



Northern Ireland  
Fiscal Council

Bringing transparency to NI's public finances

# Fees and Charges

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## Introduction and main conclusions

This paper examines the role of departmental fees and charges in the NI Budget. It focuses on the distinction between internal fees and charges income – payments made by one Executive department or public body to another – and external fees and charges income from outside government. While the Budget normally highlights the Block Grant and Regional Rates as the main funding sources, fees and charges are a significant additional stream — averaging a little over £1 billion a year in 2022–23 and 2023–24, higher than the revenue from the Regional Rates (averaging around £750 million). Our analysis (with some caveats around the efficacy of our approach) suggests that slightly less than 20 per cent of this fees and charges income comes from internal flows between Executive departments, which do not add to the resources available for public services. The remainder - averaging around £860 million a year - comes from outside the Executive and this is higher than the Regional Rates income. Understanding this internal/external split is important for interpreting income trends and assessing genuine funding for public services in Northern Ireland.

In the conventional presentation of the NI Budget, day-to-day spending on public services and administration within the Executive's Resource Departmental Expenditure Limit (RDEL) is financed predominantly by the Block Grant from the UK Government plus a relatively small amount of revenue from the Regional Rates. But this does not give a complete picture. Some Executive departments and public bodies levy fees and charges (mostly for services provided) but these are treated as negative spending. This is not particularly transparent and means that the total gross spending and receipts of the Executive are both understated.

In our initial analysis of 'money in and money out' in Chapter 5 of our 2021 *Comprehensive Guide*,<sup>1</sup> we separated out these fees and charges and the other receipts that are netted off within departmental DEL and Annually Managed Expenditure (AME), to produce separate figures for gross spending (money out) and fees and charges and other receipts (part of money in).<sup>2</sup> But we noted that some of these receipts come from within the public sector, where one part of government is paying another for specific goods and services. This means that that presentation overstates both the money in and the money out,<sup>3</sup> and that the most informative answer lies somewhere between the conventional approach and our *Guide* approach.

Ideally, we would split net spending to separate out only the inflow of receipts into the Executive *from outside*,<sup>4</sup> and the Executive spending, *where the spending goes to the outside world*. The internal flows of fees and charges from one department to another do not finance any additional spending in the outside world because they are entirely contained within the Executive. Instead, they reflect the movement of

<sup>1</sup> NI Fiscal Council: <https://www.nifiscalcouncil.org/publications/public-finances-ni-comprehensive-guide-november-2021>

<sup>2</sup> Table 5.1 in the *Comprehensive Guide* summarises the results of our money in and money out analysis and shows the full list of receipts that we identified in 2021.

<sup>3</sup> In our money in and money out analysis, money out (or gross spending) is calculated as the sum of the net spending plus the receipts that are separated out from within the net spending. Therefore, if the receipts are overstated, then so is the gross spending.

<sup>4</sup> For the purposes of our analysis, the boundary for 'internal v external' is taken to be the boundary around the NI Executive. So, receipts of fees and charges from UK Government departments are treated as external.

the spending from one department to another for recharging purposes.<sup>5</sup> This short paper reports on our recent work to try to resolve this question and quantify how much of the fees and charges receipts are ‘internal’, i.e. received from other Executive departments.

Our main conclusion is that slightly less than 20 per cent of departmental fees and charges came from within the Executive in 2022-23 and 2023-24. We estimate that, on average over these two years, internal fees and charges were around £185 million a year, while external receipts from outside the Executive were about £860 million a year. This is still considerably higher than the £750 million average revenue from the Regional Rates but of course much lower than the £14.3 billion from the average RDEL Block Grant.<sup>6</sup> These estimates are approximate because it is not straightforward in all cases to say where fees and charges revenue comes from. We discuss the limitations to the analysis below.

The fees and charges data that we wanted to split is sourced from the NI Executive’s budgets data for DEL and AME, consistent with Public Expenditure Statistical Analyses (PESA) 2024. In the course of our work we found that the changes from the Review of Financial Process (RoFP)<sup>7</sup> that were implemented in 2022-23 more than doubled the amount of fees and charges recorded within DEL for the Department of Health (DoH) from 2021-22 onwards. This happened because the RoFP changes expanded the DoH data to fully reflect the total spending and receipts for the hospital trusts (and the Business Services Organisation). Since DoH receive the highest amount of fees and charges across the whole of the Executive (38 per cent of total fees and charges in 2023-24), these changes also significantly increased the total of fees and charges recorded in the PESA data.

