

Annual Report and Accounts

2023-24

Independence and excellence in audit to improve public services



Northern Ireland
Audit Office

The Northern Ireland Audit Office provides independence and excellence in audit to improve public services.

We work to ensure public money is spent properly. Building positive open relationships based on trust and respect is the basis for our work. We are diligent and exemplary in our practice, aiming to uphold the highest professional and ethical standards.

We pride ourselves on being tenacious, inquisitive and open-minded so that we are continuously learning and improving but more importantly, constructively saying what needs to be said and doing what needs to be done.



Northern Ireland Audit Office Annual Report and Accounts

For the year ended 31 March 2024

Laid before the Northern Ireland Assembly
by the Department of Finance under
paragraph 4(2) of Schedule 2 to the
Audit (Northern Ireland) Order 1987.

5 July 2024.



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Performance Report

Overview

The purpose of this overview is to provide a short summary of the Northern Ireland Audit Office's structure, purpose and performance during the year. It also sets out the key risks to the achievement of our objectives, providing sufficient understanding of our organisation and its performance.

Chairperson's Statement

I am delighted to present the Northern Ireland Audit Office's Annual Report and Accounts for the year ending 31 March 2024 on behalf of the Advisory Board. The role of the Advisory Board is to provide objective and impartial advice to the Comptroller and Auditor General (C&AG) and to assist in the discharge of her functions. This involves oversight of the operation of the Northern Ireland Audit Office (NIAO) and its administrative activities but does not extend to the independent reporting on the Northern Ireland Assembly's use of public money, which remains the C&AG's sole responsibility under legislation.

2024 has been a challenging year at the NIAO with a competitive labour market and the need to recruit and retain high quality staff. The return of the NI Assembly and its respective Committees in the latter part of the year has required significant input from management and staff in meeting their requirements.

We have thus looked to continue to transform the way we work in response to the challenges facing public services in Northern Ireland by embracing technology and being more agile in responding to client needs. Specifically, we have continued to reduce our own impact on the environment and looked at ways we can continue to support clients to reduce their carbon footprint. In addition, we have enhanced our audit approach to reflect current best audit practice and utilised data analytics to widen the scope of audit testing. We also independently monitor our adherence to auditing standards and ensure all learnings are addressed to improve our audit quality moving forward. The Performance Report outlines in more detail how these areas have been addressed.

The focus of the Advisory Board remains on supporting the C&AG in implementing the new corporate plan for the next five years. This is based on having excellent staff delivering for our clients to improve public services for all. Our investment in our people through both technical and skills training, our digital technology to support audit functionality and our premises to provide the appropriate environment, will ensure we continue to deliver on our core vision of "independence and excellence in audit to improve public services".

In summary, the Advisory Board is committed to supporting the pursuit of best practice and maintenance of the highest professional standards. This is achieved through the maintenance of a strong governance framework, and I believe that the Advisory Board is made up of directors who bring the diversity, experience and independence of mind necessary to ensure the C&AG receives sound advice and support in her role.

Over the last twelve months, and indeed the period of the previous corporate plan, we have achieved so much despite the challenges in the political and economic environment.

This has only been possible because of the continued dedication of the management and

staff of the NIAO and on behalf of the Board I want to thank them all.

It is impossible to predict the challenges of the future, but I am confident that we have the leadership, the people, the values and the plan to deliver for our stakeholders in the fast-changing environment of the public sector in Northern Ireland.



Martin Pitt
Chair, NIAO Advisory Board

28 June 2024

Martin Pitt
Chairperson of
NIAO Advisory
Board



Comptroller and Auditor General's Statement

I am very pleased to present the Northern Ireland Audit Office (NIAO) Annual Report and Accounts for 2023-24.

I am delighted that the NIAO continued to fulfil its essential role of providing strong public sector accountability this year, against a background of very tight budgetary constraints and with the absence of an Assembly until February 2024.

During the year we certified 146 accounts across the central and local government sectors and produced a total of 32 public reports on a diverse range of topics including Access to General Practice in Northern Ireland, Water Quality in Northern Ireland's Lakes and Rivers and Child Poverty in Northern Ireland. We continued to develop our Good Practice Guides with publications on Innovation and Risk Management and School Governance.

During 2023-24, we developed a new Corporate Plan which sets out our ambitions for the next five years and outlines how we will continue to deliver independent scrutiny in reporting our findings on the finances of both central and local government. I am very grateful to stakeholders and members of the public who took the time to respond to our public consultations on the draft Corporate Plan.

Our public reporting work continues to respond to emerging issues as well as addressing significant strategic issues facing the public sector and I am delighted to have produced a new public reporting programme during the year, following widespread consultation.

Our social media channels and the enhanced use of digital infographics in our reports has both increased the impact of our work and helped us reach new audiences. I am pleased to find that our audited bodies continue to recognise the importance of our work, with continued high levels of satisfaction reported in our annual survey.

In a challenging recruitment environment, we continue to recruit and invest in our high caliber people. Investing in the continued professional development of our people remains a key focus for me and I am delighted that we have now published an NIAO People Strategy and a Learning, Development and Talent Management Strategy during 2023-24,

Dorinnia Carville
Comptroller and
Auditor General for
Northern Ireland



both of which support our strategic priorities. The wellbeing of our people is intrinsic to our Corporate Plan and People Strategy, and I am delighted that we have also published our Wellbeing Strategy during the year.

Since the return of the NI Assembly, the work of the NIAO has been enthusiastically welcomed by the Public Accounts Committee and supported and governed by the NI Assembly Audit Committee. I am very grateful to both Committees for the constructive working relationships established to date, and I look forward to further supporting the NI Assembly in the future to improve accountability and financial governance across the public sector and to help improve public services.

I would like to thank the Board, particularly its Chairperson Martin Pitt, who has continued to provide me with considerable support and advice throughout the year. Each Board member brings a wealth of skills and

experience to the NIAO providing me with excellent levels of support and challenge.

I am proud of our response to the unprecedented political and economic challenges Northern Ireland has faced in recent times. We have adjusted to differing ways of working while continuing to deliver on our financial audit and public reporting programme. My sincere thanks to the staff at the NIAO for their dedication, commitment, professionalism and enthusiasm for the work of the office.



Dorinnia Carville
Comptroller and Auditor General for
Northern Ireland

28 June 2024

About the NIAO

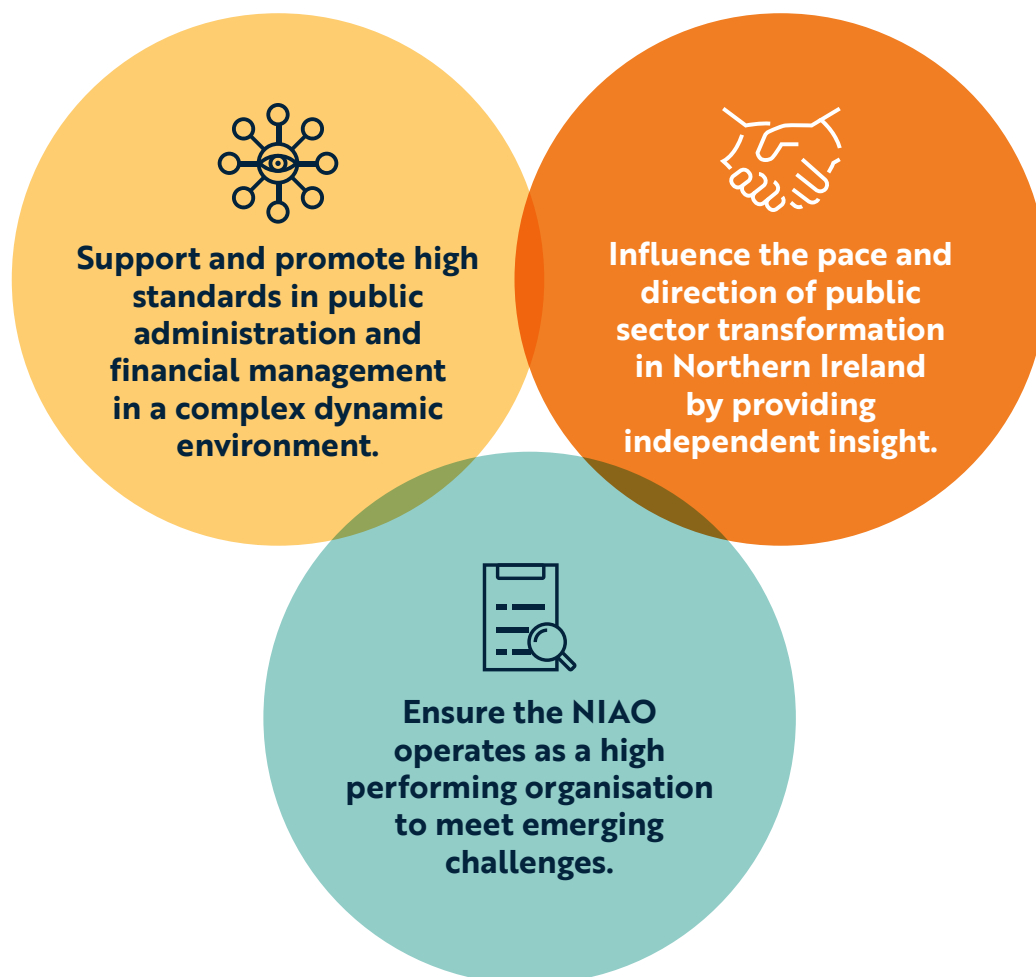
Our role

The Northern Ireland Audit Office ("the NIAO" or "the Office"), established in 1987, has a pivotal role in helping to build a modern, high performing public service that is accountable to taxpayers and citizens. We do this by providing objective information, advice and assurance on how public funds have been used and accounted for, and encouraging best standards in financial management, good governance and propriety in the conduct of public business.

Our vision, purpose and values

Vision	I	Independence and excellence in audit to improve public services.
Purpose	M	Making sure public money is spent properly.
Values	P	Partnership...(collaborative, engaging, respectful) building positive open relationships based on trust and respect as the basis for how we work.
	A	Authoritative...(credible professional, evidence based) diligent and exemplary in our, practice, upholding the highest professional and ethical standards.
	C	Curious...(examining, interested outward-looking) tenacious, inquisitive and open-minded so that we are continuously learning and improving.
	T	Truthful...(courageous, fearless, upfront) constructively saying what needs to be said and doing what needs to be done.

Our strategic priorities 2021-24



Our independence

The head of the NIAO, the Comptroller and Auditor General ("the C&AG"), is an Officer of the Northern Ireland Assembly ("the Assembly") and a Crown appointment made on the nomination of the Assembly. Under the Audit (Northern Ireland) Order 1987, the holder of the office is a corporation sole, and responsible for the appointment of NIAO staff who assist the C&AG in the delivery of his/her statutory functions. The C&AG and the NIAO are totally independent of government.

Our accountability

The NIAO and the Northern Ireland Assembly Audit Committee (NIAAC), which oversees NIAO performance, have agreed a Memorandum of Understanding on the governance and accountability of the Office. The Memorandum which is available on the [Northern Ireland Assembly website](#) sets out:

- the values and standards of the NIAO in carrying out its work;
- the internal governance arrangements of the NIAO and, in doing so, provides confidence to the Assembly and wider public regarding the arrangements for the governance and accountability of the NIAO; and
- the commitments of the C&AG and the NIAO to NIAAC on the actions they will take to uphold transparency and manage public money effectively.

Key issues and risks

A number of challenges and developments in our operating environment are summarised as follows:



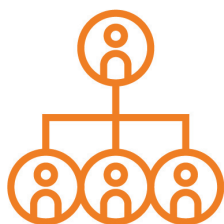
Budgetary Constraints

As noted in last year's report, the NIAO was allocated a constrained budget. During 2023-24, this limited our strategic development, our ability to deliver our desired public reporting programme and the timely delivery of some of our financial audits. With the return of the Assembly, NIAAC has approved our requested budget allocation for 2024-25. We can now continue to develop how we work to respond to the challenges facing the public sector and enhance our delivery.



Resourcing

During 2023-24 Full Time Equivalent (FTE) staff numbers increased by four, from a total of 113 in 2022-23 to 117 in 2023-24. There were 13 new starts, made up of one Director, one Senior Auditor, three Auditors, three Data Scientists, three Trainee Accountants and two Higher Level Apprentices. Ten members of staff left during the same period on retirement or for other employment opportunities. Recruitment continues to be a challenge in a very competitive market, particularly for qualified accountants. Due to budgetary constraints we had to freeze our recruitment programme during the year and our staff levels remain considerably below our desired staff complement.

**Governance Structure**

The NIAAC completed a review of the governance and accountability arrangements for the NIAO [and the NI Public Services Ombudsman] prior to the end of the 2017-2022 mandate. The key recommendations of this report included:

- the formal separation of the NIAO from the C&AG and its establishment as a body corporate in the form of a statutory board;
- the appointment of board members by NIAAC;
- the setting of the tenure of the new C&AG as a ten-year non-renewable term;
- the appointment of a single public sector auditor; and
- the establishment of a code of practice between the board and the C&AG.

With the Assembly's return on 3 February 2024 the review will now be considered further by the NIAAC.

In the meantime, the current arrangements of an Advisory Board providing objective and impartial advice to the C&AG and assisting her in the discharge of her functions are being maintained. To provide support in these functions, the Board retains both an Audit and Risk Assurance Committee and a Remuneration Committee to advise on relevant issues.

Performance analysis



The NIAO Corporate Plan 2021-2024, published in January 2021, is available on our [website](#). It sets out the Office’s role, strategic priorities and impact indicators and examines the funding required to achieve these. Our performance in 2023-24 has been measured against this plan.

The NIAO’s new Corporate Plan 2024-29 is also available on our [website](#). It sets out the Office’s strategic direction and focus over the next five years.

Strategic Priority	What Success looks like (Key Actions)	How we measure this		2023-24 KPI	Achievement 2023-24	Previous Year Achievement 2022-23
Priority 1. Support and promote high standards in public administration and financial management in a complex dynamic environment.	i. Deliver the full programme of financial audits within agreed timescales to the appropriate quality standards as evidenced by quality control review procedure.	Successful delivery of our programme of financial audit.		Certify 153 (2022-2023) accounts across the public sector by March 2024; 80 per cent of audited bodies within seven months and 100 per cent within 12 months of receipt of draft accounts.	126 Accounts for 2022-23 and 20 prior year accounts were certified in 2023-24. For the 2022-23 accounts: 106 (84 per cent) were certified within seven months and 100 per cent were certified within 12 months of receipt of draft accounts.	127 Accounts for 2021-22 and 24 prior year accounts were certified in 2022-23.
	ii. Deliver the public reporting plan to time and budget.	Successful delivery of our public reporting programme.		Produce public reports based on the Office’s two-year Public Reporting Programme.	During 2023-24 a total of 32 reports were produced including two Good Practice Guides, 18 Public Reports and 12 Local Government Reports.	We published 29 reports in 2022-23 including 12 which arose because of findings from the financial audit process and 11 local government performance improvement reports.
				Deliver the work programme within NIAO funding provision and schedule.	We delivered within budget with an associated surplus of £213,000 (2.5 per cent) at year end.	We delivered a range of audit outputs with a net resource outturn that was 5.5 per cent higher in 2022-23 compared to 2021-22 (excluding SBRI/GovTech expenditure and additional funding to cover the downward revaluation of the building).
				VFM reports achieve or exceed an average score of 6 from the independent review panel.	We achieved an average score of 7.25 for reports reviewed during 2022-23.	We achieved an average score of 7.7 for reports reviewed during 2021-22.
	iii. Prepare and complete biennial NFI exercise to identify potentially fraudulent and erroneous transactions.	Completion of biennial NFI exercise.		Timely delivery of NFI Report.	Report completed to time and budget identifying £3.7m in fraud and error across the NI Public Sector.	N/A
	iv. Produce best practice reports in line with current work programme.	Delivery of best practice programme.		Successful delivery of our best practice programme.	Two best practice reports were published during the year: Innovation and Risk Management – A Good Practice guide for the public sector and School Governance Good Practice Guide.	Two best practice reports on Planning Fraud Risks and Board Effectiveness published in-year.
	v. Disseminate good practice to audit committees, senior teams in departments and speaking at events, training courses etc.	Successful rating in our auditee surveys.		N/A	100 per cent agreed or strongly agreed that NIAO Good Practice Guides are a useful resource.	94 per cent agreed or strongly agreed that NIAO Good Practice Guides are a useful resource.

Strategic Priority	What Success looks like (Key Actions)	How we measure this		2022-23 KPI	Achievement 2022-23	Previous Year Achievement 2021-22
	vi. Implement and monitor the Communications and Engagement Strategy.	Delivery of Communications and Engagement Action Plan.		N/A	Continued delivery of Strategy outworkings and the Engagement Action plan.	Delivery of new brand Strategy. Appointment of new design, publication and print contractor.
	vii. Respond to all disclosures, enquiries and concerns raised in a timely and proportionate manner.	Timely responses on all concerns raised, Freedom of Information (FoI) requests, Environmental Impact Request (EIR), Subject Access Requests (SAR) and MLA Correspondence.		Provide an initial response to all disclosures, enquiries and concerns raised in line with office policies.	3 concerns raised by MLAs/MPs and timely responses issued. 46 concerns raised by members of the public. All properly handled in line with Office policies.	4 concerns raised by MLAs/MPs and timely responses issued. 62 concerns raised by members of the public. All properly handled in line with Office policies.
Priority 2. Influence the pace and direction of public sector transformation in Northern Ireland by providing independent insight.	i. Identify and agree a range of potential future Value for Money (VfM) studies that target performance and impact.	Review and update the Public Reporting Programme to ensure it meets the needs of our key stakeholders. Auditee Survey.		Auditee Survey – achieve or exceed 80%.	A Public Reporting questionnaire was not issued for 2023-24 due to the Assembly not being restored until 3 February 2024.	No Public Reporting questionnaire issued as no Memoranda of Reply presented to NI Assembly in 2022-23.
	ii. Undertake an annual assessment of the qualitative and quantitative impacts of all completed significant reports, audits and products.	MLA Survey.		1. MLA Survey – achieve or exceed 60 per cent in each category (familiarity, favourability, advocacy).	As the Assembly was not restored until 3 February 2024, an updated MLA survey has not commenced.	N/A – the NI Assembly did not sit in 2022-23.
	iii. Conduct Auditee Survey and report to the Senior Leadership Team (SLT).	Auditee Survey.		2. Auditee Survey – achieve or exceed 80 per cent in each category (financial audit, engagement, Audit Committee support, Good Practice, overall support).	96 per cent agreed or strongly agreed that NIAO audit staff provided a high quality and professional service. 98 per cent agreed or strongly agreed that the NIAO's work leads to improvement in public services. 100 per cent agreed or strongly agreed that NIAO good practice guides are a useful resource.	94 per cent agreed or strongly agreed that NIAO audit staff provided a high quality and professional service. 94 per cent agreed or strongly agreed that the NIAO's work leads to improvement in public services. 94 per cent agreed or strongly agreed that NIAO good practice guides are a useful resource.
	iv. Obtain feedback through a survey of the Public Accounts Committee (PAC) on NIAO support to the Committee.	PAC Feedback.		N/A	As the Assembly was not restored until 3 February 2024 insufficient time has passed for MLAs to meaningfully assess the service provided by the NIAO.	N/A – the NI Assembly did not sit in 2022-23.
	v. Complete current cross sectoral studies (Central Government Transformation Programme, Building Skills for a Modern Economy, Cybersecurity) to recommend improvements in practice across the public sector.	Delivery of our forward work programme.		N/A	During 2023-24 a total of 32 reports were produced including two Good Practice Guides, 18 Public Reports and 12 Local Government Reports. Cross sectoral studies on Central Government Transformation Programme (now Integr8), Building Skills for a Modern Economy and Cybersecurity are all due to be published later in 2024.	We have published 29 reports in 2022-23 including 12 which arose because of findings from the financial audit process and 11 local government performance improvement reports.
	vi. Contribute to leadership forums and networks to reform the public sector.	Attendance and contribution by our staff at multiple public sector events.		N/A	Attendance of staff at multiple events, including the Chief Executives' Forum (CEF) and the Chairs' Forum.	Attendance of staff at multiple events, including the Chief Executives' Forum (CEF) and the Chairs' Forum.
	vii. Engage with other Audit Institutions, Inspectorates, Ombudsmen and other public sector bodies to maximise scrutiny across the public sector and avoid duplication.	Ongoing engagement with relevant bodies.		N/A	Regular meetings with other Audit Institutions, Inspectorates, Ombudsmen and other public sector regulators.	Regular meetings with other Audit Institutions, Inspectorates, Ombudsmen and other public sector regulators.

