 13) which affects the fair value measurement of assets. This standard was adopted by EU in January 2013 and will be incorporated into the FReM in 2015-16. It is not likely to be applicable or anticipated to have future material impact on the financial statements of the FSA.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A review of the NI financial process, which will bring NI departments under the same adaptation, has been presented to the Executive, but a decision has yet to be made. Should the Executive agreed to the recommendations, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

## **19 Entities within the Departmental Boundary**

The FSA in NI has no other entities within its Departmental Boundary.

## **20 Events after the Reporting Period**

In accordance with the requirements of IAS 10 Events after the reporting period, post balance sheet events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the UK Comptroller and Auditor General. There are no reported events after the reporting period.

**ACCOUNTS DIRECTION GIVEN BY THE DEPARTMENT OF FINANCE AND PERSONNEL UNDER SCHEDULE 4, PARAGRAPH 3(3) OF THE FOOD STANDARDS ACT 1999**

1. This direction applies to the Northern Ireland operations of the **Food Standards Agency**.
2. The Northern Ireland operations of the Food Standards Agency shall prepare Resource Accounts for the year ended 31 March 2015, in compliance with the accounting principles and disclosure requirements of the edition of the *Government Financial Reporting Manual* issued by HM Treasury ("the FReM") which is in force for 2014/15.
3. The accounts for the **Northern Ireland operations of the Agency, for which an estimate is approved by the NI Assembly**, shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs at 31 March 2015 and of the net resource outturn, the application of resources, changes in taxpayers' equity and cash flows for the financial year then ended; and
  - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by the NI Assembly or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of FReM is inconsistent with the requirement to give a true and fair view, the requirements of FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of FReM. Any material departure from FReM should be discussed in the first instance with DFP.



Jack Layberry  
Treasury Officer of Accounts