To give an example of internal versus external receipts, the Resource DEL for the Department for Infrastructure included the following amounts of fees and charges for NI Water in 2023-24:<sup>8</sup>

- **£29.2 million** received from Department for Infrastructure (DfI) for road drainage services. These are internal receipts, where DfI is paying NI Water (NIW) for these services; and
- **£106.2 million** received from customers for non-domestic water charges. These are largely external receipts, paid by businesses. But government departments and other public bodies also pay non-domestic water charges to NIW. We estimate that just over ten per cent of these non-domestic water charges are internal receipts recharged within government.<sup>9</sup>

Chapter 5 of the *Comprehensive Guide* included Table 5.10, which showed the largest fees and charges in 2020-21. This is reproduced in Annex A. Although this

<sup>5</sup> The recharging is necessary because each department is required to fully account for its spending in delivering its services, regardless of where those services are delivered, i.e. inside or outside of government.

<sup>6</sup> These averages reflect 2023-24 provisional outturn in PESA 2024. RDEL Block Grant covers RDEL excluding depreciation.

<sup>7</sup> The Review of Financial Process changes aligned budgets, Estimates and Accounts, and consolidated departments with their arm’s length bodies (ALBs) into single department accounts.

<sup>8</sup> These amounts are sourced from NI Water’s Annual Report 2023-24 <https://www.niwater.com/about-us/annual-report>  
NI Water is classified as part of central government in N Ireland.

<sup>9</sup> This estimate is based on historic data collected for NI Whole of Government Accounts (WGA).

table included some internal fees and charges, these were not shown separately. Table 1 below shows some examples of internal receipts within this earlier table.

Table 1 - Examples of internal and external receipts within the previous Table 5.10

Department	Description	£ million	
		2020-21	Internal or external?
<b>Communities</b>	Charges to UK Government departments DWP and HMRC for costs of delivering DWP and National Insurance Fund benefits and child maintenance.	73.3	External. The charges paid by DWP and HMRC come from outside of the Executive.
<b>Justice</b>	NI Courts and Tribunals fees and charges and recovery of costs from other departments.	26.1	Mixed internal and external. The recoveries from NIE departments are internal.
<b>Finance</b>	IT Assist income for provision of IT equipment, server hosting and IPT tariff provided to NI Civil Service and other public sector organisations.	16.1	Mixed internal and external. Receipts for services to NI Civil Service are internal.

Source: Department of Finance provisional outturn

The next section of this paper presents a summary of the results. Then the rest of the paper explains our methodology and the results in more detail. The final section explains the impact of the implementation of the Review of Financial Process.

## Summary of results

Our investigations were complicated by the different frameworks of the source data that we tried to compare. The fees and charges data that we wanted to split is sourced from the NI Executive's Budgets data (DEL and AME), consistent with PESA 2024. But the data that we tried to use, which contains the internal versus external split of fees and charges, is sourced from the NI Executive's Whole of Government Accounts (WGA), which is consistent with departments' Accounts and Estimates.

Although the implementation of the Review of Financial Process (RoFP)<sup>10</sup> made the relationship between accounts and budgets much easier to understand, the two systems are still produced using different frameworks, and we found significant differences between the Accounts (and WGA) versus PESA sets of data for some departments' fees and charges.<sup>11</sup> Although we hope that we have understood and removed the largest differences in our results, the data still differ for some departments. So our results carry a health warning as a result. And they only cover 2022-23 and 2023-24 (after the RoFP changes were implemented).

Table 2 shows the latest budgets data consistent with PESA 2024 for total current fees and charges. The second part of the table shows our estimates of the amounts of these fees and charges that are internal transactions between departments. The overall result suggests that slightly less than 20 per cent of the PESA data for current fees and charges might have come from internal sources in 2022-23 and

<sup>10</sup> The Review of Financial Process changes were implemented in the NI Estimates for 2022-23. These changes also affected some departments' accounts, for instance in expanding the boundary for consolidation.