Strategic Priority	What Success looks like (Key Actions)	How we measure this		2022-23 KPI	Achievement 2022-23	Previous Year Achievement 2021-22
Priority 3. Ensure the NIAO operates as a high performing organisation to meet emerging challenges.	Develop succession plans for all business-critical positions.	Appointment of key posts.		N/A	Recruitment ongoing but can be challenging. Succession planning also underway.	Successful appointment of C&AG in a timely manner.
	Maintain quality standards.	NIAO financial audit compliance with International Standards.		a. All NIAO financial audits comply with International Auditing Standards.	Three accounts were subject to independent external review by the Institute of Chartered Accountants in England and Wales. Grading and recommendations are included within the Quality Report.	Three accounts were subject to independent external review by the Institute of Chartered Accountants in England and Wales. Grading and recommendations were included in the Monitoring and Transparency Report.
				b. VFM reports achieve or exceed an average score of 6 (out of 10) from the independent review panel.	We achieved an average score of 7.0 for reports reviewed during 2023-24.	We achieved an average score of 7.25 for reports reviewed during 2022-23.
	Benchmark NIAO against Investors in People (IiP) standards and develop action plan.	Achieve and maintain accreditation in IiP.		3. Develop towards further accreditation in IiP.	Accreditation review conducted March 2024. Accreditation achieved and retained.	Annual accreditation review conducted May 2023. Accreditation achieved.
	Implement and monitor the work programme arising from the staff engagement survey.			Staff Survey – to implement procedures which ensure that we continue to exceed the mean score against three external key benchmarks (NICS Employee Engagement, Utrecht Working Engagement Scale, and Mental Wellbeing Scale) and to achieve or exceed the year-on-year Workplace Wellbeing Index in our next survey.	The IiP survey (conducted as part of the IiP accreditation) took the place of the Employee Opinion Survey this year.	NICSEE – 71 per cent (v 51 per cent in NICS) UWES – 4.82 (high 4.67 - 5.50) MWS – 24.84 (NI 25.6 Average) WWI – 66 per cent (57 per cent baseline).
	Develop a digital training programme that equips each team to implement data analytics and visualisations.	Delivery of key actions.			An internally developed training course was delivered to a cohort of Data Visualisation Champions in late 2023 and early 2024.	Increase in data analytics specialist cohort. Establishment of Data Visualisation Practice Group to further equip teams in the application of data analytics.
	Carry out audit closure meetings for all NIAO large and medium sized audits to reflect and learn and produce a 'Lessons Learned' paper for inclusion in following year's audit plan.	Production of lessons learned papers.			Lessons learned papers completed where relevant and Financial Audit debrief day held for all staff involved in financial audits.	Lessons learned papers introduced where relevant and Financial Audit debrief day held for all staff involved in financial audits.
	Review and implement recommendations arising from the NI Assembly Audit Committee (NIAAC) Report on governance arrangements in the Office.	Outworkings of NIAAC recommendations.			Outworkings within the control of NIAO have been actioned.	Outworkings within the control of NIAO have been actioned.
	Monitor corporate performance monthly and take corrective action as required.	Monthly Report to the Senior Leadership Team (SLT).			Monthly report issued to and reviewed by SLT.	Monthly report issued to and reviewed by SLT.
	Publication of a Report documenting compliance with our systems of quality control.	Production of report for SLT and Audit and Risk Assurance Committee (ARAC) pre-Summer Recess.			Production of report for SLT and ARAC pre-Summer Recess.	Production of report for SLT and ARAC pre-Summer Recess.
	Monitor staff deployment and utilisation using the resource management systems.	Production of timely Monthly Report to the SLT.			All reports issued to and reviewed by SLT on a timely basis.	All reports delivered on a timely basis.

Supporting and promoting high standards

This section of the report provides an overview of how we support and promote high standards in public administration and financial management in a complex dynamic environment.

What this section contains:

- Comptroller function
- Our financial audit and public reporting work
- Governance, fraud prevention and detection work
- Support to the Northern Ireland Assembly
- Engaging with Stakeholders
- Impacts of our Reports

Comptroller Function

In her role as Comptroller, the C&AG is responsible for authorising the issue of public funds from the Northern Ireland Consolidated Fund to enable Northern Ireland departments to meet their necessary expenditure, and for ensuring that there are adequate arrangements for the collection of revenue.

The Comptroller function is particularly important as it provides independent assurance to the Assembly that spending by government departments is lawful and within the scope, amount and period of the appropriation or other authority, and it also supports the important constitutional principle that the Executive cannot spend, borrow, or impose a tax without the Assembly's approval.

At the present time this is a vital role, given the financial pressures on the budgets of Northern Ireland departments and the lack of an approved budget for Northern Ireland until late in the financial year.

The statutory position of the C&AG, as set out in legislation, is explained in more detail in the Governance Statement.

Financial audit

Financial audit work undertaken by the Office comprises the audit of central and local government accounts:

Total Accounts	2023-24	2022-23
Total Accounts audited	126	127
Total Accounts qualified	13	14
Central Government Accounts	2023-24	2022-23
Accounts audited	111	112
Of which qualified	13	14
Local Government Accounts	2023-24	2022-23
Accounts audited	15	15
Of which qualified	0	0

Central Government

The C&AG has a statutory responsibility to audit the financial statements of all Northern Ireland departments, executive agencies and other central government bodies, including non-departmental public bodies, health and social care bodies and some public sector companies, and to report the results to the NI Assembly.

The purpose of our financial audit is to provide independent assurance that the accounts of an audited body give a true and fair view of its financial position, have been prepared in accordance with the relevant accounting requirements and that the transactions underlying the financial statements are in line with the intentions of the NI Assembly and other authorities.



In 2023-24, we certified 126 central and local government accounts (2022-23: 127).
In the reporting period we also certified 20 prior year accounts.

For the audit of central government bodies, there is an explicit requirement for the auditor to provide an additional audit opinion on whether, in all material respects, expenditure and income have been applied for the purposes intended by the Assembly and conform to the authorities which govern them; a regularity opinion.

If at the end of an audit we consider that the accounts do not present a true and fair view, or that expenditure and income have not been incurred in line with Assembly intentions, nor conform to the authorities which govern them, then the C&AG will qualify her opinion on the accounts. Thirteen central government accounts were qualified in 2023-24 (2022-23: 14). In such cases, and in other cases where there are significant issues arising, we make a report to the Northern Ireland Assembly which may be considered by the Public Accounts Committee (PAC).

We inform the organisations we audit of the issues we find during our work, giving our independent view on areas where the audited body could improve its governance, controls and financial management. We liaise with management to obtain their response to the issues identified.

During 2023-24, we continued to work with the Office of the Comptroller and Auditor General in Dublin on the shared audit and certification of North-South bodies. We also continued to have close working arrangements with the National Audit Office for the accounts we audit on its behalf. This includes audits of the European Agricultural Funds, National Lottery Funding and Whole of Government Accounts.

Feedback From Auditees:



"Overall, NIAO staff working on both the Annual Report and Accounts... worked very collaboratively and professionally with...staff throughout both audits and the Department looks forward to continuing to build on this partnership relationship...in 2024."

"We welcome the constructive and mutually positive working relationship which the Council has with NIAO officials. Internal Audit use reports from NIAO to inform audit plans and internal risk registers."

Local Government

A senior member of NIAO staff is designated by the Department for Communities, with the consent of the C&AG, as the Local Government Auditor (LGA). Colette Kane, an NIAO Director, undertakes this function. The LGA, assisted by NIAO staff, is responsible for the audit of local government bodies.



In 2023-24 we completed the audits of 15 local government accounts (2022-23:15). None of the local government accounts were qualified in 2023-24 (2022-23: nil).

Public Reporting

The NIAO's Public Reporting Programme was planned over a two-year rolling time frame and focused on the most important issues facing the public sector in Northern Ireland. The range of work has widened from traditional value for money studies to include some shorter, fact-based reports and follow-up reports which assess the progress made on key issues from earlier reports. The programme included significant work in the local government arena and addressed important cross-cutting issues that lie beyond the boundaries of any single government department.

The Office produces a wide range of public reports each year, reflecting its comprehensive audit remit. During 2023-24 a total of 32 reports were produced including two Good Practice Guides, 18 Public Reports and 12 Local Government Reports.

The 18 reports completed in 2023-24 are shown below. Copies of the full reports can be obtained from [our website](#).

Public Reports

- Developing the Northern Ireland Food Animal Information System
- Tackling Waiting Lists
- Access to General Practice in Northern Ireland
- Water Quality in Northern Ireland's Lakes and Rivers
- Funding water infrastructure in Northern Ireland
- Public Procurement in Northern Ireland
- Ministerial Directions in Northern Ireland
- Reducing Adult Reoffending in Northern Ireland
- Continuous improvement arrangements in policing
- Comptroller and Auditor General's Report on Financial Audit Findings 2023 – Central Government
- Pre-School Vaccinations in Northern Ireland
- Mental Health Services in Northern Ireland

- The Judicial Review Process in Northern Ireland
- Overview of the NI Executive's response to the COVID-19 pandemic (3rd Report)
- Tackling the Public Health Impacts of Smoking and Vaping
- Child Poverty in Northern Ireland
- Major Capital Projects – Follow-up Report
- Approaches to achieving net zero across the UK.

**Feedback From Auditees:**

"NIAO audit staff are always willing to engage... to discuss any issues."

"Professional service designed to support and improve."

Good Practice Guides

We continue to produce good practice guides highlighting and encouraging public bodies to improve their performance in achieving value for money and implementing policy, and suggesting ways in which public services could be improved. During 2023-24, we produced two good practice reports (copies of the full reports can be obtained from [our website](#)):

- Innovation and Risk Management – A Good Practice Guide for the public sector
- School Governance Good Practice Guide.

The following Auditee comments on our Good Practice guides highlight their value to the public sector:

**Feedback From Auditees:**

"Really important to have this to show audit is not just a vehicle to critique but that it can use its knowledge to drive improvement in public service."

"As an organisation, we find the publication of good practice guidance as essential and a key aspect of how (our organisation) reviews and maintains its control environment in particular."

Local Government Reports

Under the Local Government Act (Northern Ireland) 2014, the Local Government Auditor has a statutory duty to publish a Local Government Annual Improvement Report on each of the 11 councils. The purpose of these reports is to identify if councils have discharged their duties in relation to improvement planning and if they are likely to comply with the requirement to make arrangements to secure continuous improvement in the exercise of their respective duties. The Local Government Auditor's Report for 2023 was also published during the year and is available on [our website](#).

Quality

In line with the requirements of the Internal Standards of Quality Management (ISQM (UK) 1), ultimate responsibility for the Office's system of quality management rests with the C&AG. The Chief Operating Officer (COO), in his capacity as Quality Management Director (QMD), has operational responsibility for the system of quality management, including the monitoring and remediation process. In his role as Ethics and Compliance partner, the QMD also has operational responsibility for compliance with independence requirements. All NIAO staff have a responsibility to deliver quality audit work.

The Senior Leadership Team (SLT) has established quality objectives, identified risks to the achievement of these quality objectives and implemented responses to address each across all work streams.

We have a number of established quality assurance and monitoring arrangements to ensure:

- audit quality is embedded, safeguarded and promoted in all work we undertake; and
- we comply with the requirements of auditing, ethical and quality management standards.

We undertake an annual quality review process to ensure that our audits have complied with our audit methodology and professional auditing standards.

During the reporting period, three accounts were subject to independent external review by the Institute of Chartered Accountants in England and Wales (ICAEW). This is the fourth year ICAEW have reviewed our audits. Grading and recommendations are included within the [Quality Report](#).

The technical team continues to oversee how we ensure quality requirements for our audits are met. We seek to apply continuous improvement in the quality of our work and have established a number of monitoring and remedial arrangements to facilitate this. These include the adoption of Root Cause Analysis (RCA) to identify the underlying key causes behind any identified quality deficiencies, and subsequently design and implement appropriate remedial actions to address each and prevent reoccurrence. The technical team oversees these RCA discussions with audit teams and ensures any remedial actions are implemented in the required time frame. We have an overarching 'Quality Manual' which includes our policies and procedures on quality. This includes an External Quality Review policy and Root Cause Analysis policy in line with ISQM (UK) 1 & 2.

We also subject our value for money reports to independent review by a panel of experts who provide a rating for each report. We aim to ensure that post publication our value for money reports maintain an average quality review score of at least six out of ten. Two reports were also subject to peer review by other audit institutions.



In 2023-24, reports reviewed by the independent external review panel achieved an average score of 7.0 (2022-23: 7.25).

Governance, fraud prevention and detection

The NIAO promotes good practice in governance arrangements and helps to combat fraud. NIAO staff attend the audit and risk assurance committees of all the audited bodies, providing support, advice and guidance to both non-executives and senior staff. The Office also provides training through assisting in programmes developed by the Chief Executives' Forum.

The NIAO continues to support public sector bodies as they maintain their fight against fraud. Ongoing budgetary pressures and the cost of living crisis has increased the risk of fraud. Public bodies must continue to use all means at their disposal to prevent and detect misuse of public funds.

The Office maintains a small counter fraud unit which provides support, advice and guidance on fraud related matters to public sector organisations. We have published a number of fraud risk guides in recent years, all of which are available on our [website](#).

A key focus continues to be the prevention and detection of fraud and error through data matching. Data matching involves comparing pieces of data or information held by one organisation against other records held by the same or another organisation, in order to highlight potentially fraudulent claims and payments.

National Fraud Initiative



To date in Northern Ireland, the eight NFI exercises have identified over £47 million of fraud and error (£3.7 million in 2023-24).

Since 2008 we have participated in the National Fraud Initiative (NFI), a UK-wide data matching initiative to combat fraud and error, which runs every two years. The eighth exercise in Northern Ireland has recently reached a conclusion and the findings from this exercise will be published in Summer 2024.

The C&AG's reports on the NFI exercises are available via the [NFI page](#) on our website. We encourage public sector bodies to make the NFI a key part of their counter fraud strategies.

Support to the Northern Ireland Assembly

The C&AG provides the Assembly with independent support to enable it to hold the Executive to account for its financial management and the value for money it provides to the taxpayer for the public funds it spends. Our main engagement is through the support we provide to the Public Accounts Committee (PAC).

A new Assembly was restored on 3 February 2024 and as a direct result, normal service to the PAC resumed from this date. During the period the Assembly was not functioning, all NIAO reports produced were shared with the Secretary of State for Northern Ireland upon publication. For each of these reports, he obtained a departmental response from the relevant Northern Ireland department, submitted via the Department of Finance, which was placed in the Libraries of both Houses of Parliament. This process was applied to all of our public report publications. All the reports published during the time the Assembly was suspended have now been presented to the PAC for its consideration.

Following consideration of the evidence, the PAC publishes its own report and recommendations to the Assembly. The Executive is then required to respond to these recommendations, specifying the action the audited body intends to take. We monitor the action taken and may revisit an issue where we consider that insufficient progress has been made.

Engaging with stakeholders

Receiving, investigating and replying to correspondence is an important part of our work. It is one of our direct contact points with our MLAs and the public and is a valuable source of information for our audit work. It gives us an opportunity to explain and inform people about our work and helps us focus our questions on public bodies to probe issues and concerns of interest to the public. Where appropriate, we may carry out further audit work in response.

During the year we received:

- Nine Freedom of Information requests (17 in 2022-23)
- Three Subject Access Requests (five in 2022-23)
- One Environmental Information Request received under Data Protection Act 2018 (one in 2022-23)
- No complaints (two in 2022-23)

Raising Concerns

The Comptroller and Auditor General and the Local Government Auditor are prescribed persons under public interest disclosure legislation. Part of the Office's counter fraud role is considering public interest concerns raised by, among others, public sector employees, contractors and the wider public.



In 2023-24, 33 issues of concern about the use of public money were received (2022-23: 37 issues). Issues of concern are encouraged, dealt with professionally and treated in confidence, as appropriate.

MLA queries

We also pursue concerns raised with us by Members of the Legislative Assembly.



In 2023-24, three separate concerns were raised, all of which we have followed up (2022-23: 4 cases). One case remains under investigation.

Engaging through Social media

Our social media presence continues to build awareness and understanding of what we do, the opportunities we offer and the accomplishments of our staff. Audiences continued to grow in 2023-24, with followers increasing on individual platforms by 17 per cent and 45 per cent.



Our video briefings, animated report summaries and our videos of staff and office promotion (published between April 2023 and March 2024) have been seen over 50,000 times. There were nearly 70,000 visits to the NIAO website in the same period, with our publications and media releases being downloaded over 10,000 times.

What our stakeholders tell us

Our communication with stakeholders also continues to be two-way, drawing on their input and feedback in order to reflect on our performance, address issues of concern, and recognise our successes. As well as maintaining sustained dialogue and interaction, in May 2024 we issued our latest survey to all audited bodies across central departments, local government and NDPBs. Of the 109 questionnaires issued, 49 responses were received. This survey collected feedback on audited bodies' experiences of working with the Office during the previous twelve months. Of the responses received:

96%

Agreed or strongly agreed that NIAO audit staff provided a high quality and professional service

98%

Agreed or strongly agreed that the NIAO's work leads to improvement in public services

100%

Agreed or strongly agreed that NIAO good practice guides are a useful resource



On Engagement and Communication:

"There is a long-established good working relationship between the departmental accounts' teams and NIAO. Throughout the audit period we meet regularly to ensure issues are discussed and resolved in a timely and professional manner."

On our work with Audit Committees:

"There is a healthy and constructive relationship between the NIAO and the Committee Members."

Some highlights of our year

As part of our role of supporting and promoting high standards in public administration, we have hosted a wide range of events at our premises in University Street, for example:

In May 2023, we hosted the Women, Peace and Security Exchange’s delegation from Ukraine, speaking to delegates on the theme of oversight and management of public money.





In October 2023, the Director of Corporate Services led a breakout session on Innovation and Risk Management at the Northern Ireland Conference of the Chartered Institute of Public Finance and Accountancy, and the NIAO also hosted a stand at this event.



In mid-October 2023, the C&AG delivered a session on driving change through audit and complaints, alongside representatives from the NI Public Services Ombudsman at the Northern Ireland NHS Confederation's 2023 Conference.

In November 2023, the C&AG spoke at the 2023 Healthcare Financial Management Association conference.

