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Dr Andrew Murrison  
Chair  
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During the course of the second reading of the Northern Ireland Budget (Anticipation and Adjustments) Bill on 20 March, I committed to write to you regarding the difference in the figures contained in Schedules 3 and 4 of the Northern Ireland Budget (Anticipation and Adjustments) Bill. These two schedules provide details regarding the vote on account provided by clauses 4 and 6 of the Bill respectively. This vote on account is to allow Northern Ireland departments and other public bodies to continue to deliver public services into the early months of the 2018-19 financial year and is similar to the vote on account approved by Parliament for UK Government departments in Section 1 of the Supply and Appropriation (Anticipation and Adjustments) Act 2018

There is a distinction between the cash sum authorised for issue in Clause 4 for which Schedule 3 provides detail, and the amount of resources authorised for use in Clause 6 for which Schedule 4 provides detail. Northern Ireland departments, as in Westminster, operate under Resource Budgeting and Accounting rules. This means that the expenditure shown in departments' accounts does not reflect the cash spent, but rather the resources consumed in the financial year. This means, for example, that revenue and costs are recognised as they are earned or incurred and not when the cash is received or paid and that a non cash depreciation charge is recognised rather than the cash cost of acquiring a fixed asset.

The cash sum being voted on account in Clause 4 and Schedule 3 includes cash used to finance capital investment, and also takes into account movement in working capital and payments based on provisions created in previous years. These do not constitute resource consumption. The resources authorised in Clause 6 and Schedule 4 exclude those items, but do include non-cash items, mainly the depreciation and impairment of assets and the creation of new provisions.

I appreciate this is a very technical answer but I hope this answers your query sufficiently and let me take this opportunity to thank you for your support for the Bill last week.

*Answer*

*K*

**RT HON KAREN BRADLEY MP  
SECRETARY OF STATE FOR NORTHERN IRELAND**