<sup>11</sup> The PESA data are collected within the resource accounting and budgeting framework set out by HM Treasury, e.g. in [https://assets.publishing.service.gov.uk/media/65f0a26d9812270011f61417/CBG\\_2024-25.pdf](https://assets.publishing.service.gov.uk/media/65f0a26d9812270011f61417/CBG_2024-25.pdf) (where this is also designed to deliver data to the National Accounts within the European System of Accounts 2010 framework.) And the Accounts and WGA data are compiled and submitted within the accounting framework set out by HM Treasury's Financial Reporting Advisory Board. The formats of the data are aligned to each of these separate frameworks and can't be altered by NI Executive outside of these frameworks.

2023-24. But this estimate is qualified as not robust. Although more work could be done to try to improve these results further, we intend in future simply to refer to the conclusions of this work rather than repeat it regularly, given the complexity of the data.

**Table 2 - Estimate of the amount of receipts originating within the NI Executive**

£ million	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Current fees and charges recorded in NI departments' budgets</b>					
Department of Health <sup>1</sup>	167	150	454	354	417
Other NI Executive departments	596	520	590	643	675
<b>Total current fees and charges <sup>1</sup></b>	<b>763</b>	<b>670</b>	<b>1,044</b>	<b>997</b>	<b>1,093</b>
<i>Of which:</i>					
<i>Internal receipts from within the Executive (£ million, NIFC estimate <sup>2</sup>)</i>				182	188
<i>Internal receipts as percentage of total fees and charges (NIFC estimate <sup>2</sup>)</i>				18%	17%

Note<sup>1</sup>: The discontinuity in the fees and charges for the Department of Health after 2020-21 reflects the implementation of the changes from the Review of Financial Process in the Accounts in 2022-23, when the figures for 2021-22 were also restated on the new basis.

Note<sup>2</sup>: Our estimates of internal receipts are not complete, and may not be fully reliable.

Sources: current fees and charges in departments' budgets are sourced from data underlying PESA24. Internal receipts are calculated using Accounts and DoF WGA data compared with the budgets data for each main department.

## Our approach and sources of data

All our spending and receipts data for our 'money in and money out' analysis is sourced from the Treasury's spending data that underlies PESA. The government spending data in the National Accounts has the same source. Neither the Treasury PESA spending data nor the National Accounts have any systematic means of distinguishing between internal or external fees and charges.

However the net spending data that is collected for the Whole of Government Accounts (WGA) is collected with some useful information about counterparties, which shows – for the significant transactions between public sector bodies - who payments are made to, and where receipts come from.<sup>12</sup> So we looked at the WGA data for the Executive, which was provided by the Department of Finance (DoF), to try to extract the internal vs external splits of the WGA fees and charges data and to see whether we could apply these WGA splits to the PESA data for fees and charges.

We took two different approaches to the WGA data. We started with a top-down approach, using the aggregate fees and charges data across all departments. But then we moved to a bottom-up approach, which improved the quality of our results although there are still some quality issues that remain with the end results.

The top-down aggregate WGA data for fees and charges across all departments could be split between internal and external receipts, and we compared the total for that WGA data with the total for the PESA data. These initial WGA data covered the period 2016-17 to 2021-22 and were downloaded from the Treasury's OSCAR data

<sup>12</sup> If the receipts or payments are from or to another public sector body within the scope of the WGA, departments are asked to input counterparty details to identify the body and amount, when the amount is significant. See Annex B for further details.

system. But the OSCAR WGA and PESA data were too different in total. And although we could remove the major differences,<sup>13</sup> we needed to compare the data at a department level to try to identify and remove the remaining differences.

In our second, bottom-up approach, we split the WGA OSCAR data by department and compared the WGA data with the PESA data at that more detailed level. This was useful in identifying the main departments with fees and charges receipts, and we began to construct an estimate of the total internal fees and charges in a bottom-up way, by creating estimates for each department and summing the results. However, when we looked at the differences between the two sets of data at that detailed level, we found there were difficulties with the reports that had been used to extract the WGA data from OSCAR. So finally, we switched to using the income data in each department's accounts, along with the source WGA data available from DoF; and we compared the combined accounts and WGA data with the PESA data for current fees and charges.<sup>14</sup>

The WGA data were completely consistent with departments' accounts but only available for 2022-23 and 2023-24. Given that the changes from the Review of Financial Process were implemented in departments' accounts in 2022-23, and these changes made it easier for us to compare the accounts and budgets data, it was helpful to just focus on these two years.