In March 2024, the Office once again participated in the Chief Executives' and Chairs' Forum Leadership & Governance conference, with the C&AG and COO leading a discussion session and the office taking a stand to promote its work and officially launch its public consultation on the draft Corporate Plan for 2024-2029.

Impacts of our Reports

We have a responsibility to achieve value for money on the services we provide to our stakeholders. One way in which we measure our success is by identifying impacts of our work. Quantitative impacts can overshadow qualitative impacts and are more tangible as they identify a financial saving; however, they only present a partial picture, as it is difficult to quantify the improvements to public services that arise as a direct result of public audit, including the issue of our good practice guides. As well as the £3.7 million impact we have identified through our work on the NFI referred to within the Governance, Fraud Prevention and Detection section, we note some examples of qualitative and quantitative impacts that were realised in 2023-24 through our public reporting and financial audit work:



Northern Ireland Housing Executive

The Northern Ireland Housing Executive (NIHE) provides Supporting People funding to a number of service providers across Northern Ireland. Such funding provided but not spent is held as restricted reserves by service providers. In our 2018-19 Report to those charged with Governance (RttcwG) we recommended that the NIHE should recoup Supporting People funding held by service providers in restricted reserves. The NIHE agreed to reclaim unspent funding for 2018-19 and to freeze prior year reserves.

At the onset of the COVID-19 pandemic the Department for Communities (DfC) subsequently agreed that service providers could apply frozen reserves to Supporting People eligible expenditure. However, at the time of our 2022-23 audit, funding of £3.7 million remained in restricted reserves held by service providers. In our 2022-23 RttcwG we included a recommendation that the NIHE should recoup these reserves. Our recommendation was accepted and in August 2023 the NIHE Board approved recoupment of Supporting People reserves.

Following meetings with senior DfC and NIHE officials, a recoupment process was established and the NIHE has invoiced service providers £3.5 million. Recouped reserves have been used by the NIHE to fund the 2023-24 Supporting People Programme and therefore supported vital services during difficult financial times.

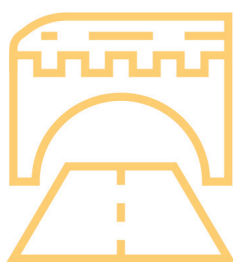
Workforce planning for nurses and midwives



Our July 2020 report '*Workforce planning for nurses and midwives*' highlighted how between 2011-12 and 2018-19, spend by HSC trusts on nursing agency staff had increased by over 500 per cent from £8.6 million to £52 million. In particular, we highlighted the high costs of non-contracted agency nurses, with Trusts paying hourly rates as high as £131. We recommended that the Department of Health (DoH) routinely monitor data to identify the specific causal factors driving the increased reliance and expenditure on temporary staff and consider how these could be addressed within longer-term workforce planning. In response, the DoH

introduced a number of measures from June 2023, including ending the use of 'off-contract' agency nurses and introducing a revised framework for contracted agency nursing which has also widened the agencies eligible to supply. The Department advised that this new approach to the use of agency staffing has been complemented by increased investment in the nursing workforce – increasing both the number of nurses trained locally and recruited internationally. This approach, together with increased efforts by Trusts to retain their existing nursing workforce, has seen the numbers of directly employed nurses increase. The Department believes this should apply downward pressure on the demand for agency nurses going forward.

Structural Maintenance of the Road Network



In 2022-23, the Department of Infrastructure (the Department) published the first annual statistical Road Condition Report that provides citizens with information about the length and condition of the road network, and on the level of investment made by the Department in the network in recent years.

This followed our report, published in March 2019, which examined the Department's approach to the structural maintenance of the road network. The report's key finding was that due to a shortfall in funding, and the reliance of in-year funding allocations of uncertain timing, spending on structural maintenance does not always provide value for money.

We also found that the uncertainty relating to funding inhibited strategic planning and the development of effective relationships with private contractors. As a result, we recommended that the Department develop and publish a structural maintenance strategy, and regularly publish performance information and road condition data, to provide stakeholders and citizens with an understanding of the condition of the network and the work the Department was undertaking.

Since then, the Department has begun work on a Strategic Asset Management Plan that will ensure that the Department appropriately emphasizes "Asset Management" within its Roads operations.

Influencing public sector transformation

This section of the report provides an overview of some of the Office's collaborations with key stakeholders during 2024-25.

Office Collaborations

The Office continues to collaborate with key stakeholders to share our experience and insight.



Boardroom Apprenticeship Programme

We continue to collaborate and participate with the apprenticeship scheme run by Strictly Boardroom, a training programme for those who want to serve on a board, especially in the public and third sectors. It is an initiative that bridges the gap between aspiration and reality for those who would like some help to get there. In 2023-24 we once again hosted the programme's annual Panel Day at our University Street offices, and for the second year, have acted as a host board for a non-executive trainee director. We participate in the training programme for apprentices.



Chief Executives' Forum

We work closely with the Chief Executives' Forum (CEF), an association of chief executive officers of civil and wider public service bodies in Northern Ireland, whose strategic purpose is 'To support Northern Ireland's public sector leadership to achieve improved outcomes by building trust, understanding, learning and collaboration across the public sector'.

As part of this collaboration, in June 2023 we launched our good practice guide on Innovation and Risk Management at a combined event with the Chief Executives' Forum and the Chairs' Forum at the Innovation Factory, Belfast. The event was a significant success. Speakers included the Head of the Civil Service, Jayne Brady, and speakers representing organisations and initiatives highlighted as case studies in the guide.

In March 2024 we also supported CEF organising a stand at its annual Leadership & Governance conference and used the opportunity to launch the Office's public consultation on the NIAO's draft Corporate Plan and Public Reporting Programme 2024-29. CEF has also used our premises to host events during the year.



SistersIN

The C&AG is an active supporter of the SistersIN Mentoring Programme, which provides students with longer-term exposure to female leaders serving as inspirational role models. In her role as a mentor over the past year, the C&AG has provided her mentee with multiple opportunities to share her experience, insights and learnings and has introduced her to many of the key influencers across the public sector and political landscape. The Office was also represented at the 2024 SistersIN conference, attended by thousands of school pupils from across Northern Ireland.



Young Scotland and Northern Ireland Programme

The Young Scotland and Northern Ireland Programme is a 4-day residential annual event, aimed at bringing together various delegates starting out their career in the public sector. It exists to develop the communication skills and broaden the horizons of people in the early stages of their working lives. Through discussion and dialogue, the personal testimonies of inspiring speakers, and the delegates' own presentations on questions of 'current interest or controversy', the programme helps to build confidence, stimulate debate, and increase awareness of the world around us. For the 2023 event, we sent two of our staff, Corey Parr and Jude Kells, to participate in the event and represent the Office.



Local Government Association

The Northern Ireland Local Government Association (NILGA) is the council-led representative body for local authorities in Northern Ireland. The Association is supported by political parties and independent members in councils and works in partnership with other key regional bodies and stakeholders. NILGA members are drawn from each of the 11 councils. NILGA promotes, develops and champions local government by developing regional, all-council approaches to key issues affecting the sector. The Local Government Auditor, Colette Kane, and colleagues held a seminar for members of audit committees across local government which was facilitated by NILGA.

Our People

This section of the report demonstrates how we ensure the NIAO operates as a high performing organisation to meet emerging challenges.

What this section contains:

- Our Staff Achievements
- Sickness Absence
- Investment in People
- Employee Engagement and Wellbeing
- Equality, Diversity and Inclusion
- Staff Turnover Percentage
- Real Living Wage

Our Staff Achievements

The Office continues support staff in providing them with the training and opportunities to develop and broaden their experience.

Some achievements are set out below:



Stephen Brannigan, Catherine James, Laura McHugh, Corey Parr, Claire Turner – Aspiring Leaders (Level One)

The participants commented “We are delighted to share our experiences from participating in the first “Aspiring Leaders Programme Level 1” scheme, developed and delivered by the NIAO. This excellent programme has been instrumental in enhancing our understanding and application of effective leadership qualities. Through a series of comprehensive modules presented by our course provider and internally delivered sessions led by experienced NIAO staff, we have gained a deeper insight into leadership.

The addition of personalised coaching sessions has been particularly useful. These, along with the ‘DISC’ profile analysis and a thorough 360 feedback process, have provided us with valuable perspectives on our performance and areas for improvement. These tools have not only broadened our leadership capabilities but also deepened our dedication to the values of the NIAO. This programme has been fundamental in our professional development, equipping us with essential skills to excel in our roles and beyond.”



Conor McGeown, Barry Mitchell – Aspiring Leaders (Level Two)

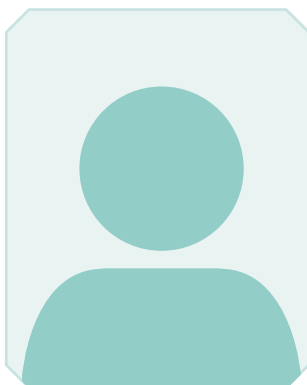
“The first part of the course was an intensive four-day online training course on ‘Neuro Linguistic Programming (NLP)’ which was followed a few months later with the Institute of Director’s ‘Aspiring Directors’ course in London. The course was highly interactive and involved a significant amount of participation in group exercises and role plays. While legal duties do not apply to the same extent in the public sector, the course brought out the key competencies of a high performing director which apply across all sectors, including the need to promote the success of the organisation for the benefit of all, rather than the individual. We found it was rewarding to work alongside, share experiences and learn from peers from a range of different sectors.”



Sarah McErlain – Boardroom Apprentice

NIAO Auditor, Sarah McErlain, took part in the 2023-24 Boardroom Apprentice programme and was hosted by Ards Business Hub as her placement.

Reflecting on her experience, Sarah said "The Boardroom Apprentice is a brilliant scheme that helps bridge the gap for people who feel they would like to sit on a public or third sector board but are unsure that they have the correct skills, background or experience. I was privileged to have had the opportunity to be involved over the year. Alongside the learning days, I was hosted as an Apprentice by Ards Business Hub, a social enterprise agency. The experience of the whole scheme has been so worthwhile, not only for my aspirations to sit on a board but also in informing the work that I do with the NIAO."



Bonnie MacRae – Boardroom Apprentice

For the second consecutive year the NIAO participated as a host board and was delighted to welcome Bonnie MacRae as our Apprentice.

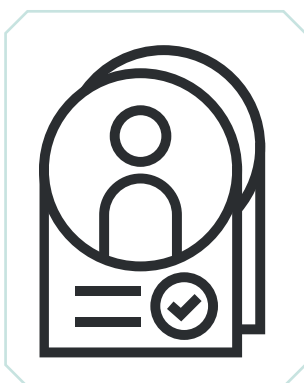
After her year with us, Bonnie said "I have thoroughly enjoyed my time working alongside the NIAO as part of the Boardroom Apprentice programme. I feel very privileged to have been selected to sit with the board who essentially wrote the rule book! My biggest takeaway is that although a board position can be daunting, when meetings are structured well, and attended by board members who are great at what they do, it makes the process seem effortless. I was always very welcome within meetings and I felt comfortable enough to contribute, despite my inexperience. Thank you to all members of the Advisory Board and ARAC."



Anna Taggart – Certified Information Systems Auditor

Anna is now an ISACA Certified Information Systems Auditor (CISA), a qualification achieved through a combination of self-study and attending a four-day intensive online course.

Reflecting on her achievement, Anna commented, "Becoming CISA certified has helped to validate my expertise and improve my knowledge and skillset for handling challenges and responsibilities arising in the area of IT audit within the NIAO."



Garry Currie – Chief Executive's Forum Transformative Leader Programme

NIAO Manager Garry Currie took part in the Chief Executives' Forum "Transformative Leader Programme" during 2023-24.

Garry commented "The Transformative Leader Programme was an excellent programme with participation from a group of experienced leaders right across the public sector. The programme introduced a range of practical skills, techniques and principles that can be used to deal with not only the challenges of leadership but also the opportunities that exist. The one-to-one coaching sessions were very useful for focusing on personal challenges and built on the content that was covered in the webinars and group sessions."



Catherine James – Common Purpose High Potential Leaders Programme

The programme is tailored towards aspiring or new managers, who want to make a real difference in their organisations. Reflecting on the programme, Catherine commented, "The programme provided me with several important learnings including heightened self-awareness and confidence, a deeper understanding of people and culture to support my development, and ability to empower diverse and inclusive teams. The experience gave me the opportunity to reflect on the behaviours, competencies and skills that provide value to the work that I do."



Dorinnia Carville – Fellowship Programme

This programme is for political, business and civic leaders in Northern Ireland and is run by the Centre for Democracy and Peace Building. Dorinnia reflected on the programme, "It's always important to keep learning. I personally learnt most from those on the programme who were at an earlier stage of their career, due to the different approaches they bring to leadership."



John Clarkin – Institute of Occupational Safety and Health

During the year John completed the Institution of Occupational Safety and Health (IOSH) Managing Safety and Health course which covered many aspects of managing health and safety within the workplace and how to help improve the safety culture in the organisation.

John has commented "The course content was highly interactive and engaging. It enabled me to renew and refresh my understanding of health and safety management, performance, and controls. I am then able to put this knowledge to use within our office environment, ensuring that we can maintain high standards and good practice in the areas of health and safety."



Laura Murphy – Women in Leadership

"The Chief Executives' Forum's Women in Leadership programme was a wonderful opportunity to meet other women in the public sector with similar career aspirations and desires to further develop as leaders. The course explored key components of successful leadership, showing me how to expand my knowledge, identify my strengths and cultivate a growth mindset. Sessions were varied and included presentations from current female leaders who generously shared their own journeys and experiences. I also benefited from four one-to-one coaching sessions, and I will be assigned a senior public sector leader as my mentor on completion of the course. This was a fantastic course, and I would highly recommend it to other women wanting to develop their leadership capabilities."



Dorinnia Carville – SistersIN Leadership Programme

The SistersIN Leadership Programme is an 8-month development journey for sixth form girls to help build their confidence and broaden their career perspectives. This is achieved through three main methods – offering participants leadership development training, experience of project leadership, and via mentorship from female business leaders.

After joining the Programme as a mentor in the first year of SistersIN, Dorinnia once again supported a mentee during 2023-24, working with a sixth form student from Victoria College, Belfast.

Reflecting on the experience, Dorinnia said “It has once again been extremely rewarding and inspiring to see at first-hand the talent, passion and the ambition of our future leaders, and to support one such candidate at this early stage of her career. Once again, I was given the opportunity to support a participant with a keen interest in local politics and government and was delighted to be able to share insights into the work of the NIAO in supporting governance and oversight of public services, share experiences from my own leadership journey, and gain some fresh perspectives from my mentee.”



Corey Parr & Jude Kells - Young Scotland and Northern Ireland Programme

Jude spoke positively about her experience, saying “I really enjoyed attending the programme as participating in its various challenges pushed me out of my comfort zone and encouraged me to become a more confident public speaker. It was also a great opportunity to meet new people from across the public sector.”

Corey also found the experience positive, saying “It was a great opportunity to try various public speaking styles (prepared speeches, speaking ‘off the cuff’, interview format, etc.) and doing it so much over the few days in front of a large room of people definitely improved my confidence and removed a lot of my fear around public speaking.”



Joe Campbell – Member of the Order of the British Empire (MBE)

Joe, who retired in March 2024, was awarded an MBE for Public Service by His Majesty in June 2024 in recognition of his 35-year career with the NIAO. Congratulating Joe on his achievement, Dorinnia commented that "Joe epitomises public service. Throughout his decades of dedicated work in public audit and supporting the NI Assembly's oversight and scrutiny functions, he has demonstrated the utmost diligence, professionalism and diplomacy."

There was further exam and professional development success for our Trainee Accountants and Higher Level Apprentices during the year. Michael McNally completed his training contract and Trainee Accountants Jude Kells, Nikita White, Beth Lyttle and Caitlin Graham passed their Chartered Accountant Proficiency 2 exams.

Trainee Accountants Alex Kerr, Fiona Cullen and Kyle Jeavons passed their Chartered Accountant Proficiency 1 exams.

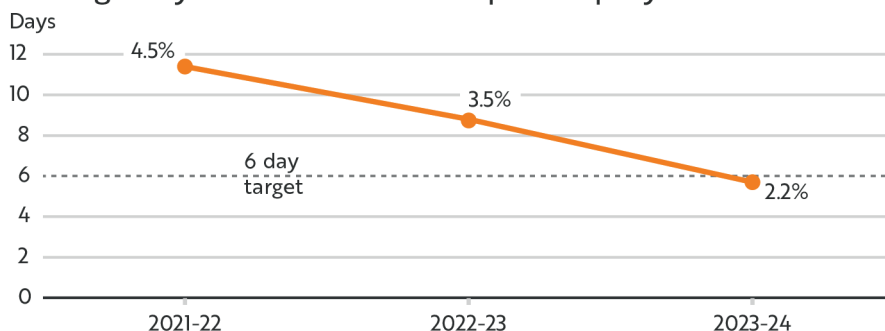
Siubhan Ni Chiarain and Ben Johnston completed their Higher Level Apprenticeship (HLA), qualifying as Account Technicians and have both progressed to the Trainee Accountant programme. Conor Sackesen and Eva Donaghy successfully completed year 1 of their HLA and are currently completing Year 2. They have both been successful in securing a conditional Trainee Accountant place with the office beginning in September 2024.

In other fields Philip MacDonald, Peter Mallon, Beth Lyttle, Caitlin Graham and Catherine O'Hagan completed the Mental Health First Aid certificate, while Eva Donaghy, Caitlin Graham, Karen Armstrong, Laura Murphy and Caroline Laird completed the Emergency First Aid at Work certificate.

Sickness Absence

The Office has a comprehensive attendance management policy, providing advice and information to line managers and employees on matters relating to sickness absence. The policy details the procedures to be followed with regards to reporting and monitoring attendance in the Office. Sickness absence is well managed in the Office and sickness absence figures are also closely monitored by the Senior Leadership Team and the Advisory Board. The figures for the past 3 years are as follows:

Average days sickness absence per employee. 2021-22 to 2023-24



The Office successfully achieved its target of six days' average sickness absence per employee for 2023-24 showing a significant reduction from levels in the preceding two years.

COVID-19 continued to be the main reason for short term absence within the Office, accounting for 13.6 per cent of short term-absences' and 5.4 per cent of all absence during this reporting period.

The Office recognises that there will always be some level of absence within the organisation, and it adopts a holistic approach to absence management, described in further detail in the next section.

When managing employee absences, the Office will always act reasonably and fairly, taking account of individual circumstances and will seek the advice of Occupational Health Services where appropriate.

Investment in People

As an Investors in People (IiP) accredited organisation we are committed to the continuous investment in our people's development, talent and motivation. Our people are viewed as our most valuable resource: their attraction, development and retention is critical to meeting our strategic priorities and it is essential that strong people leadership supports their achievement.

A new People Strategy and a Learning Development and Talent Management Strategy for the period 2024-29 were launched in March 2024.

The (IiP) Standard is a business improvement tool designed to advance an organisation's performance through its employees. It helps organisations to improve performance and realise objectives through the management and development of their people. The Office has held Standard Investors in People accreditation since April 2021. The IiP consultant conducts periodic progress reviews throughout the three-year accreditation period, and these are shared with all staff to promote transparency of the process. The Office was notified in May 2024 that Standard Accreditation has been retained.

Employee engagement and wellbeing

The NIAO provides access to a range of resources, such as on-site gym facilities, Mental Health First Aiders, access to an online Health and Wellbeing portal, MyMindPal app and an Employee Assistance Programme.