In summary therefore, the approach we took was to:

- Start with **Treasury PESA data** that we use for our “money in” and “money out” analysis but which does not split internal vs external receipts.
- Identify **WGA data** as a possible solution because it contains counterparty details.
- Attempt a **top-down comparison** of aggregate WGA and PESA OSCAR data — but the differences were too large to reconcile at that level.
- Move to a **bottom-up department-by-department comparison** using WGA OSCAR data — this improved detail but suffered from extraction issues and difficulties with running reports.
- **Switch to departmental accounts combined with WGA data** from the Department of Finance — this is fully consistent with accounts but only available for 2022-23 and 2023-24.
- **Focus analysis on these two years**, benefiting from the Review of Financial Process (RoFP) changes that improved the alignment between the accounting and budgeting data that we wanted to compare.

<sup>13</sup> The initial WGA data included Land and Property Services income from rates (which we account for separately in our money in and money out analysis) and also included internal financing payments from DfI to NI Water and from DoH (and its agencies) to hospital trusts.

<sup>14</sup> There are also some smaller capital fees and charges receipts recorded in the PESA data, which averaged £19 million in 2022-23 and 2023-24. These are not included in our analysis because they were not apparent in the WGA data; and the current PESA data aligned better with the accounting and WGA data.

## Problems and quality

The alignment between the income data in each department's accounts and the PESA income data varied across the departments. For instance:

- The alignment was close to 100 per cent for the **Department of Health** (DoH)<sup>15</sup> and **NI Water** (NIW).<sup>16</sup> This allowed us to apply the estimate for the internal fees and charges directly from the WGA data, which gave us a fairly reliable estimate of the internal receipts within the PESA fees and charges.
- At the other end of the spectrum, we could not line up the income data in the accounts for the **Department for the Economy** (DfE) and the **Department of Education** (DE) with the PESA data; and the accounting data seemed to show the sizes of the fees and charges reversed between DfE and DE, compared to PESA. (This was also the case with the OSCAR WGA data that we looked at for the period 2016-17 to 2021-22.) We have therefore combined the PESA fees and charges data for these two departments and our results use an estimated assumption that 8 per cent of the combined PESA fees and charges are internal, based on the WGA data for both departments. This is very approximate.

We have applied a similar approximate average approach to estimate the internal receipts for the **Department of Agriculture, Environment and Rural Affairs** (DAERA).

Fortunately for our results, DoH and NIW have the largest fees and charges in the PESA data (along with the Department of Finance), and DE, DfE and DAERA together only account for around 15 per cent of the total PESA fees and charges in 2023-24. However the examples set out above illustrate why we have qualified our estimates of the amounts of fees and charges that are internal.

DoH has the largest fees and charges (just under 40 per cent of the total PESA data for 2023-24). The final section of this paper below looks at the PESA and accounts data for DoH in more detail, to see the effects of the Review of Financial Process (RoFP) changes in 2022-23.

Annex B contains a further table that gives a brief description of the methods used to derive the estimate of the internal fees and charges for each department. The robustness of the results varies as described in the previous section.

## The detailed results

Table 3 below shows the detail of our results for a possible estimate of the proportion of internal fees and charges in the PESA data. The result for the internal fees and charges is the sum of the results for the individual departments. The overall result suggests that slightly less than 20 per cent of the PESA data for current fees and charges might have come from internal sources in 2023-24.

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<sup>15</sup> See note 5 to Table 4 below.

<sup>16</sup> The PESA income data for NI Water are contained within the budget for the Department for Infrastructure.

Table 3 - Our detailed estimates of the internal fees and charges in the PESA data

£ million							
Department	Total current fees and charges					Of which: internal receipts <sup>1</sup>	
	2019-20	2020-21	2021-22	2022-23	2023-24	2022-23	2023-24
Health <sup>2</sup>	167	150	454	354	417	41	39
Communities	91	87	100	99	119	-	-
Finance	127	123	133	141	144	71	72
Infrastructure: NI Water	103	92	105	118	136	36	41
Infrastructure: other	22	5	15	21	22	1	1
Education and Economy <sup>3</sup>	100	83	89	95	75	8	6
Justice	68	59	74	73	78	23	25
Agriculture etc.	62	48	48	72	73	4	4
The Executive Office	6	7	7	7	7	-	-
Minor departments	16	17	18	18	22	-	-
<b>Total fees and charges</b>	<b>763</b>	<b>670</b>	<b>1,044</b>	<b>997</b>	<b>1,093</b>	<b>182</b>	<b>188</b>

Note<sup>1</sup>: Some of these estimates are not reliable and we do not regard the overall result as robust. See Annex B for a brief description of the methods used to derive the estimate of the internal fees and charges for each department.

Note<sup>2</sup>: The large increase in the PESA data for DoH fees and charges after 2020-21 reflects the implementation of the Review of Financial Process. See Table 4.

Note<sup>3</sup>: The PESA data for these two departments have been combined. See Annex B for further details.

Sources: as described in Table 2. See also Annex B.

## Review of Financial Process and DoH fees and charges data

Given that DoH has the largest fees and charges, this final section of the paper looks at the PESA and accounts data for DoH in more detail, to see the effects of the RoFP changes. Table 4 below shows the effect of the RoFP changes on the DoH PESA data from 2021-22 onwards. We assume (but cannot prove) that the large increase in the PESA data from 21-22 onwards is because of the RoFP changes which have therefore caused a discontinuity in the PESA data.

The implementation of the RoFP changes caused a dramatic increase in the fees and charges income included in the DoH accounts. This was because the RoFP changes widened the boundary of the accounts to include the hospital trusts, which had not been included before. Up until 2021-22, the DoH accounts were consolidated for the core department and its agencies, which included the Health and Social Care Board, which commissioned health services from the hospital trusts. But the transactions of the hospital trusts themselves were not included. This meant that the Estimates and accounts included the transfer payments from DoH (and its agencies) that funded the hospital trusts' net spending, but the trusts' income from fees and charges were effectively hidden within those net funding transactions.

This changed from 2022-23 onwards, when the RoFP changes expanded the accounts to include the HSC trusts and other arms-length bodies. This meant that the accounts were consolidated across DoH and its agencies and arms-length bodies and the trusts. This removed the internal net financing payments for the trusts (which had been included before the RoFP changes) and instead included the trusts' gross spending and income, which revealed the trusts' relatively large fees and charges. The same change also applied for the Business Services Organisation,

which is an arms-length body that provides a range of services to the HSC sector in Northern Ireland. Table 4 shows that this increased the fees and charges shown in the DoH accounts<sup>17</sup> from £46 million in 2021-22 to £352 million in 2022-23.

Table 4 also shows that the PESA data for the DoH fees and charges increased by £304 million in 2021-22, which was an increase of just over 200 per cent. The timing matches the timing of the RoFP changes because the outturns were restated for 2021-22 to include estimates of the effects of the changes. Prior to 2021-22, the PESA data for DoH fees and charges was relatively stable (within the range £150 - £170 million). And within the DoH PESA data, 75 per cent of the increase in fees and charges in 2021-22 occurred in the component described as 'hospital services DEL'. The receipts in 2021-22 may also have partially increased because health services were catching up with demand, post-Covid. But the higher level of the PESA fees and charges receipts continues after 2021-22 and is a close match to the higher level in the accounts. We therefore assume that the main reason for the increase in the PESA data from 2021-22 onwards is the implementation of the RoFP changes. And this caused a discontinuity in the PESA data.

**Table 4. Changes to DoH fees and charges from the implementation of the ROFP**

£ million	2019-20	2020-21	2021-22	2022-23	2023-24
PESA data for DoH current fees and charges <sup>1</sup>	167	150	454	354	417
<b>DoH accounts data for fees and charges<sup>2</sup></b>					
before implementation of Review of Financial Process <sup>3</sup>	56	38	46	-	-
after implementation of Review of Financial Process <sup>4</sup>	-	-	-	352	401
<i>of which: internal receipts (from the WGA data)<sup>5</sup></i>	-	-	-	41	39

Note<sup>1</sup>: The PESA data for 2023-24 are provisional outturn data. Final outturn data may align better with the accounts data.

Note<sup>2</sup>: DoH accounts income data for total revenue from contracts with customers, excluding interest receipts, donations and EU funding.