During the reporting period, the Office continued to focus on wellbeing and five colleagues trained as Mental Health First Aiders. This will ensure employees have several people they can approach if they are in crisis.

In August 2023 we launched our Wellbeing Strategy. This focuses on mental, physical, social and financial wellbeing, capturing the commitment to employee engagement which exists in the NIAO as well as providing a foundation for developing and expanding our work in this area.

Engaging with the Community

During the year the Wellbeing Committee and the Sports and Social club collaborated to develop a calendar of activities. These included internal events for colleagues, such as lunchtime walks, social events including a staff children's Christmas party and lunchtime pool competitions. We also reached out to the wider community. In September members of staff gave their time and gardening skills to volunteer for the National Trust at Minnowburn. In October a Macmillan Coffee Morning was organised, raising almost £400 for that charity, and in May two teams from the Office took part in the Belfast Marathon relay event. Over £780 was raised, greatly exceeding the original target amount of £250, and this was donated to the Air Ambulance Northern Ireland.

Many of our staff use their own time and resources to undertake courses of study or contribute positively to their communities in a voluntary capacity. We are very proud of all our staff and appreciate their commitment to the wider community.

Equality, Diversity and Inclusion

The NIAO is fully committed to the effective promotion of equality of opportunity in all our employment policies and procedures. The office adopts a fair and consistent approach to recruitment and appointments are made on merit. Equality and Diversity training is mandatory for all employees, so that everyone is aware of their responsibility in creating a harmonious working environment for all. All employees are encouraged to develop to their full potential and the Office is committed to developing talent within the organisation on a fair and impartial basis.

The NIAO appreciates the benefits of a diverse workforce, creating a more inclusive culture and accessing a broader range of perspectives, skills and talent and is now working towards achieving the Diversity Mark. The Office has participated in various initiatives such as SistersIN and has established an Equality, Diversity and Inclusion committee consisting of volunteers committed to developing and driving this agenda.

Staff Turnover Percentage

The staff turnover percentage, defined as the number of leavers divided by the average staff in post, was 8 per cent for the year ended 31 March 2024 compared to 14 per cent for the previous year.

During 2023-24 we carried out a number of engagements with local universities and colleges of Further Education, and we are working with many of our stakeholders to continue to recruit and retain high quality staff at the NIAO.

Real Living Wage

The NIAO became an accredited Real Living Wage employer in April 2020, and is currently one of only eight Real Living Wage accredited public sector employers in Northern Ireland. Those employees most impacted are our Higher Level Apprentices who achieve maximum benefit as they fall primarily into the under 23 age bracket. As an accredited employer we are committed to paying a wage based on the cost of living to all our staff and believe that this will help in our ambition to become an employer of choice.

Resource Accounts 2023-24

Schedule 2 of the Audit (Northern Ireland) Order 1987 requires the NIAO to prepare resource accounts. Details of the Order can be found at www.legislation.gov.uk.

The financial statements on pages 101 to 104 have been prepared on a resource basis in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF).

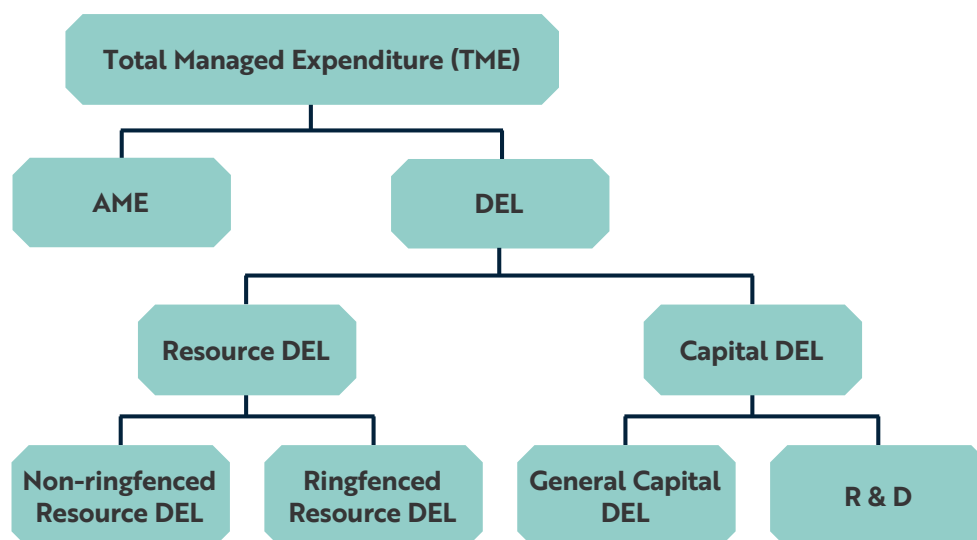
NIAO Estimate and Budget Process

The Audit (Northern Ireland) Order 1987 requires the C&AG to prepare a Supply Estimate each financial year. The Northern Ireland Assembly Audit Committee (NIAAC) examines the NIAO's budget proposals, agrees the annual Supply Estimate with the C&AG, and lays the Supply Estimate before the Assembly for approval.

The Northern Ireland Budget Act 2023 was passed by Parliament and received Royal Assent on 8 February 2023. It authorised the cash and use of resources for all departments and other bodies for the full 2022-23 year and also included a Vote on Account for the early months of the 2023-24 financial year.

The Budget Act (Northern Ireland) 2024, which received Royal Assent on 14 March 2024, together with the Northern Ireland Spring Supplementary Estimates 2023-24 which were agreed by the Assembly on 9 April 2024, provides the statutory authority for the Executive's final 2023-24 expenditure plans. The Budget Act (Northern Ireland) 2024 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2024-25 financial year.

Budget structure



The total amount spent is referred to as the Total Managed Expenditure (TME), which comprises two categories:

- Annually Managed Expenditure (AME)
- Departmental Expenditure Limit (DEL).

AME budgets are volatile or demand-led in a way that bodies cannot control. The NIAO does not have any AME expenditure.

DEL budgets are classified into resource and capital:

- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and running costs, and ringfenced resource that covers non-cash charges for depreciation and impairment of assets.
- Capital DEL includes spending on assets. Research and Development (R&D) grants are included as Capital DEL for budget purposes but as resource in the Estimate.

Further detail on DoF's Budgeting Framework can be found in the [Consolidated budgeting guidance 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2023-to-2024).

Resources

The Northern Ireland Assembly authorises separate resource, capital and cash budgets, which form totals within which the NIAO must manage. In the absence of a sitting Assembly, the Secretary of State for NI set the NIAO's budget for 2023-24.

Overall financial performance against the budget is set out in the following table:

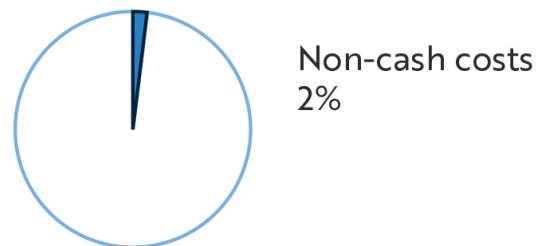
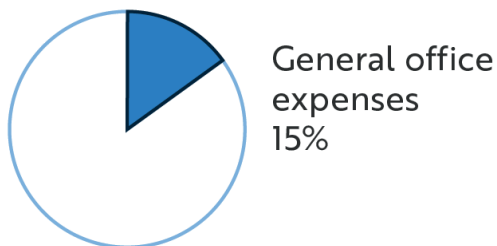
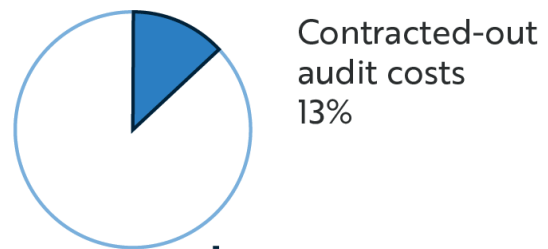
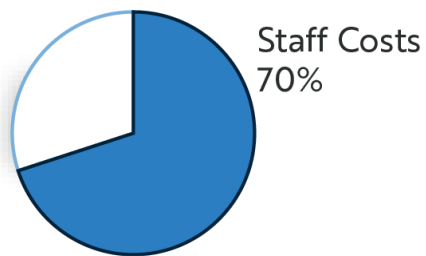
	Estimate £'000	Outturn £'000	Saving/ (Excess) £'000	Saving/ (Excess) %
Total spend on audit and assurance work	11,720	11,300	420	4
Less: income	(3,000)	(3,048)	48	2
Net spend	8,720	8,252	468	5
Capital expenditure	45	43	2	4

These figures exclude non-voted expenditure items, such as the Comptroller and Auditor General's salary costs, paid directly by the Assembly and outside the control of the Northern Ireland Audit Office.

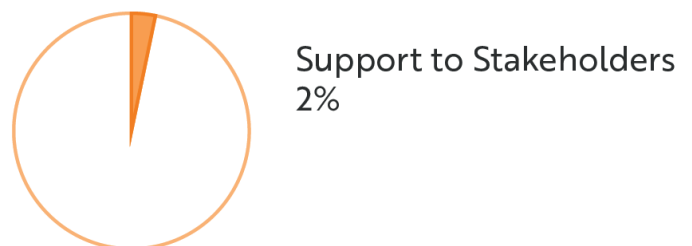
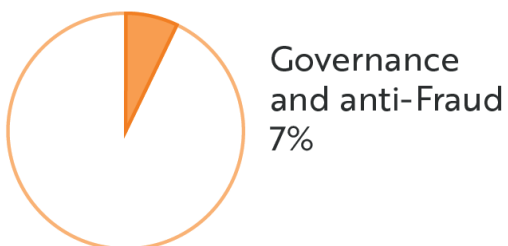
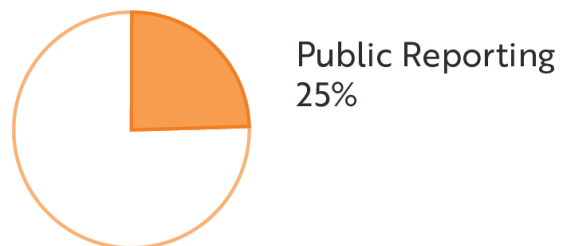
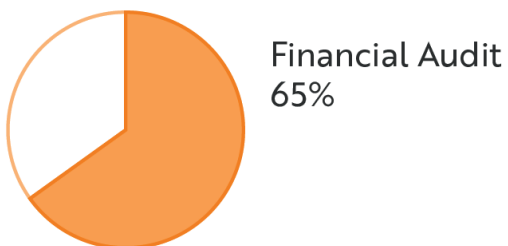
This table ties directly to the Statement of Outturn against Assembly Supply (SOAS) as a key accountability statement which is audited.

The figures below show that the main area of expenditure continues to be staff costs at 70 per cent of expenditure (2022-23: 69 per cent), with 65 per cent of the NIAO's resources (2022-23: 70 per cent approximately) being focused on financial audit.

Key areas of Expenditure



How Resources were used



In addition to the above, the cost of administering the Comptroller Function was £17,000, as shown at Note 2 to the Financial Statements.

Income includes fees received from:

- some central government bodies and North-South bodies in respect of the audit of their accounts;
- the National Audit Office, for audits we carry out on its behalf; and
- local government bodies, for the audit of their accounts and performance improvement.

Each element of income, and the direct costs associated with it, is shown in Other Assembly Accountability Disclosures (Audited) at page 94.

Resources required in the future

In March 2024 the C&AG and NIAO gave evidence to the NI Assembly Audit Committee requesting additional funding over and above the previously agreed 2022-25 Budget position. In April 2024 the NI Executive agreed the 2024-25 allocation of a Resource DEL budget of £10.5m and a Capital DEL budget of £40,000 for the NIAO.

Summary budget to accounts reconciliation

The Government Financial Reporting Manual requires a table showing a reconciliation between the budgets and accounts:

	2023-24 £'000	2022-23 £'000
Resource Budget Outturn of which		
Departmental Expenditure Limits (DEL) – Voted	8,252	9,513
Departmental Expenditure Limits (DEL) – Non-Voted	257	211
Annually Managed Expenditure (AME)	-	-
Total	8,509	9,724
Net Operating Cost	8,509	9,724

Payment of Suppliers

The Office is committed to the prompt payment of bills for goods and services received, in accordance with the Better Payment Practice Code. Unless otherwise stated in the contract, payment is due within 30 days after delivery of the invoice or the goods and services, whichever is later.



For 2023-24, the Office paid 97.6 per cent of bills (2022-23: 97.3 per cent) within 30 days following delivery of the invoice.

In addition to this, the government has said that, wherever possible, public sector bodies should seek to pay suppliers within 10 working days of receipt of the invoice. For 2023-24 we met this standard for 92.7 per cent of invoices received (2022-23: 88.8 per cent).

Sustainability, environmental, social and community matters

This is the third year that we have disclosed our sustainability reporting based on the Task Force for Climate Related Financial Disclosures (TCFD) framework. The adoption of TCFD by UK FReM is an important step in public sector transparency and accountability in sustainability reporting.

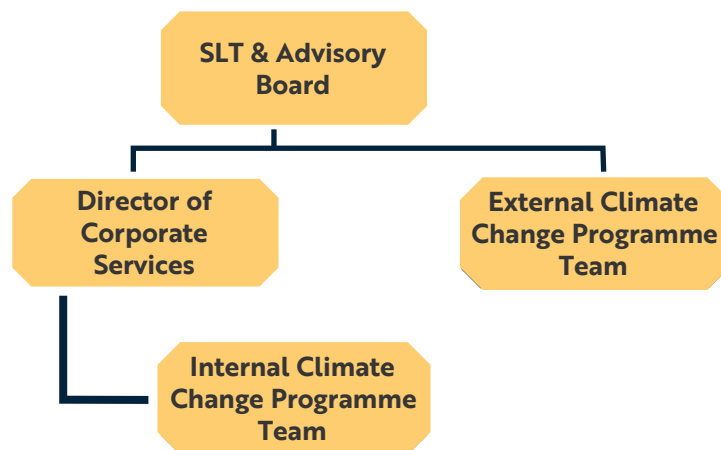
Governance

The Internal Climate Change Programme Team (ICCPT) and the External Climate Change Programme Team (ECCPT) were established in 2021-22 to tackle the issue of sustainability; both within the Office (ICCPT) and the wider public sector (ECCPT).

The ICCPT currently reports every quarter to the Senior Leadership Team (SLT). It currently has five members and submits papers to SLT via the Director of Corporate Services. The ECCPT, which has eight members, and is Director-led, reports directly to the SLT. Staff are encouraged to contribute and make suggestions to both groups.

The Corporate Risk Register Working Group also considers the latest in sustainability and environmental risk in its annual horizon scanning exercise. Any risks identified throughout the year can be brought to the attention of the group at any time.

The governance structure of our sustainability reporting is summarised below.



Emissions



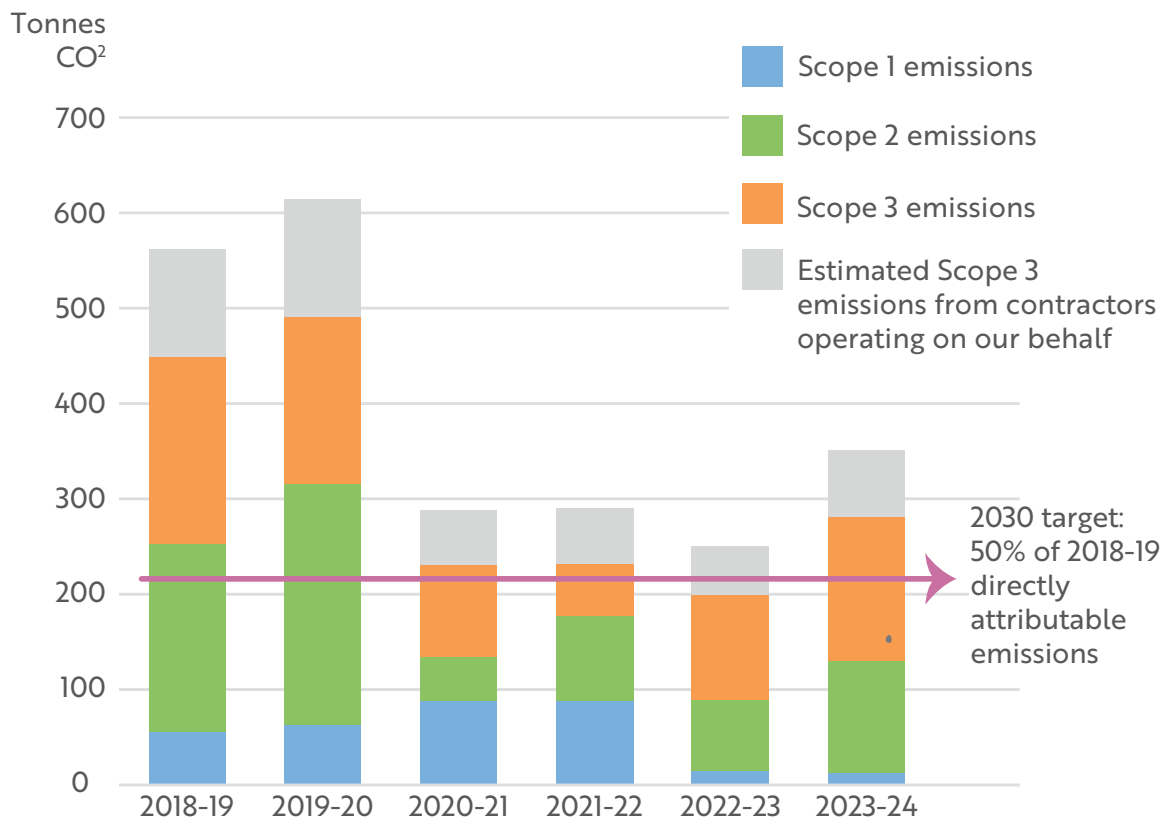
We have adopted the Green House Gas Protocols 2001 (GHG) and the associated GHG reporting. We report on all Scope 1 emissions, which include the emissions we make directly, through the burning of natural gas for heating. Our report also includes purchased electricity and water (Scope 2 emissions) and business travel, commuting and working from home (Scope 3 emissions). Scope 1 and Scope 2 emission calculations are materially complete, however, for our Scope 3 emissions we have yet to fully capture upstream and downstream emissions, such as identifying products/services used by our suppliers.

We have elected to establish 2018-19 as our baseline year for emissions, due to it being the first year with full data available, and it was the last full year free from the COVID-19 pandemic disruption and the new hybrid way of working.

We moved back into our newly refurbished University Street building in August 2022 and so 2023 -24 was our first full year spent in the premises. This has had an impact on the figures in the table below.

NIAO annual emissions (Total kgCO₂e per year) by scope and targets

NIAO Emissions and 2030 Target



Analysis

Scope	2023-24 Tonnes CO2e	2022-23 Tonnes CO2e	Analysis
1	13	15	This is driven purely by gas consumption which was lower due to the mild winter and more control over electrical supplied heating.
2	117	75	Electric consumption, waste generation and water usage are the three main drivers; these have all increased on the prior year as this was the first full year of being in our refurbished building.
3	151	110	The increase was driven by more business activity in miles travelled by cars, trains and planes. Overnight stays also increased as we returned to working without COVID-19 restrictions.
Estimated Scope 3	70	50	This remains an estimate based on the number of audits we contract out and assumes the same emissions efficiency as ourselves. More reliable data in this area has been identified as an area for improvement.
Trajectory	Exceeded	Under	Based on the Climate Act 2022 target of a 48% reduction against baseline by 2030. We have exceeded an even decline target which will mean bigger reductions will be needed in the future. This was due to the increases in Scope 2 and 3 detailed above.

We have not used any offsetting services to lower our emissions figures.

Managing Risks

In-year we revisited our corporate risk register through the lens of sustainability risks. One direct sustainability-specific risk continues to be recognised and managed, however climate change and sustainability has an impact on many of our existing risks and informs how we view them. Environment and sustainability have been included in horizon scanning exercises to ensure risks are identified.

We have not performed a major scenario analysis exercise but have reviewed various scenarios on the Department for Infrastructure's flood maps viewer. In the surface water climate change filter, the location of our office could be exposed to excess surface water making it more dangerous for staff to travel to and from the office. As a response, we have reviewed our disaster recovery plan to ensure operations can continue without access to the office.

A more significant risk to our work is the impact of climate change on our auditees. We audit a wide variety of organisations which have assets required for service delivery. Assets at potential risk include coastal paths due to erosion and rising sea levels, or buildings exposed to excess surface water and flooding; this could mean such assets are more difficult to value, insure and verify and we may see more limitations of scope in the C&AG's audit opinions, as valuations become more difficult to accurately quantify in extreme climate scenarios. This would require additional work on climate change risks to be undertaken by our audit staff and technical team.

Climate related risks have begun to make their way into the training programmes for our financial audit staff. Training delivered in-year addressed some of the key issues and provided examples of climate change impacts on financial accounts. Audit teams consider climate change related risks in audit planning and several areas for further investigation have been identified in the 2023-24 audit cycle. While the outcomes are yet to be fully realised, we remain committed to providing assurance, where required, over mandatory disclosures in public sector annual reports and accounts.

We recognise the impact and importance of our assurance role in public sector sustainability reporting and there is an opportunity to reduce emissions on a public sector scale via our reporting and recommendations.



In-year we worked with the other UK audit bodies to produce a joint report on Net Zero and produced our own report on water quality. Going forward, we intend to publish findings and recommendations on waste crime, active travel and energy efficiency.

Actions

During the year, the ICCPT formally met three times and inducted three new members, with the chair retiring in-year. We thank the former chair for their time and dedication to the role and welcome the new members, determined to achieve more in the months ahead.

Achievements in-year include:

- more accurate electricity monitoring which allowed us to pilot Fill by Floor Fridays 'FBF' in which the building is filled from the first floor up to reduce the energy used on heating and lighting for one day a week; and
- engaging with our waste management supplier to understand how our waste is generated. This resulted in an information session hosted by Belfast City Council to provide advice to our staff on recycling, the production of flyers for our bins and more accurate monitoring of waste generated from our site.

Action plan metrics and KPIs

Following on from last year's creation of an action plan, the team made satisfactory progress in implementing the 18 identified tasks, with many of them being embedded as part of our everyday operations and monitoring. The action plan was focused on the short term and a new medium and a longer-term action plan will now be developed, with engagement planned for the coming year. For the year going forward we have engaged with an energy consultant to aid us in our understanding of energy consumption and to help us identify where further savings can be made.

We consider the most informative metric we can apply is the reduction in our emissions, while still delivering our full portfolio of work.

We remain committed to following the Climate Act's (2022) target of Net Zero by 2050. Achieving the 2030 target of a 48% reduction will be the focus of our efforts in the coming years.

We have also watched the International Sustainability Standards Board's (ISSB) development and publication of sustainability standards S1 and S2 and will seek to incorporate any additional requirements in our reporting in the coming year.

We do not yet have a full suite of qualitative and quantitative metrics to observe long-term trends but have provided an update on the key targets of last year.

Target	Met in year	Comment
Being on target to reduce emissions by 48% by 2030 in line with the NI Climate Bill 2022	No	We exceeded our target for total emissions for 2023-24 as this was our first full year in our refurbished office. We will continue to focus on achieving our 2030 target in future years.
Reducing electricity consumption	No	Our central services team obtained more control over our heating system which meant more of our cooling and heating needs derive from the electrical heat exchange units.
Reducing gas consumption	Yes	A milder winter combined with our central services team obtaining more control over our heating systems led to less gas being burned on site.
Reducing water consumption	No	Our water consumption has increased from the prior year but remains lower than our baseline year. The reason being this was our first full year in the refurbished premises.
Increasing species on office grounds	⊙	No official data to support or compare but more species of pollinators have been observed following planting of flower beds and containers in the car park area during the year.

Social and Community matters

In the section on Engaging with the Community we refer to our charitable contributions during the year and wider social and community engagement. Where possible within procurement guidelines, we try and source our goods locally. This is an area of increasing focus for the NIAO.



Dorinnia Carville
Comptroller and Auditor General for
Northern Ireland

28 June 2024

Accountability Report

Corporate Governance Report

The purpose of the corporate governance report is to explain the composition and organisation of the NIAO's governance structures and outline how they support the achievement of our objectives.

Directors' Report

The directors of the NIAO comprise the senior managers and the non-executive Board members, whose details are set out below.

NIAO Senior Leadership Team

The Senior Leadership Team (SLT) is responsible for the strategic and operational leadership of the NIAO. Subject to the C&AG's statutory position as Corporation Sole and her primacy in setting strategy, policy and procedures, SLT is the principal mechanism for the direction and delivery of the business and for decision-making in the NIAO. Minutes are taken for the monthly SLT meetings which are either chaired by the C&AG or the Chief Operating Officer. Its membership over the reporting period was as follows:

Dorinnia Carville	Comptroller and Auditor General
Rodney Allen	Chief Operating Officer
Patrick Barr	Director
Neil Gray (until 30 June 2023)	Director
Suzanne Jones	Director
Colette Kane	Director
Brian O'Neill	Director
Seamus Wade (from 17 April 2023)	Director
Tomas Wilkinson	Director

C&AG's Advisory Board

The Advisory Board is responsible for providing objective and impartial advice to the C&AG to assist her in the discharge of her functions and works in partnership with the C&AG and the SLT. It supports the C&AG in this role by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment, and the integrity of financial statements and the annual report.

The Advisory Board receives regular reports and updates from the other NIAO sub-committees, the Audit and Risk Assurance Committee and Remuneration Committee. The Advisory Board also scrutinises the work of the NIAO in the five areas of strategic clarity, commercial sense, talented people, results focus and management information, as set out in 'Corporate governance in central government departments: Code of good practice NI 2013' issued by the Department of Finance, with the objective of providing constructive challenge. It also provides a challenge function and advises on Office finances on an ongoing basis.

The Advisory Board comprises both executive and non-executive members, the latter bringing an independent and external perspective to the work of the Board. Under current arrangements, the Chairperson of the Advisory Board is appointed by the C&AG through open competition, based on merit, following endorsement by the Northern Ireland Assembly Audit Committee (NIAAC). Non-executive members are similarly engaged.

Each non-executive member is appointed for a three-year period, which may be extended for a maximum of a further three years by the C&AG with the endorsement of the NIAAC. During 2021-22, the initial three-year tenure for all non-executive members was coming to an end. Following consultation with the NIAAC, it was agreed to extend the term of the Chair and two of the three non-executive members. A further non-executive member was appointed to maintain membership levels.

These arrangements will be revisited following the review of "[Governance and Accountability Arrangements for the NIAO \[and the Northern Ireland Public Services Ombudsman\]](#)" conducted by the NIAAC. This report produced 16 NIAO-related recommendations including the establishment of the NIAO as a body corporate in the form of a statutory board, the establishment of a code of practice between the statutory board and the C&AG and, in advance of these arrangements, the updating of the current Memorandum of Understanding to reflect organisational changes.

In 2023-24, the Advisory Board's membership was as follows:



Martin Pitt

Advisory Board Chairperson

In December 2018, Martin Pitt was appointed as the Chairperson of the Advisory Board for an initial three-year period to December 2021 and has subsequently been reappointed for a further three-year period to December 2024. He was previously a partner within PwC's Audit and Assurance Team and Head of Internal Audit, bringing with him over 30 years' experience working with public and private sector bodies across the UK. Throughout his career, he has advised organisations on issues relating to corporate governance and risk management.



Rodney Allen

Chief Operating Officer

Rodney Allen, as Chief Operating Officer, has responsibility for both leading and managing the NIAO's operational business and supporting the C&AG in the strategic leadership of the NIAO, including stakeholder management. He is responsible for cultural change within the NIAO, and for developing greater flexibility in management structures and service delivery.

Two non-executive members, initially appointed in April 2019, were re-appointed to the Advisory Board for a further three-year period effective from 1 April 2022. One new non-executive member was appointed in June 2023. As part of our ongoing engagement with the "Boardroom Apprentice" programme, we also appoint an apprentice member to the Board.



Marie Mallon OBE

Marie Mallon (OBE) is a member of the Board of the Northern Ireland Transport Holding Company and is an associate of the Health and Social Care Leadership Centre. Marie has also held the position of Chair of the Labour Relations Agency as well as Chair of the Public Sector Chairs' Forum. Prior to that, she was Director of HR and Deputy CEO of Belfast Health and Social Care Trust for seven years, having previously held the position of Director of HR with the Royal Hospitals Trust. Marie is a Chartered Fellow of the Chartered Institute of Personnel and Development (CIPD) and obtained a distinction in her MSc in HR Leadership from University of Manchester. In 2022 she was awarded an OBE for her services to industrial and employment relations in Northern Ireland.



John Turkington

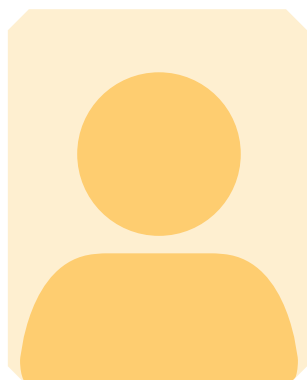
John Turkington is Principal of Turkington Chartered Accountants and previously held senior roles in Ulster Bank as Director of Corporate Banking, Director of Property Banking and Regional Director of Commercial Banking. More recently, he held an all-island role as Head of Ulster Bank's Specialised Relationship Management division. He is a graduate of Queen's University, Belfast (Law and Accounting) with a post-graduate Diploma in Accounting and is a Fellow of Chartered Accountants Ireland.



Fergus Devitt (from 8 June 2023)

Fergus Devitt is Managing Director of Rockpool Insights Ltd, his own business consultancy. Prior to that he held a number of Director level posts in the Northern Ireland Civil Service.

He is an experienced programme and project manager, a trained Senior Responsible Owner (SRO) and an accredited High Risk Gateway™ Reviewer. He has significant experience of governance, Board effectiveness and senior level recruitment and is able to make connections within, across and between organisations to strengthen those organisations, communities and individuals.



Bonnie MacRae

Bonnie MacRae joined us as a Boardroom Apprentice in our second year as a host Board with the scheme. Bonnie currently works with Bang & Olufsen of Belfast as Sales Manager. She manages the accounts of many high net worth individuals, giving her the unique advantage of coming into contact with a multitude of board members spanning multiple sectors. She previously worked for Northern Ireland Hospice.



Chantelle Reynolds

Chantelle Reynolds joined us as a Boardroom Apprentice in our first year as a host board with the scheme. Over the term of her appointment Chantelle was supported by our SLT to gain practical board experience as part of her programme. Chantelle is a Management Accountant with the Hannaway Corporate Advisory Group in Belfast. She has over 20 years of Commercial Finance experience, having enjoyed the majority of her career as Group Accounts Manager for a chain of retail stores. Chantelle made the move to practice and quickly specialised in Charity Accounting, managing the accounts for a variety of high-profile trusts, charities and social enterprises. Chantelle's time with the Board ended in June 2023.

NIAO Audit and Risk Assurance Committee

The Board appoints an Audit and Risk Assurance Committee to support its role by reviewing the comprehensiveness of assurances on systems of internal control, risk management and corporate governance. The Audit and Risk Assurance Committee is independent of all NIAO operational activities.

The membership of the Committee is:

John Turkington (Chairperson)

Marie Mallon OBE

Fergus Devitt (from 8 June 2023)

Register of interests

None of the non-executive or executive members of the Office's governance structures held company directorships or significant interests which might conflict with their responsibilities in 2023-24. They also did not hold any other related party interests.

Auditor of the NIAO

The Department of Finance appointed SCC Chartered Accountants as the external auditor of the NIAO for a three-year term commencing with the audit of the 2023-24 accounts. This followed the end of the contract with the previous auditors, Baker Tilly Mooney Moore.

Details of the cost of the work done by the external auditor are disclosed in Note 4 to the Financial Statements.

Disclosure of relevant audit information

The C&AG has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the auditors are aware of that information. So far as the C&AG is aware, there is no relevant information of which the auditors are unaware. The C&AG has taken personal responsibility for the annual report and accounts and the judgments required for ensuring they are fair, balanced and understandable.

Personal data-related incidents

There were no protected personal data-related incidents which required reporting to the Information Commissioner's Office (ICO).

Complaints

We have a complaints process in place to ensure that complaints from both clients and the public are dealt with in a timely, open and fair way, in line with public sector good practice. The process has two stages, the details of which can be found on our [website](#). If a complainant remains dissatisfied following the outcome of these stages, they may refer the matter to the Northern Ireland Public Services Ombudsman's Office (NIPSO), in accordance with the Northern Ireland Public Services Ombudsman Act (Northern Ireland) 2016.

During 2023-24 we received no complaints. Further information on the monitoring of complaints can be requested from:

Director of Corporate Services
Northern Ireland Audit Office
106 University Street,
Belfast,
BT7 1EU

Tel No 028 9025 4323

Health and Safety

Our health and safety policy is available to all staff.

No incidents were recorded during 2023-24 and no report to the Health and Safety Executive for Northern Ireland under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations was required.

All staff have access to an independent and confidential counselling, support and advice service. This counselling support is free to staff at the point of use and is totally external to the Office.

Statement of Accounting Officer's Responsibilities



Under Article 6(3) of the Audit (Northern Ireland) Order 1987, the NIAO is required to prepare, for each financial year, resource accounts of the kind mentioned in Section 9 of the Government Resources and Accounts Act (Northern Ireland) 2001, detailing the resources acquired, held or disposed of during the year and the use of resources by the NIAO 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 NIAO and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- observe 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;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Under the Audit (Northern Ireland) Order 1987, the Department of Finance has appointed the C&AG for Northern Ireland as Accounting Officer for the Northern Ireland Audit Office.

The C&AG for Northern Ireland's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the NIAO's finances for which she is answerable, for the keeping of proper records and for safeguarding the NIAO's assets, are set out in Managing Public Money Northern Ireland, published by the Department of Finance.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the NIAO's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance Statement

Introduction

As Accounting Officer for the NIAO, I have responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of the NIAO's policies, aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

Structure of governance

The NIAO's governance structure reflects the statutory position of the C&AG, as set out in two key pieces of legislation:

- The Audit (Northern Ireland) Order 1987 provided for the office of C&AG to be a corporation sole and established the NIAO to assist the C&AG in the discharge of her statutory functions.
- The Northern Ireland Act 1998 requires that, in exercising her functions, except for any function conferred on her of preparing accounts, the C&AG shall not be subject to the direction or control of any Minister or Northern Ireland department or the Assembly. Accordingly, the C&AG has complete discretion in the discharge of her statutory audit functions, with responsibility for the programme of audit work, all audit opinions and judgements resting with her alone.

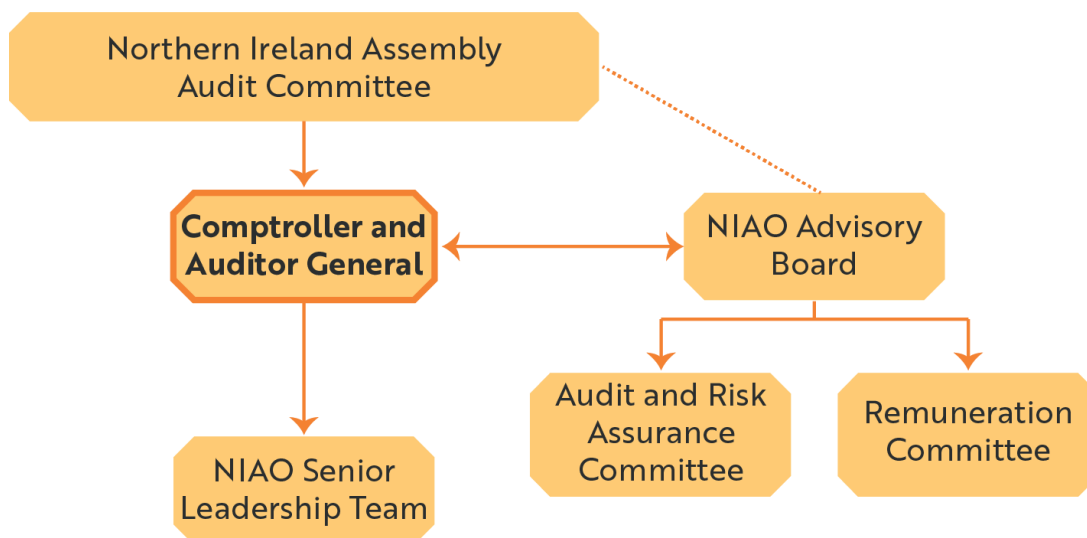
As the holder of this office, I have primacy in determining the strategy, staffing and structure of the Office and am responsible for designing and implementing the internal governance arrangements to support the delivery of my statutory functions. In so doing, I seek to comply with the spirit of the 'Corporate governance in central government departments: Code of good Practice NI 2013' ("the Code") issued by the Department of Finance. I accept the tenets of the Code as constituting best practice, however the specific legal constitution of the office of C&AG as a corporation sole means that I cannot directly apply the 2013 Code arrangements to the NIAO. In particular, there is no provision in legislation for the establishment of a board.

This will be addressed through the Northern Ireland Assembly Audit Committee (NIAAC)'s report on the ["Review of the Governance and Accountability Arrangements for the Northern Ireland Audit Office and the Northern Ireland Public Services Ombudsman"](#) in January 2022. This report includes sixteen recommendations directly related to the NIAO, including the future tenure of the C&AG, the appointment of a single auditor for the public sector, the establishment of the NIAO as body corporate in the form of a Board, and the appointment of non-executive members of the NIAO statutory board by NIAAC.

The outworkings of many of these recommendations will require legislation; however others, such as the strengthening and updating of the current [memorandum of understanding](#) between my Office and NIAAC to reflect organisational changes, can be addressed now that the NI Assembly has returned.

The current internal governance arrangements of the NIAO that I have established are illustrated below.

NIAO Governance Structure



Overall I am content that the current NIAO governance arrangements are compliant with the Code on an appropriate and proportionate basis.

Components of governance structure

NI Assembly Audit Committee (NIAAC)

I am accountable to the Northern Ireland Assembly via the NIAAC, which has the role defined in section 66 of the Northern Ireland Act 1998. Under current arrangements, the NIAAC's responsibilities include examining the NIAO Estimate and laying it before the Assembly; considering the NIAO's Corporate Plan; examining the NIAO Annual Report and Accounts and reports received from the external auditor; providing advice to the Department of Finance on the appointment of the NIAO external auditor; and tabling a motion in the Assembly in respect of the salary of the C&AG. The key elements of the internal governance arrangements of the Office are as set out below. Further information on these, including minutes of meetings, are available on [our website](#).

Advisory Board

The Advisory Board supports me in my role, as Accounting Officer, in my responsibility for issues of risk, control and governance, by reviewing the comprehensiveness, reliability and integrity of assurances. This includes supporting and advising me on the planned activity and results of both internal audit and external audit (see page 75 and the adequacy of management's response to issues identified by audit activity, including external audit's management letter).