Note<sup>3</sup>: Before the changes from the Review of Financial Process (RoFP) were implemented in the DoH accounts, the accounts were consolidated for the core department and its agencies. But this did not include the hospital trusts.

Note<sup>4</sup>: After the RoFP changes were implemented, the DoH accounts were expanded to include the hospital trusts, and also for the Business Services Organisation, which is an arms-length body that provides a range of services to the HSC sector in NI.

Note<sup>5</sup>: Internal receipts from other NI Executive departments. The WGA analysis of the accounts income data includes items classified as fees and charges and other miscellaneous income. We assume that these categories are the equivalent of the PESA fees and charges data since they are a close match.

Sources: Data underlying PESA 2024, DoH Accounts, DoF WGA data

<sup>17</sup> See note 2 in Table 4 for details of our sources for the fees and charges data in the accounts.

## Annex A – from our Comprehensive Guide – Table 5.10

### Income from fees and charges in 2020-21

Department	Description	£million	
		2020-21	% of total
Infrastructure	Non domestic water charges and roads drainage	91.6	13.3
Health	Health Trusts receipts	73.1	10.6
	<i>of which: hospital services receipts</i>	54.1	7.8
	<i>social care receipts</i>	19.0	2.8
Education	Further Education tuition fees and charges, contracts and other	55.0	8.0
Health	Medical and Dental training course fees	36.8	5.3
Finance	Land and Property Services including land registers, registry of	31.0	4.5
Health	Health and Social Care Board receipts	29.5	4.3
	<i>of which: hospital services receipts</i>	21.8	3.2
	<i>social care receipts</i>	7.7	1.1
Justice	NI Courts and Tribunals fees and charges and recovery of costs from other departments	26.1	3.8
Communities	Recharge income for Child Maintenance services delivered by the Department for GB DWP	25.9	3.8
Communities	Recharge income for benefit delivery services delivered by the Department for GB DWP	19.8	2.9
Finance	NI Statistics & Research Agency income for General Registry Office services including the provision of life certificates and recovery of out-posted staff costs.	17.8	2.6
Health	NI Blood Transfusion Service receipts (generated from Trusts)	17.6	2.6
Finance	ITAssist income for provision of IT equipment, server hosting and IPT tariff provided to NICS and other public sector organisations.	16.1	2.3
Finance	Central Procurement Directorate income in relation to professional procurement services to the NICS and other public sector bodies.	14.9	2.2
Communities	Income from HMRC for recovery of costs associated with administration of National Insurance fund benefits	13.9	2.0
Communities	Recharge income for benefit delivery services delivered by the Department for GB DWP	13.7	2.0
Finance	HR Connect income for the receipt of HR Connect services	11.1	1.6
Justice	Forensic Science NI recovery of costs for forensic science services	10.3	1.5
Justice	PSNI fees and charges	10.1	1.5
NIAUR	Utility Regulator licence fees	9.6	1.4

Source: Department of Finance Provisional Outturn

## Annex B - Methods applied to calculate estimates of internal fees and charges, for each department.

The accounts and WGA data that we have used for our main results is for the years 2022-23 and 2023-24.<sup>18</sup> 2022-23 was the first year when the accounts data was consolidated for each department as a group, as part of the changes introduced for RoFP. We needed the accounts to be consolidated on this basis for our analysis, as shown in Table 4 in the paper. The WGA breakdowns of the accounts data are not available on this basis prior to 2022-23.

The WGA breakdowns of the accounts data also have several caveats attached that explain the limitations of the data, particularly at the detailed level at which we have used the results.

WGA data is collected from NI bodies specifically for the purposes of HMT's Whole of Government Accounts, and the auditors are carrying out their work as part of the audit of the Whole of Government Accounts. The published 2022-23 Whole of Government Accounts are reported in £billions (rounded to one decimal place), with total public services revenue of £974.5 billion and total assets of £2,554.3 billion. Consequently, different materiality considerations are applicable and issues which may seem material when looking specifically at NI income could be wholly immaterial from a WGA perspective.

For 2022-23 and 2023-24, departments and other bodies that are required to complete the WGA process were asked to agree and report intra-government amounts of over £5 million for WGA. For amounts below this, it was a matter of judgement for the department/body. While the larger bodies (including DoH) have their WGA submissions audited, auditors will also apply materiality considerations and may not regard omitted intra-government amounts as a reportable issue if they are deemed to be immaterial in the context of the body's overall accounts.