During 2023-24, the Advisory Board met three times and held a workshop on the Corporate Plan. The attendance at each of these meetings is recorded below:

Members present	05/06/23 Workshop	08/06/23	11/10/23	26/02/24
Martin Pitt (Chairperson)	Yes	Yes	Yes	Yes
John Turkington	Yes	Yes	Yes	Yes
Marie Mallon (OBE)	Yes	Yes	Yes	Yes
Fergus Devitt	Not in post	Yes	Yes	Yes
Dorinnia Carville (C&AG)	Yes	Yes	Yes	Yes
Rodney Allen (COO)	Yes	Yes	Yes	Yes
Chantelle Reynolds (Boardroom Apprentice)	No	Yes	Not in post	Not in post
Bonnie MacRae (Boardroom Apprentice)	Not in post	Not in post	Yes	Yes

In addition, other officials of the Office attended, as required, to assist with the discussion of agenda items. The Office's corporate secretariat provided it with an appropriate support service.

Audit and Risk Assurance Committee

The Advisory Board has established a sub-committee, the Audit and Risk Assurance Committee (ARAC), to provide it with support in the delivery of its role. ARAC comprises three non-executive members of the NIAO, excluding the NIAO Advisory Board Chairperson, who may attend, by invitation, if required. The Chairperson of ARAC, appointed by the Advisory Board Chairperson, is John Turkington.

During 2023-24 the Committee met four times. The attendance at each of these meetings is recorded below:

Members present	10/05/23	26/06/23	25/09/23	22/01/24
John Turkington (Chairperson)	Yes	Yes	Yes	Yes
Marie Mallon (OBE)	Yes	Yes	Yes	Yes
Fergus Devitt	Not in post	No	No	Yes
Martin Pitt (by invitation)	Yes	Yes	Yes	No
Chantelle Reynolds (Boardroom Apprentice)	Yes	Not in post	Not in post	Not in post
Bonnie MacRae (Boardroom Apprentice)	Not in post	Not in post	Yes	Yes

I attended all these meetings along with my COO, Rodney Allen, and other NIAO staff as and when appropriate.

ARAC remains independent of all NIAO operational activities; under its [Terms of Reference](#) it will meet at least four times a year. The Chairperson of the Committee may convene additional meetings, as deemed necessary. It may request the attendance of officials of the Office to assist with its discussions on any matter.

On behalf of ARAC, the Chairperson provides me with an annual report summarising the Committee's work for the year. ARAC is satisfied that it has fulfilled its duties as guided by its Terms of Reference; taking account of the work of internal and external audit and assurances provided to the Committee, every effort was made to review and oversee internal control and risk management arrangements and to provide assurances to me, as Accounting Officer, in the discharge of my accountability obligations.

Based on its work for the year, ARAC has provided me with constructive feedback on what it views to be the risks, challenges and opportunities for the NIAO, as well as an indication of its intended areas of focus in 2024-25.

Remuneration Committee

The Advisory Board has also established a further sub-committee, the Remuneration Committee, which met twice in 2023-24. It comprises all non-executive Advisory Board members of the NIAO and supports the Advisory Board in advising me on issues including terms and conditions of employment, job descriptions, pay settlements and succession planning.

The attendance at each of these meetings is recorded below:

Members present	26/06/23	07/08/2023
Marie Mallon (OBE – Chairperson)	Yes	Yes
John Turkington	Yes	Yes
Martin Pitt	Yes	Yes
Fergus Devitt	No	Yes

I attended all these meetings along with my COO, Rodney Allen, and other NIAO staff as and when appropriate.

Senior Leadership Team

The Senior Leadership Team (SLT) comprises me, as Chair, the Chief Operating Officer and six Directors. SLT normally meets on a weekly basis. SLT formally endorses the activities set out in the business meetings against the achievement of the corporate strategic priorities once a month, and minutes of this meeting are available on our website.

The SLT assists me in the delivery of the key business areas of the Office and, based on the proportionate application of the 'Corporate governance in central government departments: Code of good practice NI 2013', its responsibilities are: Strategic Projects; Strategic Performance; People and Organisational Development; Financial Management; Corporate Governance; Communication and Engagement; Risk Management; Audit Technical; and Escalation Assessment.

The SLT has formally met ten times in 2023-24 and covers normal scheduled business, with relevant non-members invited to attend these meetings in relation to items such as office finances, risk management, recruitment, people and organisational development and strategic performance as well as audit quality.

Risk management and control

The NIAO's approach to risk management is guided by professional best practice and takes full cognisance of the context and environment in which we operate. I have reviewed the risk management process in place during the year and can confirm that it complies with all the principles included within the revised Orange Book: Management of Risk – Principles and Concepts (2023).

Because of our public profile and the very nature of our work, we must uphold the highest standards in our own operations and be able to stand the test of independent scrutiny and retain our credibility and reputation with the Assembly, audited bodies and other stakeholders. At the same time, we must ensure that we promote and secure value for money in our use of public funds.

We focus on proportionate risk management as an integral part of the way we undertake business activities. Risk is managed in a structured way, taking on board the combination of the likelihood of something happening and the impact which arises if it does happen, to assess the inherent risk. We then set out the actions, if any, we take to constrain the risk to an acceptable level in accordance with our risk appetite. I determine the risk appetite of the Office, which I review on an ongoing basis. To this end, I have agreed a definition for the appetite of each risk in consultation with both the SLT and ARAC.

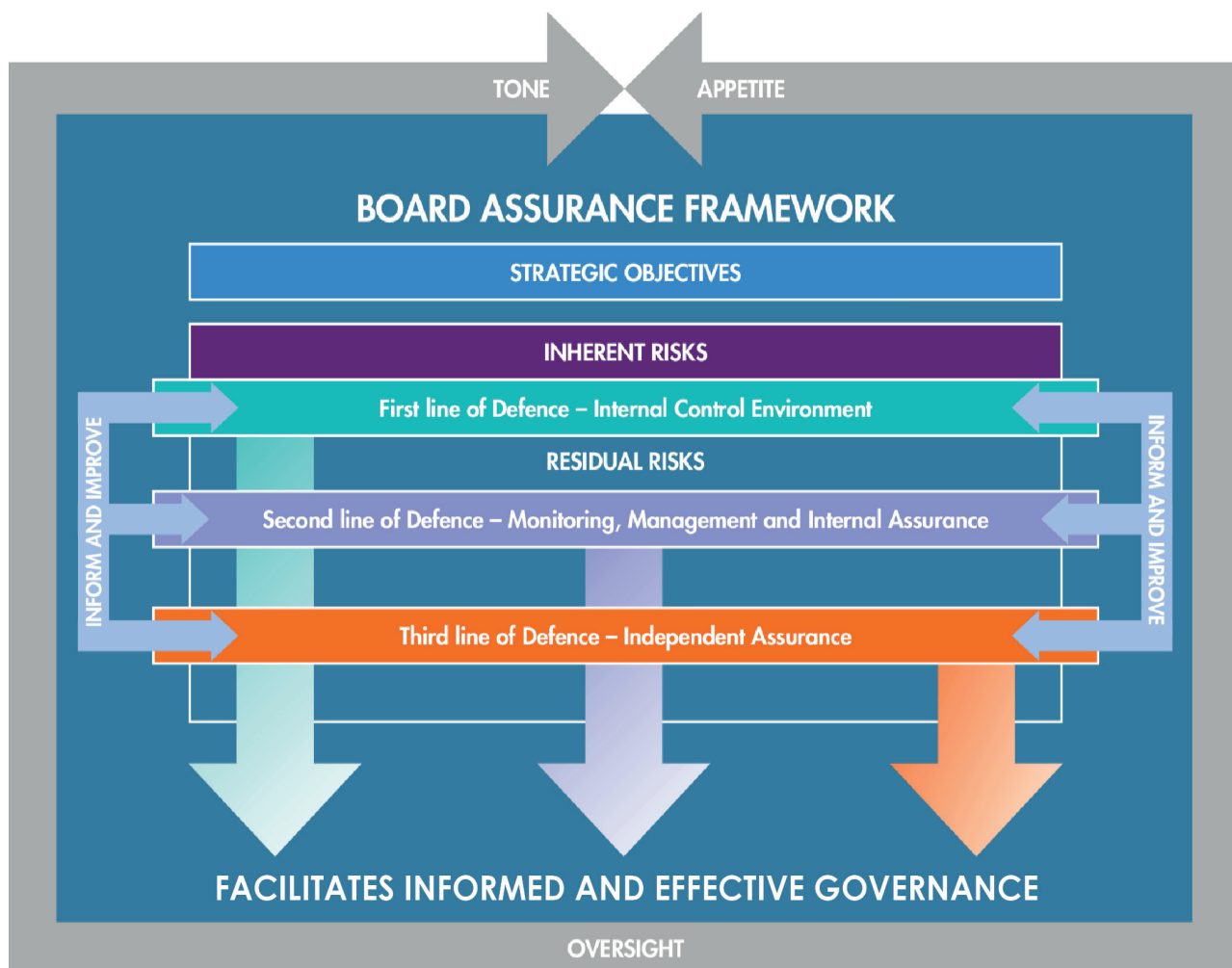
The risk that remains, taking on board these actions, is our residual risk. In applying these principles, we are accurately assessing the relative significance and prioritisation of each risk. We have a comprehensive risk management strategy which sets out roles and responsibilities and determines procedures for risk identification, monitoring, reporting and escalation of issues.

As in previous years, we have continued to manage risk through an assurance framework which I consider to be proportionate to the size and the complexity of our organisation.

The Assurance Framework is a key tool for ARAC in fulfilling its responsibility to ensure that the Office is effectively managing its inherent risks within risk appetite. Within the assurance framework, the three lines of defence have a common objective, i.e. to help the organisation achieve its strategic and corporate objectives through effective management of risks, and have been defined as follows:

- The first line of defence is the internal control environment which identifies the policies, procedures and processes put in place by management.
- The second line of defence is management's own monitoring and risk assurance processes – these include reviewing of targets and Key Performance Indicators, operational management reporting, financial management accounts, quality assurance reviews and other reports issued to senior management.
- The third line of defence is independent assurance provided by external sources. Given that we are a small organisation, we have also included external audit and other independent reviews in this category.

Through the adoption and implementation of the framework, the Office has a better understanding of its risks and what it is doing to mitigate these. By feeding into the corporate planning process, the framework can assist in the establishment of clear approved strategic objectives. It also identifies the key internal and external risks and whether they have been sufficiently addressed, the primary controls in place to manage the risks, any gaps in controls, management actions to close the gaps, and sources of assurance, both internal and external. This is best illustrated in the diagram below.



Source: Association of Chartered Certified Accountants <https://www.accaglobal.com/gb/en/member/sectors/internal-audit/our-publications/board-assurance-frameworks-dont-just-stand-in-line.html>

During 2023-24, Risk Management was a standing agenda item at all meetings of the SLT and ARAC. The Corporate Risk Register Working Group (the Working Group), which is responsible for directly briefing the SLT and, by extension, ARAC on risk management developments, met three times in 2023-24. The timing of its meetings ensured that all requirements of the SLT and ARAC were addressed on a timely basis.

The corporate risk register aligns to our current Corporate Plan 2021-24, and during 2023-24 we identified three key areas of risk:

- supporting and promoting public sector accountability and improvement;
- valuing our people and managing resources; and
- transforming our business (external and internal).

I am content that the risk management process is appropriate, risks identified are relevant and have been managed during the year.

Quality

The quality of our work is of fundamental importance to the work of this office. How we have addressed quality is set out in the performance analysis section of this Annual Report.

Other areas of focus

Statement of information risk

We have privileged and wide-ranging access to data and information to support the discharge of my statutory audit functions and ensure my reports to the Assembly are factual, accurate and complete. We have a duty to respect this privileged access and to ensure that the personal information entrusted to us is safeguarded properly.

We have policies and controls in place to ensure that access to information is correctly managed and safeguarded throughout its life cycle, including creation, storage, transmission and destruction. Staff are made aware of these policies and controls, and awareness is reinforced through information security training.

My Office is cognisant of the General Data Protection Regulation (UK GDPR) and the enabling legislation (Data Protection Act 2018) and has established an effective compliance framework. As a result, I:

- ensure staff are trained through e-learning;
- conduct annual reviews of the Office's auditing software to ensure that no excessive personal data is retained following audit completion;
- maintain information assets register; and
- have an up-to-date Data Protection Policy in place.

Information risk is covered by the normal risk management arrangements. I am responsible for ensuring information risks are assessed and mitigated to an acceptable level and am supported in this role by the Senior Information Risk Owner, a member of the Senior Leadership Team, and various staff members with security responsibilities.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control.

My review is informed by the work of the Internal Auditor and the executives within the NIAO who have responsibility for the development and maintenance of the internal control framework, comments made by the External Auditor in their management letter and other reports, and issues raised by ARAC. No significant issues were raised by the External Auditor.

Key risks which could affect the achievement of the Office's objectives are managed actively under the risk management arrangements described above, with progress reported regularly to ARAC.

Internal Audit provides an independent opinion on the adequacy and effectiveness of the Office's system of internal control, corporate governance and risk management. It reviewed a number of areas during 2023-24 including:

- Procurement and Contract Management;
- Budgetary Control;
- Staff Recruitment; and
- Stakeholder Engagement.

All areas received a satisfactory rating, and all recommendations for improvement have been accepted by management and implemented or are in the process of being implemented.

Based upon the reviews performed during the year, Internal Audit has provided a conclusion as to the adequacy and effectiveness of the Office's risk management, control and governance processes. In its opinion, there is a satisfactory system of governance, risk management and control.

Significant internal control weaknesses

It can report that there were no significant weaknesses in the NIAO's system of internal control in 2023-24 which affected the achievement of the Office's key policies, aims and objectives.



Dorinnia Carville
Comptroller and Auditor General for Northern Ireland

28 June 2024

Remuneration and Staff Report

Remuneration Policy

Comptroller and Auditor General

Under the provisions of the Northern Ireland Act 1998, the office of the C&AG for Northern Ireland is a Crown appointment made on the nomination of the Northern Ireland Assembly. The C&AG for Northern Ireland retains office unless removed by a resolution of the Northern Ireland Assembly supported by at least two-thirds of members. The Audit (Northern Ireland) Order 1987 provides for the remuneration of the C&AG for Northern Ireland to be met from the Consolidated Fund for Northern Ireland and this is included in NIAO's Estimate. The remuneration and associated pension and national insurance contributions are disclosed in Note 4 to the Accounts on page 111 as Consolidated Fund Standing Services.

Senior Leadership

The Audit (Northern Ireland) Order 1987 provides that the C&AG shall appoint such staff as she considers necessary for assisting her in the discharge of her functions and for the purpose of Article 4 of the Local Government (Northern Ireland) Order 2005 as amended (designation of a member of staff as the Local Government Auditor).

The Audit (Northern Ireland) Order 1987 further provides that these staff shall be appointed at such remuneration and on such other terms and conditions as the C&AG shall determine, subject to her having regard to the desirability of keeping the remuneration and terms and conditions broadly in line with those applying to the persons employed in the National Audit Office and in the Northern Ireland Civil Service.

Pay progression for all staff, including senior management, solely relates to an incremental pay scale step, where appropriate. The pay award involves a minimum percentage uplift in gross terms which is awarded to staff.

Service Contracts

Appointments are made on merit based on fair and open competition. When holding competitions and making appointments, the C&AG considers the Northern Ireland Civil Service policies and procedures in this area.

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

Remuneration (including salary) and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the NIAO's Senior Leadership Team (SLT). The information on pages 77 to 88 is covered by the audit opinion.

Remuneration (including salary) and pension entitlements Officials (Audited)

Single total figure of remuneration						
Name and Title	Salary (£'000)		Pension Benefits* (to nearest £1,000)		Total (£'000)	
Official	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Dorinnia Carville** C&AG (from 1 August 2022)	150-155	100-105 (full year equivalent 150-155)	59	39	210-215	140-145
Kieran Donnelly** C&AG (until 31 July 2022)	–	50-55 (full year equivalent 150-155)	–	–	–	50-55
Rodney Allen COO	120-125	115-120	37	4	155-160	120-125
Patrick Barr Director	90-95	80-85	47	33	135-140	115-120
Neil Gray Director (until 30 June 2023)	20-25 (full year equivalent 95-100)	90-95	18	36	40-45	130-135
Suzanne Jones Director	90-95	80-85	47	33	135-140	115-120
Colette Kane Director / LGA	95-100	95-100	21	-1	115-120	95-100
Brian O'Neill Director	85-90	80-85	36	33	120-125	115-120
Seamus Wade Director (from 17 April 2023)	85-90 (full year equivalent 90-95)	–	34	–	120-125	–
Tomas Wilkinson Director	95-100	90-95	26	11	120-125	105-110

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

** The salary of the current and former C&AG is based on their pay scale at 1 April 2021. Arrears payable are to be considered by the Northern Ireland Assembly Audit Committee (NIAAC).

Salary

'Salary' includes gross salary and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the NIAO and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Office and treated by HM Revenue and Customs as a taxable emolument. No such benefits were provided to NIAO staff during 2023-24.

Benefits in kind for non-executive members of the Board are included within their salary and relate to travel to the NIAO for Board and other committee meetings and include the associated income tax and National Insurance liability, which was met by the NIAO. The NIAO has an agreement with HMRC to meet income tax and National Insurance on these benefits on behalf of non-executive members of the Board.

Fair Pay Disclosures (Audited)

Pay Ratios

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

The banded remuneration of the highest paid director in the NIAO in the financial year 2023-24 was £150,000 to £155,000 (2022-23: 150,000 to £155,000*). The relationship between the mid-point of this band and the remuneration of the Office's workforce is disclosed below.

**This is the full time equivalent of the C&AG's salary in 2022-23.*

2023-24	25th Percentile	Median	75th Percentile
Total Remuneration (£)	£40,824	£42,993	£53,301
Pay Ratio	3.7:1	3.5:1	2.9:1

2022-23	25th Percentile	Median	75th Percentile
Total Remuneration (£)	£39,066	£41,142	£51,006
Pay Ratio	3.9:1	3.7:1	3:1

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

For 2023-24 the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2023-24 no (2022-23: no) employees received remuneration more than the highest paid member of the SLT.

Remuneration ranged from £21,052 to £154,527 (2022-23: £19,121 to £154,527).

The C&AG's role is the highest paid position in NIAO. Using the full-year equivalent she was the highest paid member of the SLT during 2023-24. Her salary was in the range £150,000 to £155,000 (2022-23: £150,000 to £155,000). This was 3.5 times (2022-23: 3.7) the median remuneration of the workforce which was £42,993 (2022-23: £41,142).

Percentage Change in Remuneration

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

- a) salary and allowances; and
- b) performance pay and bonuses of the highest paid member of the SLT and their employees.

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

Percentage Change for:	2023-24 v 2022-23	2022-23 v 2021-22
Average Employee Total Remuneration	3%	4%
Highest Paid Director's Total Remuneration*	0%	(18.7%)

**The highest paid director's total remuneration is based on their pay scale at 1 April 2021. Arrears payable are to be considered by the Northern Ireland Assembly Audit Committee (NIAAC).*

Non-Executive Members

The Advisory Board comprises both executive and non-executive members. The Chairperson of the Advisory Board and Non-executive members are paid at a rate and on such conditions as determined by the market. No Advisory Board members receive or make pension contributions.

During 2023-24, the following remuneration was payable to non-executive members undertaking their NIAO Advisory Board and Audit and Risk Assurance Committee duties.

	Date of Contract	Length of contract (years)	2022-23 Salary £'000	2021-22 Salary £'000
Martin Pitt	01-12-21	3	10-12.5	10-12.5
Terry McGonigal*	01-07-22	3	-	0-2.5
Marie Mallon OBE	01-04-22	3	2.5-5	5-7.5
John Turkington	01-04-22	3	2.5-5	2.5-5
Fergus Devitt**	08-06-23	3	2.5-5	-

**Terry McGonigal was appointed for a period of three years up to July 2025. He resigned on 5 January 2023.*

***Fergus Devitt was appointed for a period of three years from 8 June 2023.*

Pension Benefits – Officials (Audited)

Name and Title	Accrued pension at pension age as at 31/3/24 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2024	CETV at 31 March 2023	Real increase in CETV
Official	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Dorinnia Carville C&AG	5-10	2.5-5	81	26	34
Rodney Allen COO	60-65 plus a lump sum of 165-170	0-2.5 plus a lump sum of 0	1,389	1,128	22
Patrick Barr Director	20-25	2.5-5	324	216	29
Neil Gray Director (until 30 June 2023)	30-35	0-2.5	558	475	15
Colette Kane Director / LGA	35-40 plus a lump sum of 105-110	0-2.5 plus a lump sum of 0	938	803	9
Brian O'Neill Director	25-30 plus a lump sum of 65-70	0-2.5 plus a lump sum of 0-2.5	576	444	24
Suzanne Jones Director	20-25	2.5-5	305	197	27
Seamus Wade (from 17 April 2023)	0-0.5	0-2.5	29	0	23
Tomas Wilkinson Director	25-30 plus a lump sum of 75-80	0-2.5 plus a lump sum of 0	633	525	13

* CETV=Cash Equivalent Transfer Values. CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates for 2023-24.

Pension Arrangements

The Audit (Northern Ireland) Order 1987 provides for pensionable service by the C&AG for Northern Ireland to be covered by the Northern Ireland Principal Civil Service Pension Scheme (PCSPS (NI)) which is non-contributory and unfunded. The Order also provides for defined pension benefits to be met from the Consolidated Fund for Northern Ireland and no liability rests with the NIAO.

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded, with the cost of benefits met by monies voted each year. Most members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS (NI)]) also

moved to alpha from that date. At that time any members who on 1 April 2012 were within 10 years of their normal pension remained in their previous scheme arrangement (full protection) and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

McCloud Judgment

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by the Department of Finance to remedy this discrimination. The Department has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed alpha scheme only from 1 April 2022; and
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the Remedy Period) retrospectively calculated under either the current (reformed) scheme rules, or the old (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme members.

The Department is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period. i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or alternatively calculated under the reformed alpha rules. As part of this 'retrospective' remedy most active members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice which will be issued by 31 March 2025.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available on the Department of Finance [website](#).

As part of the remedy involves rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits may change for affected members and some figures previously reported may change. The 2023-24 pension disclosures above are calculated based on HM Treasury guidance using:

- Rolled back opening balance
- Rolled back closing balance
- CETV calculated by CSP on the rolled back basis
- No restatement of prior year figures where disclosed.

Alpha

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32 per cent.

Partnership Pension Account

From 1 April 2015, all new entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account)

Information on the PCSPS(NI) – Closed scheme

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account.

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvo arrangement or they could have opted for a Partnership Pension Account. Nuvo was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3 per cent.

Benefits in Classic accrue at the rate of 1/80th of pensionable salary 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 (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

Partnership Pension Account

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8 per cent and 14.75 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution).

Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy Classic, Premium, and Classic Plus arrangements and 65 for any benefits accrued in Nuvo. Further details about the NICS pension schemes can be found on the Department of Finance's [website](#)

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2022 was 10.1 per cent and HM Treasury has announced that public service pensions will be increased accordingly from April 2024.

Employee contribution rates for all members for the period covering 1 April 2024– 31 March 2025 are as follows:

Scheme Year 1 April 2023 to 31 March 2024

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates - All members
From	To	From 01 April 2024 to 31 March 2025
£0	£26,302.49	4.6%
£26,302.50	£59,849.99	5.45%
£59,850.00	£160,964.99	7.35%
£160,965.00 and above		8.05%

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 CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member because of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken. The Lifetime Allowance will end in April 2024 and will be replaced by the Lump sum Allowance and The Lump Sum and Death Benefit Allowance.

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7 per cent above CPI inflation, superseding the previous SCAPE discount rate of 2.4 per cent above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. The HM Treasury Guidance of 27 April 2023 can be found at on the HM Treasury [website](#).

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or 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 (which therefore disregards the effect of any changes in factors).

Compensation for loss of office (Audited)

No members of senior management lost office in 2023-24.

Staff Report

Staff Costs (Audited)

	2023-24 £'000			2022-23 £'000
Costs	Permanently employed	Others	Total	Total
Wages and salaries	5,642	2	5,644	5,253
Social security costs	621	-	621	599
Other pension costs	1,801	-	1,801	1,659
Sub Total	8,064	2	8,066	7,511
Less recoveries in respect of outward secondments	-	-	-	-
Total net costs	8,064	2	8,066	7,511

The salary and other costs of the C&AG are not included within the above cost as her remuneration is met directly from the Consolidated Fund for Northern Ireland.

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes, but the NIAO is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 Scheme Valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which was applied to the 2020 scheme valuations and included the introduction of a reformed scheme-only cost control mechanism which assesses just the costs relating to reformed schemes (alpha for the NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed-scheme-only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3 per cent cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for the Department of Finance to consult on changes to the scheme. Further information can be found on the Department of Finance [website](#).

For 2023-24, employers' contributions of £1,800,361 were payable to the NICS pension arrangements (2022-23: £1,658,685) at one of three rates in the range 28.7 per cent to 34.2 per cent of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employers' contributions were paid in 2022-23 or 2023-24.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3 per cent of pensionable earnings.

No employer contributions were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees for 2023-24 and 2022-23. No contributions were due to the partnership pension providers at the reporting period date either.

In 2023-24 no-one (2022-23: one person) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £NIL (2022-2023: £NIL).

Average number of persons employed (Audited)

The average number of full-time equivalent persons employed during the year was as follows.

2023-24			2022-23
Permanently employed staff	Others	Total	Total
116	1	117	113

There were 116 permanent full-time equivalent staff at 31 March 2024 (2022-23: 113).

	Male	Female
Senior Management	5	2
Other Staff	47	62
Total	52	64

Reporting of Civil Service and other compensation schemes – exit packages (Audited)

There were no compulsory redundancies in 2023-24 (2022-23: nil).

Consultancy

In 2023-24, we paid £25,200 (2022-23: £25,000) to external consultants. This amount is included in Professional Services Bought In which is disclosed in Note 4 to the Financial Statements.

Temporary staff

In 2023-24, we paid £2,050 (2022-23: £17,400) for temporary staff. This amount is included in Note 3 to the Financial Statements.

'Off-Payroll' Engagements

Off-payroll engagements are those where individuals, either self-employed or acting through a personal service company, are paid gross by the employer. In line with HM Treasury requirements, DoF requires disclosure of such engagements that were in place during 2023-24. We had no off-payroll engagements in place at any time during 2023-24.

Sickness absence data

The Office had an overall sickness absence rate of 5.7 days lost per employee between April 2023 and March 2024.

Employee Consultation and Trade Union Relationships

The NIAO consults on HR policy with all recognised Trade Unions and local arrangements are in place to enable consultation on matters specific to the Office.

Assembly Accountability and Audit Report

Statement of Outturn against Assembly Supply (Audited)

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FReM) requires the NIAO to prepare a Statement of Outturn against Assembly Supply (SOAS) and supporting notes.

The SOAS and related notes are subject to audit, as detailed in the Independent Auditor's Certificate and Report to the Northern Ireland Assembly.

The SOAS is a key accountability statement that shows, in detail, how an entity has spent against its Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund) that the Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SOAS.

Should an entity exceed the limits set by its Supply Estimate and corresponding Act of the Assembly, called control limits, its accounts will receive a qualified opinion.

The format of the SOAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on the DoF [website](#).

The SOAS contains a summary table, detailing performance against the control limits that the Assembly has voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly reconcile to cash spent) and administration.

The supporting notes detail the following: Outturn detailed by Estimate line, providing a more detailed breakdown (SOAS1); a reconciliation of outturn to net expenditure in the Statement of Comprehensive Net Expenditure (SOCNE) to tie the SOAS to the financial statements (SOAS2); and a reconciliation of net resource outturn to net cash requirement (SOAS3).

The SOAS and Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 49, in the financial review section of the Performance Report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on www.gov.uk.

The SOAS provides a detailed view of financial performance, in a form that is voted on and recognised by the Assembly. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate, and functions as an introduction to the SOAS disclosures.

Statement of Outturn against Assembly Supply (SOAS) Summary table, 2023-24, all figures presented in £'000s

Type of spend	SOAS Note	Outturn			Estimate			Outturn vs Estimate, saving/(excess)		Prior Year Outturn total, 2022-23
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
Departmental Expenditure Limit Resource	1.1	8,252	257	8,509	8,475	245	8,720	223	211	9,724
Capital	1.2	43	-	43	45	-	2,290	2	2	1,990
Total Budget Expenditure		8,295	257	8,552	8,520	245	8,765	225	213	11,714
Non-Budget Expenditure		-	-	-	-	-	-	-	-	-
Total Budget and Non Budget		8,295	257	8,552	8,520	245	8,765	225	213	11,714

Note 1: This table mirrors Part I of the Estimates.

Note 2: Figures in the areas outlined in bold are voted totals subject to Assembly control.

Note 3: Prior year outturn includes both voted and non-voted expenditure.

Net Cash Requirement 2023-24, all figures presented in £'000s

Item	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn total, 2022-23
Net Cash requirement	SOAS 3	8,088	8,345	257	10,092

Note 1: This table mirrors Part I of the Estimates.

Note 2: Figures in the areas outlined in bold are voted totals subject to Assembly control.

Programme costs 2023-24, all figures presented in £'000s

Type of spend	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn total, 2022-23
Programme costs	SOAS 1.1	8,252	8,475	223	9,513

Note: This table mirrors Part I of the Estimates.

Notes to the Statement of Outturn against Assembly Supply, 2023-24, all figures presented in £'000s

SOAS1.1 Analysis of resource outturn by Estimate line

Type of spend (Resource)	Resource outturn			Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn total, 2022- 23
	Programme			Net		
	Gross	Income	Net total			
Spending in Departmental Expenditure Limits (DEL)						
Voted Expenditure						
1. Audit and Assurance Services	11,300	3,048	8,252	8,475	223	9,513
Total Voted DEL	11,300	3,048	8,252	8,475	223	9,513
Non-voted Expenditure						
2. Comptroller and Auditor General's Costs	257	-	257	245	-12	211
Total non-voted DEL	257	-	257	245	-12	211
Total spending in DEL	11,557	3,048	8,509	8,720	211	9,724

Note: This table mirrors Parts II of the Estimates: (Revised) Subhead Detail.

SOAS1.2 Analysis of capital outturn by Estimate line

Type of spend (Capital)	Outturn			Estimate	Outturn vs Estimate saving/ (excess)	Prior Year Outturn Total 2022-23
	Programme			Total		
	Gross	Income	Net total			
Spending in Departmental Expenditure Limits (DEL)						
Voted Expenditure						
Audit and Assurance Services	43	-	43	45	2	1,990
Total Voted DEL	43	-	43	45	2	1,990

Note: This table mirrors Parts II of the Estimates: (Revised) Subhead Detail.

SOAS 2. Reconciliation of outturn to net operating expenditure

No reconciliation is required as resource outturn in the SOAS is the same as net operating expenditure in the SOCNE.

SOAS 3. Reconciliation of Net Resource Outturn to Net Cash Requirement

Item	SOAS Note	Outturn total £'000	Estimate £'000	Outturn vs Estimate, saving/(excess) £'000
Total Resource outturn	1.1	8,509	8,720	211
Total Capital outturn	1.2	43	45	2
Adjustments to remove non-cash items: Depreciation, impairments and revaluations		(254)	(275)	(21)
Adjustments to reflect movements in working balances Increase/(decrease) in receivables		26	100	74
(Increase)/decrease in payables		21	-	(21)
Total		8,345	8,590	245
Removal of non-voted budget items				
Consolidated Fund Standing Services		(257)	(245)	12
Net cash requirement		8,088	8,345	257

Note: This mirrors Parts II of the Estimates:Resources to Cash Reconciliation.

As noted in the introduction to the SOAS above, Outturn and the Estimates are compiled against the Budgeting framework, not on a cash basis. This reconciliation bridges the resource and capital outturn to the net cash requirement.

Other Assembly Accountability Disclosures (Audited)

Losses and Special Payments

No exceptional kinds of expenditure, such as losses and special payments that require separate disclosure because of their nature or amount, were incurred.

Fees and Charges

The Office has a target of recovering the full cost of undertaking fee paying work.

	2023-24			2022-23		
	£'000			£'000		
	Income	Full Cost	Surplus/ (deficit)	Income	Full Cost	Surplus/ (deficit)
Fee Income						
NAO	461	434	27	431	502	(71)
Other Financial Audit	1,560	1,692	(132)	1,442	1,806	(364)
Local Government Audit	1,027	995	32	907	956	(49)
NFI	-	-	-	145	132	13
	3,048	3,121	(73)	2,925	3,396	(471)

The information here is provided solely to meet the requirements of the Department of Finance's "Fees and Charges" guide and is not disclosed for the purpose of IFRS 8.

Variations in fee income and costs, when comparing one year with another, are due to differences in the timing of audits being completed, significant issues arising in certain audits and both the NIAO and clients adapting to new ways of working post pandemic.

Remote Contingent Liabilities

In addition to contingent liabilities reported in the financial statements, the Office also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote but are still in the scope of IAS 37. The Office has no such liabilities.



Dorinnia Carville
Comptroller and Auditor General for Northern Ireland

28 June 2024

Independent Auditor's Report to the Northern Ireland Assembly

Opinion on financial statements

We certify that we have audited the financial statements of the Northern Ireland Audit Office for the year ended 31 March 2024 under the Audit (Northern Ireland) Order 1987. These financial statements comprise:

- The Statement of Financial Position as at 31 March 2024;
- The Statement of Comprehensive Net Expenditure;
- The Statement of Cash Flows;
- The Statement of Changes in Taxpayers' Equity; and
- The related notes including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and interpreted and adopted by the 2023-24 Government Financial Reporting Manual (the 2023-24 FReM). We have also audited the Statement of Outturn against Assembly Supply, and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In our opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Audit Office's affairs at 31 March 2024 and of its net operating expenditure, cash flows and changes in taxpayers' equity for the year then ended;
- have been properly prepared in accordance with the Audit (Northern Ireland) Order 1987 and the relevant Department of Finance guidance; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adopted by the 2023-24 FReM.

Opinion on regularity

In our opinion, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2024 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.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISAs) (UK), and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Northern Ireland Audit Office in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's

Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Basis for the regularity opinion on the financial statements

We are required to obtain evidence sufficient to give reasonable assurance that the expenditure to which the statement relates has been included lawfully and in accordance with the authority that governs it and that the money to which the statement relates, received by the Northern Ireland Audit Office for a particular purpose or particular purposes, has not been expended otherwise than for that purpose or purposes. We have conducted our work in accordance with the Statement of Recommended Practice, Practice Note 10 Audit of financial statements of public sector bodies in the United Kingdom in this respect.

Conclusions relating to going concern

We have nothing to report in respect of the following matters to which the ISAs (UK) require us to report to you where:

- the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Northern Ireland Audit Office's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and our audit certificate and report. The Accounting Officer is responsible for the other information.

Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our certificate, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the guidance issued by the Department of Finance; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We have nothing to report in respect of the following matters which we report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- we have not received all of the information and explanations we require for our audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- the propriety and regularity of the public finances, keeping proper books and for safeguarding assets, as set out in the Statement of Accounting Officer's Responsibilities; and
- assessing the Northern Ireland Audit Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Northern Ireland Audit Office plans to cease operations or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to audit, certify and report on the financial statements in accordance with the Audit (Northern Ireland) Order 1987.

We are required to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit

conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Audit Office through discussions with management, and from our wider knowledge and experience;
- making enquires of management and those charged with governance on compliance with laws and regulations;
- focus on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Northern Ireland Audit Office, including the Audit (Northern Ireland) Order 1987. We also considered the risks of non-compliance with the other key legislation and we considered the extent to which non-compliance might have a material effect on the financial statements.

We assessed the susceptibility of the Northern Ireland Audit Office's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships or movements;
- tested journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
- assessed whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated significant or unusual transactions made outside of the normal course of business.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- attending all Audit & Risk Assurance Committee meetings during the year and reviewing the minutes of meetings of those charged with governance;

- enquiring of management as to actual and potential litigation and claims; and
- enquiring of management as to whether there has been any legal correspondence.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the accounting officer and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves international concealment, forgery, collusion, omission or misrepresentation.

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

In addition, we are required to obtain evidence sufficient to give reasonable assurance that the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. We are 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 Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Use of our Report

This report is made solely to the Northern Ireland Assembly, as a body, in accordance with the Audit (Northern Ireland) Order 1987. Our Audit work has been undertaken so that we might state to the Northern Ireland Assembly those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Northern Ireland Audit Assembly as a body, for our audit work, for this report or for the opinions we have formed.



Sean G. Cavanagh (Senior Statutory Auditor)
SCC Chartered Accountants
Statutory Auditors
17 College Street
Armagh
BT61 9BT

28 June 2024

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

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.

	Note	2023-24		2022-23	
		£'000	£'000	£'000	£'000
Total Operating Income	5		(3,048)		(2,925)
Staff Costs	3	8,066		7,135	
Purchase of Goods and Services	4	3,236		3,177	
Depreciation and impairment	4	255		1,961	
Total Operating Expenditure			11,557		12,649
Net Operating Expenditure	SOAS1.1		8,509		9,724
Other Comprehensive Net Expenditure					
Items that will not be reclassified to net operating expenditure:					
– Net (gain)/loss on revaluation of Property, Plant and Equipment	6/7		(96)		773
Comprehensive Net Expenditure for the year			8,413		10,497

The notes on pages 105 to 122 form part of these accounts.

Statement of Financial Position as at 31 March 2024

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

	Note	31 March 2024		31 March 2023	
		£'000	£'000	£'000	£'000
Non-current Assets					
Property, Plant and Equipment	6	5,272		5,321	
Investment Property	7	940		1,000	
Intangible Assets	8	-		7	
Total non-current assets			6,212		6,328
Current Assets					
Trade and other receivables	9	1,057		1,031	
Cash and cash equivalents	10	257		335	
Total current assets			1,314		1,366
Total Assets			7,526		7,694
Current liabilities					
Trade and other payables	11	(1,032)		(1,132)	
Total current liabilities			(1,032)		(1,132)
Total assets less total liabilities			6,494		6,562
Taxpayers' equity and other reserves:					
General Fund			6,310		6,328
Revaluation Reserve			184		234
Total equity			6,494		6,562



Dorinnia Carville
Comptroller and Auditor General for Northern Ireland

28 June 2024

The notes on pages 105 to 122 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2024

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Office during the reporting period. The statement shows how the Office 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 services costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Office. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Office's future public service delivery.