Within "external" income, there could in theory be amounts received from bodies that are not included in WGA or deemed minor bodies for WGA purposes (for example, NIAO, NIAUR, NIPSO, the NI Assembly Commission etc.)

The following notes provide a summary of the method applied to derive the estimates of internal fees and charges for each department, as shown in Table 3 in the paper.

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<sup>18</sup> When we did our analyses, WGA data was only available for 2023-24 for DfC, and only available for 2022-23 for the Department for the Economy, and so our analyses for those departments (only) were based on that more limited data.

## Method applied to estimate the internal fees and charges for each department

Department	Method, assumptions and notes	Confidence
<b>Health</b>	Our estimates of the Department of Health's internal fees and charges reflect the actual WGA data for internal receipts within the accounts income data for items classified as fees and charges and other miscellaneous income. (We assume that these categories in the accounts are the equivalent of the PESA fees and charges data as they are a close match.)	Exact WGA data, along with strong assumptions
<b>Communities</b>	The WGA data shows that all the items classified as fees and charges in the accounts are external. There are also some other miscellaneous income items recorded in the accounts, where the WGA breakdown shows that some of this additional income is internal, but we don't expect that any of these internal income items are included within the PESA fees and charges. (The main internal receipt is from the NI Housing Executive, but this is treated as a public corporation in PESA, which means that it has no income netted off spending for fees and charges). Therefore, we concluded that all DfC's PESA data for fees and charges are external.	Exact WGA data, along with strong assumptions
<b>Finance</b>	The fees and charges recorded in the WGA and accounts data are about 15 per cent less than the fees and charges recorded in the PESA data. We have taken the average proportion of the WGA and accounts fees and charges that are internal (for the two years 2022-23 and 2023-24) and applied that average proportion to the higher PESA fees and charges data, to calculate the internal amounts of the PESA fees and charges.	Approximate estimate
<b>Infrastructure: NI Water</b>	Our estimates reflect the actual accounts data for the internal fees and charges that DfI pay to NI Water for road drainage, plus an estimate of the proportion of NI Water's receipts for non-domestic water charges paid by NI government departments. That proportion is taken from the WGA analysis of the counterparties paying the non-domestic water charges - which classifies them as internal or external - where the data are completely consistent with the accounts.	Exact WGA data, along with strong assumptions
<b>Infrastructure: other</b>	Our estimates reflect the actual WGA data for internal receipts within the accounts income data for items classified as fees and charges.	Exact WGA data
<b>Education and Economy</b>	As we explained in the paper above, the accounting data seemed to show the sizes of the fees and charges reversed between Department for the Economy and the Department of Education, compared to PESA. We have therefore combined the PESA fees and charges data for these two departments and our results use an estimated assumption that 8 per cent of the combined PESA fees and charges are internal, based on the WGA data for both departments. This is very approximate, based on an incomplete average.	Very approximate estimate
<b>Justice</b>	Our estimates of the Department of Justice's internal fees and charges reflect the actual WGA data for internal receipts within the accounts income data for items classified as fees and charges and other miscellaneous income. (We assume that these accounts categories are the equivalent of the PESA fees and charges data since they match almost exactly.)	Exact WGA data, along with strong assumptions
<b>Agriculture etc.</b>	The PESA data for fees and charges and the accounts/WGA data do not match well together in either 2022-23 or 2023-24, as the accounts/WGA fees and charges data are only two-thirds the size of the PESA data, and there are no other categories of accounts income that help account for the difference. However, the WGA data show that, only 6 per cent of the fees and charges in the accounts come from internal sources, which is a small amount. (This is an average across the two years of data.) We have applied that average 6 per cent to the higher PESA data to derive our estimate of the PESA fees and charges.	Very approximate estimate
<b>The Executive Office</b>	The WGA breakdown of the accounts data shows that the fees and charges recorded in the accounts/WGA data are minimal (around £1 million) and are all from external sources. We have therefore assumed that the £7 million of PESA fees and charges are also all from external sources.	Approximate estimate
<b>Minor departments</b>	These departments are not included in the WGA as their transactions are de minimis for WGA purposes. We have assumed that any internal fees and charges are also de minimis for our estimates.	Assumed negligible