	Note	2023-24 £'000	2022-23 £'000
Cash flows from operating activities			
Net expenditure for the year		(8,509)	(9,724)
Adjustment for non-cash transactions	4	255	1,961
(Increase) / Decrease in trade and other receivables	9	(26)	291
(Decrease) / Increase in trade and other payables	11	(100)	(1,332)
less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		150	1,242
Use of provisions		-	-
Net cash outflow from operating activities		(8,230)	(7,562)
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	6,11	(85)	(2,628)
Purchase of intangible assets		-	-
Net cash outflow from investing activities		(85)	(2,628)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		8,010	9,600
Consolidated Fund Standing Services	4	227	211
Net financing		8,237	9,811
Net (decrease) / increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(78)	(379)
Payments of amounts due to the Consolidated Fund		-	(113)
Net (decrease) / increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(78)	(492)
Cash and cash equivalents at the beginning of the period	10	335	827
Cash and cash equivalents at the end of the period	10	257	335

The notes on pages 105 to 122 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

This statement shows the movement in the year on the different reserves held by the Office analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of the Office, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £'000	Revaluation Reserve £'000	Taxpayers' Equity £'000
Balance at 31 March 2022		5,606	1,150	6,756
Net Assembly Funding		10,092	-	10,092
Consolidated Fund Standing Services	4	211	-	211
Comprehensive Net Expenditure for the year		(9,724)	(773)	(10,497)
Other reserves movements including transfers		143	(143)	-
Balance at 31 March 2023		6,328	234	6,562
Net Assembly Funding		8,345	-	8,345
Consolidated Fund Standing Services		227	-	227
Consolidated Fund Standing Services Adj		30	-	30
Supply payable adjustment	11	(257)	-	(257)
Comprehensive Net Expenditure for the year		(8,509)	96	(8,413)
Other reserves movements including transfers		146	(146)	-
Balance at 31 March 2024		6,310	184	6,494

The notes on pages 105 to 122 form part of these accounts.

1. Notes to the Resource Accounts

Accounting policies, key accounting estimates and judgements

1.1 Statement of Accounting Policies

Article 6 of the Audit (Northern Ireland) Order 1987, as amended by the Government Resources and Accounts Act (Northern Ireland) 2001, requires the NIAO to prepare resource accounts.

In meeting this requirement, the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context by the *Government Financial Reporting Manual* (FReM) issued by the Department of Finance.

Where the FReM permits a choice of accounting policy, the accounting policy most appropriate to give a true and fair view of the circumstances of the NIAO has been selected. They have been applied consistently in dealing with items that are considered material to the financial statements.

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

1.2 Basis of preparation

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment and intangible assets. Figures are presented in pounds sterling and are rounded to the nearest £1,000. Transactions in foreign currencies are translated into sterling at the exchange rate at the date of the transaction.

1.3 Reporting standards issued but not yet effective

The Office has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts.

IFRS 17 Insurance Contracts

IFRS 17 will replace IFRS 4 (Insurance Contracts) and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2025. The Standard requires that insurance liabilities be measured at the present value of future insurance cash flows, resulting in more uniform measurements and presentation for all insurance contracts.

IFRS 18 (Presentation and Disclosure in Financial Statements)

IFRS 18 was issued in April 2024, replacing IAS 1 (Presentation of Financial Statements), and is effective for accounting periods beginning on or after 1 January 2027. IFRS 18 will be implemented, as interpreted and adapted for the public sector if required, from a future date (not before 2027-28) that will be determined by the UK Financial Reporting Advisory Board in conjunction with HM Treasury following analysis of this new standard.

We do not consider there to be any impact of the initial applications of IFRS 17 and 18 on NIAO's financial statements.

Accounting policies for assets and liabilities

1.4 Property, plant and equipment

Land and buildings have been included based on professional valuations performed by Land & Property Services (LPS). The valuation provided by LPS as at 31 March 2024 is open market value in existing use for the land and buildings held for use by the NIAO, with the building valued on the basis of fitted out accommodation rather than solely as the shell of the building.

Information technology and furniture have been restated using valuation indices produced by the Office for National Statistics.

The minimum level for capitalisation of property, plant and equipment is £5,000. All non-property operational assets are stated at fair value based on their existing use.

1.5 Investment property

Investment property refers to the element of the NIAO building, not occupied and held to earn rental income. It is measured initially at cost, including related transaction costs. After initial recognition, the investment property is held at fair value based on a valuation by LPS at each reporting date.

1.6 Intangible assets

Intangible assets comprise capitalised operational software licenses and the costs involved in implementing the software. The cost of licences and implementation costs are amortised over their expected useful lives of between three and seven years. The minimum level for capitalisation of an intangible asset is £1,000. These assets have also been restated using valuation indices produced by the Office for National Statistics.

1.7 Work in progress

Work in progress relates to a proportion of audit fees that have been earned by the end of the financial year but where a fee has not yet been issued. The calculation is based on the amount of audit work completed by the end of the financial year as a proportion of the total expected amount of audit work, less any foreseen losses and payments received on account.

Accounting policies for income and expenditure

1.8 Income

Income principally comprises fees and charges for services provided by statute or by agreement with the National Audit Office (NAO) and client organisations. This income represents the amounts derived from the provision of completed work for clients during the year and includes an appropriate allowance for work in progress on assignments which will be completed in the following year. Further details of the NIAO's application of IFRS 15 to audit assignments are set out in Note 5.

1.9 Value Added Tax (VAT)

The NIAO does not charge VAT for any work it carries out under statute. The NIAO can recover VAT at a partial exemption rate. For 2023-24 this was at a rate of 5 per cent (2022-23: 4 per cent), based on the percentage of business income over total income. Income and expenditure in the account is stated exclusive of irrecoverable VAT.

1.10 Staff costs

Staff costs include wages and salaries, social security costs and pension costs. Under IAS 19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end.

1.11 Pensions

Past and present employees of the NIAO are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)). The defined benefit scheme is unfunded. The Office recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from the employees' services by a payment to the PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). In respect of defined contribution schemes, the Office recognises the contribution payable for the year.

1.12 Depreciation

Depreciation is provided at rates calculated to write off the valuation of property, plant and equipment by equal instalments over their estimated useful lives. Asset lives are normally in the following ranges:

Information Technology	3 to 7 years
Furniture	5 to 20 years

The building is depreciated over a 30 year estimated useful life. Land is not depreciated.

Where events have arisen which reduce the recoverable amount of any non-current asset below its carrying amount, an impairment loss is recognised.

Accounting estimates and judgements

1.13 Contract assets (WIP) – management estimate

To calculate the income to be recognised in respect of audit services, the NIAO estimates the stage of completion of each audit so that income can be recognised progressively as services are provided. The stage of completion is determined with reference to the proportion of total budgeted costs which have been incurred at the reporting date. This percentage completion rate is then applied to the audit fees to allocate income to the reporting period, less any provision required for unrecoverable amounts.

Further information is provided in Note 5 to the financial statements.

2. Statement of Operating Costs by Operating Segment

NIAO's operating segments reflect the activities undertaken to achieve the business objectives.

	2023-24			2022-23		
	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Income £'000	Net Expenditure £'000
Financial Audit	8,393	2,865	5,528	9,474	2,775	6,699
Public Reporting	2,262	183	2,079	2,287	150	2,137
Governance and Fraud Prevention and Detection	608	-	608	650	-	650
Support to the NI Assembly, other public bodies and citizens	227	-	227	225	-	225
Comptroller Function	17	-	17	13	-	13
Total	11,557	3,048	8,509	12,649	2,925	9,724

Financial Audit – Forming an opinion on financial statements; assessing whether expenditure is regular and in accordance with the intentions of the Assembly when it granted the money; and providing assurance on the Accounting Officer's Governance Statement.

Public Reporting – Independently examining and reporting to the Northern Ireland Assembly on whether public bodies spend taxpayers' money economically, efficiently and effectively. Audit, assessment and reporting on local councils' performance improvement responsibilities. Providing public bodies with constructive advice in the form of good practice reports across a range of areas.

Governance and Fraud Prevention and Detection – Helping public bodies improve their corporate governance, financial control and risk management arrangements, and assisting in the prevention and detection of fraud by conducting and reporting on data matching exercises.

Support to the Northern Ireland Assembly, other public bodies and citizens – Working closely with the Public Accounts Committee on evidence sessions based on NIAO reports; providing support to departmental committees; responding to enquiries from elected representatives as well as citizens; seconding staff to other public bodies; and providing office space to other public bodies.

Comptroller Function – Authorising the issue of public funds from the Consolidated Fund for Northern Ireland.

3. Staff Costs

	2023-24 £'000	2022-23 £'000
Wages and Salaries	5,644	5,253
Social Security Costs	621	599
Other Pension Costs	1,801	1,659
Total costs	8,066	7,511

A breakdown of the above costs into permanent staff and other can be found in the Staff Report within the Accountability Report.

4. Other Administration Costs

	Note	2023-24		2022-23	
		£'000	£'000	£'000	£'000
Contracted Out Audits		1,497		1,418	
IT Support Services		441		414	
Accommodation		342		321	
Recruitment and training		240		219	
Consolidated Fund Standing Services (C&AG's costs)		257		211	
National Fraud Initiative Charge		-		133	
Professional Services Bought In		128		109	
Other Indirect Costs		149		107	
Rentals under building operating lease		-		83	
Office Supplies/Equipment		62		64	
Legal Fees		50		29	
Travel and Subsistence		27		22	
Internal Auditor's Fees		15		20	
External Auditor's Fees - Audit		22		21	
Hospitality		6		6	
			3,236		3,177
Non-cash items					
Depreciation	6,8	184		192	
Impairment of non-current assets	6	43		1,760	
Reclassification of non-current assets	6	28		9	
			255		1,961
Total			3,491		5,138

During the year the Office procured the following non-audit services through open competition from its previous external auditor, Baker Tilly Mooney Moore:

Leadership training, £23,000 (2022-23:£20,500).

5. Operating Income

	2023-24 £'000	2022-23 £'000
Income from NAO	461	431
Other Audit Fees	2,587	2,349
Other Income	-	145
Total	3,048	2,925

In line with its accounting policy, the NIAO has applied the requirements of IFRS 15 to income earned from fee-paying audits falling within the scope of IFRS 15.

Identification of a contract

The basis of the different streams of audit work are set out below

Audit income stream	Basis for identifying a contract	Performance obligation
Statutory Audit	For these audits, we are appointed auditors under statute, and we charge a fee directly to the body. For audits under the Government Resources and Accounts Act NI 2001 the client recognises a notional fee, and no income is recognised in the NIAO accounts. There is no legal contract with fee-paying statutory audit clients but there is deemed to be a contract in accordance with the FReM adaptation of IFRS 15 where the definition of a contract is expanded to include legislation and regulations enabling an entity to receive income. The contract is deemed to be as set out in the Letter of Understanding between the NIAO and the audited body.	Issue a certificate and report of the C&AG to the Northern Ireland Assembly.
Agreement Audit	For these audits, we are appointed auditors by the organisation's board under their own governance arrangements and have a contract with them in the form of a Letter of Engagement.	Issue a certificate and report of the C&AG to the Northern Ireland Assembly.
Companies Act Audit	For these audits, we are appointed auditors under the Companies (Public Sector Audit) Order 2013 and therefore have a contract with them in the form of a Letter of Understanding.	Issue a certificate and report of the C&AG to the Northern Ireland Assembly.
National Audit Office subcontract services	For these assignments we contract with the NAO to conduct audit and verification work on regional organisations for which the NAO is the appointed lead auditor.	Issue a report or advice as per the terms of the engagement.

Identification of performance obligations

The NIAO has determined that there is a single performance obligation for each engagement which is identified as the objective of these assignments in the Letter of Understanding or Letter of Engagement, or contract for services provided to NAO. In the case of audits, other outputs, such as interim reports and reports to those charged with governance of the audited body, are produced during audit assignments, but these other outputs are integral to the audit opinion; they are highly interrelated with the delivery of the audit certificate or report, so do not qualify as distinct performance obligations.

Determination of when performance obligations are satisfied

The NIAO has determined that the performance obligations described above are satisfied over time rather than at a point in time. This is because the NIAO's performance of the engagement does not create an asset with an alternative use to the NIAO and the NIAO has an enforceable right to payment for performance completed to date.

The majority of the NIAO's financial audits are on an annual cycle. The fee (which is based on estimated costs to the NIAO) and invoicing schedule is agreed between the individual assignment teams and the client. The NIAO is entitled to recover costs in respect of work completed to date at any stage of the audit. Typically the NIAO invoices audits with fees over £50,000 in two instalments and all other audits are invoiced when the audit is complete.

The NIAO's payment terms are that audit fee invoices should be paid within 30 days. Contracts for audit services do not have a significant financing component and the consideration amount is not variable except in respect of fee increases where it has become necessary to perform additional work.

Allocation of transaction price to performance obligations

Income is recognised as the services are provided, determined by reference to the proportion of budgeted costs that have been spent to date for each engagement, less a provision for any unrecoverable amounts. This provides a faithful depiction of the transfer of services because the nature of work is that the staff costs incurred represent progress towards satisfaction of the performance obligation. There is a direct relationship between these inputs and the transfer of services to the audit client.

Recognition of contract assets and liabilities

The contract asset (work in progress) is recorded in Note 9. Payments received in advance of performance under the contract are recognised as a contract liability (payments on account). This is then recognised as revenue as the NIAO performs its work.

6. Property, Plant and Equipment

2023-24

	Land £'000	Buildings £'000	Information Technology £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation					
At 1 April 2023	400	4,500	72	387	5,359
Additions	-	43	-	-	43
Reclassifications	-	-	-	(32)	(32)
Disposals	-	-	(6)	-	(6)
Impairment	-	(43)	-	-	(43)
Revaluations	-	-	-	11	11
At 31 March 2024	400	4,500	66	366	5,332
Depreciation					
At 1 April 2023	-	-	17	21	38
Reclassification	-	-	-	(4)	(4)
Charged in year	-	146	9	22	177
Disposals	-	-	(6)	-	(6)
Revaluations	-	(146)	-	1	(145)
At 31 March 2024	0	0	20	40	60
Carrying amount at 31 March 2023	400	4,500	55	366	5,321
Carrying amount at 31 March 2024	400	4,500	46	326	5,272

All assets at 31 March 2024 are owned by the NIAO.

Details of the basis of valuation can be found in Note 1.4 to the Accounts.

6. Property, Plant and Equipment cont'd

2022-23

	Land £'000	Buildings £'000	Information Technology £'000	Furniture and Fittings £'000	Assets Under Construction £'000	Total £'000
Cost or Valuation						
At 1 April 2022	350	2,205	9	33	3,523	6,120
Additions	-	-	62	24	1,904	1,990
Reclassifications	-	4,599	-	308	(5,427)	(520)
Disposals	-	-	(1)	(10)	-	(11)
Impairment	-	(1,584)	-	-	-	(1,584)
Revaluations	50	(720)	2	32	-	(636)
At 31 March 2023	400	4,500	72	387	-	5,359
Depreciation						
At 1 April 2022	-	-	9	8	-	17
Charged in year	-	144	9	22	-	175
Disposals	-	-	(1)	(10)	-	(11)
Revaluations	-	(144)	-	1	-	(143)
At 31 March 2023	-	-	17	21	-	38
Carrying amount at 31 March 2022	350	2,205	-	24	3,523	6,102
Carrying amount at 31 March 2023	400	4,500	55	366	-	5,321

All assets at 31 March 2023 were owned by the NIAO.

Assets under construction represents the design and other professional costs incurred to date as part of the redevelopment of the NIAO office at 106 University Street, Belfast.

Details of the basis of valuation can be found in Note 1.4 to the Accounts.

7. Investment Property

2023-24

	Software Licences £'000
Cost or valuation	
At 1 April 2023	1,000
Additions	-
Disposals	-
Revaluations	(60)
At 31 March 2024	940
Depreciation	
At 1 April 2023	-
Charged in year	-
Disposals	-
Revaluations	-
At 31 March 2024	0
Carrying amount at 31 March 2023	1,000
Carrying amount at 31 March 2024	940

All assets at 31 March 2024 were owned by the NIAO.

Details of the basis of valuation can be found in Note 1.5 to the Accounts.

7. Investment Property cont'd

2022-23

	Software Licences £'000
Cost or valuation	
At 1 April 2022	945
Reclassifications	511
Impairment	(176)
Revaluations	(280)
At 31 March 2023	1,000
Depreciation	
At 1 April 2022	-
Charged in year	-
Disposals	-
Revaluations	-
At 31 March 2023	-
Carrying amount at 31 March 2022	945
Carrying amount at 31 March 2023	1,000

All assets at 31 March 2023 were owned by the NIAO.

Details of the basis of valuation can be found in Note 1.5 to the Accounts.

8. Intangible Assets

2023-24

	Software Licences £'000
Cost or valuation	
At 1 April 2023	21
Additions	-
Disposals	-
Revaluations	-
At 31 March 2024	21
Depreciation	
At 1 April 2023	14
Charged in year	7
Disposals	-
Revaluations	-
At 31 March 2024	21
Carrying amount at 31 March 2023	7
Carrying amount at 31 March 2024	-

All assets at 31 March 2024 were owned by the NIAO.

Details of the basis of valuation can be found in Note 1.6 to the Accounts.

8. Intangible Assets cont'd.

2022-23

	Software Licences £'000
Cost or valuation	
At 1 April 2022	70
Additions	-
Disposals	(49)
Revaluations	-
At 31 March 2023	21
Depreciation	
At 1 April 2022	46
Charged in year	17
Disposals	(49)
Revaluations	-
At 31 March 2023	14
Carrying amount at 31 March 2022	24
Carrying amount at 31 March 2023	7

All assets at 31 March 2023 are owned by the NIAO.

Details of the basis of valuation can be found in Note 1.6 to the Accounts.

9. Trade and other receivables

	2023-24 £'000	2022-23 £'000
Amounts receivable within one year		
Trade receivables	196	184
Work in progress	684	721
Consolidated Funding Services non-supply adj	30	-
Prepayments	147	126
Total	1,057	1,031

There are no amounts receivable after more than one year.

10. Cash and cash equivalents

	2023-24 £'000	2022-23 £'000
Balance at 1 April	335	827
Net change in cash and cash equivalent balances	(78)	(492)
Balance 31 March*	257	335

*The above balance is held at a commercial bank.

11. Trade and other payables

	2023-24 £'000	2022-23 £'000
Amounts falling due within one year		
VAT	86	83
Trade payables	37	33
Consolidated Funding Services non-supply adj	30	-
Accruals	334	337
Employee benefits accrual	232	240
Payments on account	-	6
Total excluding amounts due to the Consolidated Fund	719	699
Amounts issued from the Consolidated Fund for supply but not spent at year end	257	335
Sub Total	976	1,034
Other payables: capital creditor	56	98
Total	1,032	1,132

There are no amounts falling due after more than one year.

12. Contingent Liabilities

The Office has not entered any guarantees or indemnities or provided any letters of comfort.

Public Sector Pensions – Injury to Feelings Claims

The Department of Finance (DoF) is a named Respondent in a class action affecting employers across the public sector and is managing claims on behalf of the Northern Ireland Civil Service (NICS) departments. This is an extremely complex case with potential implications for the NICS and wider public sector. However the cases are at a very early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

13. Related Party Transactions

None of the NIAO Audit and Risk Assurance Committee, Advisory Board, Senior Leadership Team members or other related parties has undertaken any material transactions with the NIAO during the year.

The NIAO has had a number of transactions with the Department of Finance.

14. Events after the reporting period

There were no reportable events between the end of the reporting period and the date the accounts were signed.

Date of authorisation for issue

The C&AG authorised the issue of these financial statements on 28 June 2024.





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