



Northern Ireland
Audit Office

Annual Report and Accounts

2024 - 25

**Independence and excellence in
audit to improve public services**

The Northern Ireland Audit Office's vision is to provide 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 2025

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.

2 July 2025





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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 Foreword

As newly appointed chair of the NIAO Advisory Board, I am delighted to present the Annual Report and Accounts for the year ending 31 March 2025 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 NIAO and its administrative functions but does not extend to the independent reporting on the Northern Ireland Assembly's use of public money. This remains the sole responsibility of the C&AG under the relevant legislation.

The work of the NIAO is impactful and influential and we work closely with public bodies to understand the challenges they face and help them make improvements in public services. We do this in a number of ways including the financial audits of some 150 bodies providing assurance in relation to approximately £25 billion of public funds. Our evidence-based public reporting details whether economy, effectiveness and efficiency has been achieved in the use of public funds. This work is of great value to the NI Assembly through the Public Accounts Committee which scrutinizes departmental public spending, based on our reports.

Our work in dealing with concerns raised and Counter Fraud support helps protect public money and the production of our Good Practice Guides assist public bodies in improving performance.

Our 130 staff work diligently in these areas throughout the year and I would take this opportunity to thank them for their endeavours. We rely so much on their commitment and expertise. Our determination to continue to improve what we do for those we serve is outlined in our Corporate Plan 2024-29 which clearly sets out our vision, purpose and our 3 Corporate Priorities which present both challenges and opportunities.

We work hard to deal with the challenges of a competitive labour market in order to recruit and retain the high-quality staff needed for the work we undertake. Our work with the NI Assembly and its committees requires significant input from our staff. We are pleased to assist the NI Assembly in its work and have used innovative approaches in dealing with the competitive labour market, introducing new job roles including that of performance auditor to assist with our public reporting programme.

We seek to be an employer of choice and were pleased to retain our IIP accreditation last year. We will continue to transform the way we work by embracing technology, ensuring our staff have the technical and leadership skills needed to achieve our objectives and very importantly ensure we are responsive to client needs. The issues of quality of our work and adhering to auditing standards is one of our top objectives and we invite independent assessors on a yearly basis to monitor same. We are also mindful of our impact on the environment, as well as supporting clients in reducing their carbon footprint.

The Advisory Board has and will continue to assist the C&AG in implementing the Corporate Plan with members providing objective advice, drawing from their own experience and expertise in this endeavour.

The Board is committed to supporting the organization in its pursuit of best practice and maintenance of the highest professional standards. The governance framework in the organization is strong and transparent. Board members are involved and valued and have been delighted over the past year to see all that has been achieved, as presented in this Annual Report.

A new Board has been in place from May 2025 and I would like to take this opportunity to thank the outgoing members for their hard work, dedication and expertise which has been invaluable. As the new Chair from December 2024, I would like to thank the previous Chair, Martin Pitt, for his expert Chairmanship, commitment, expertise and indeed good humour over the six years of his tenure. As a previous Board member, I learned much from his wise counsel and this is appreciated.

I know that there will be challenges in the future, some we can predict others not so apparent. I also know that we will continue to face these challenges and ensure we achieve our vision and purpose in line with the values that underpin all that we do.



Marie Mallon OBE
Chair, NIAO Advisory Board

30 June 2025



Comptroller and Auditor General's Statement

I am delighted to present the Northern Ireland Audit Office's Annual Report and Accounts for 2024-25. The year began with the publication of the NIAO's new five-year Corporate Plan, which has provided a renewed purpose and determination to deliver independence and excellence in audit to improve public services. Amidst a backdrop of increasing and changing demands on public services, combined with ongoing budgetary constraints, this work remains both highly important and highly valued by our stakeholders, and this report outlines some of our key accomplishments over the 12-month period.

Our financial audits remain at the forefront of NIAO delivery, with 154 accounts certified this year across central and local government bodies. As well as the volume and variety of audits we have completed, the quality and continuous improvement of our work has remained an absolute priority. This is reflected in our continued commitment to adhering to the International Standard on Quality Management (ISQM 1), as well as our participation in the independent external review by the Institute of Chartered Accountants in England and Wales. I also welcome the positive responses received directly from audited bodies via our feedback survey, both in relation to how the NIAO conducts audits, as well as the impact this work has on improving public services.

We have also continued to deliver against our Public Reporting Programme, with a total of 26 reports published during the year. In line with our identified public reporting themes, these reports have spanned a wide range of topical issues, including skills development, homelessness, water quality, ambulance handovers, managing the schools' estate and road openings by utilities. These reports include practical, evidence-based cross-cutting and strategic recommendations for the public sector.

The NIAO continues to play its role in providing assurance to the Assembly on the stewardship of public funds, working particularly closely with the Public Accounts Committee (PAC).

To date, the PAC has completed or commenced eight Inquiries based on NIAO reports. The Committee's work is crucial for delivering scrutiny of public expenditure and ensuring that services are delivered efficiently and effectively, and our office has provided ongoing assistance throughout the year to the Committee in their valuable and important scrutiny role. I also welcome our ongoing and growing engagement with other Assembly Committees, including the constructive relationship with the NI Assembly Audit Committee, which governs the NIAO's work. We look forward to continuing to support MLAs and Assembly staff throughout the remainder of this mandate and beyond.

This year has also seen the NIAO embrace opportunities to enhance and strengthen the reach and impact of our work across a wide range of external stakeholders. The Office's participation in a variety of conferences, speaking events and collaboration opportunities has allowed us to promote good practice, share audit findings and build awareness with representatives from across a wide range of public, private and third-sector organisations affected by our work. Our Insight Exchange series of events has given NIAO staff a chance to interact, learn from, and inform experts and leaders from academia, regulatory bodies, industry and politics (both local and national), helping us to further understand the challenges facing public services and assist improvement. We are assisted greatly in our work by this collaborative and engaging approach and I am very grateful to all those who have helped us throughout our work this year.

We also continue to engage with our local universities and further education colleges around attracting and developing emerging accountancy talent, and I am pleased that we have seen the continued success of our graduate trainee and higher level apprentice trainee programmes throughout the year. I look forward to continuing to widen our skills and training offerings in the future.

The work of the NIAO continues to attract and retain people who are committed to public service. I want to express my sincere gratitude to all of the NIAO staff, whose continued dedication and professionalism has been steadfast. Investment in our people is one of the NIAO's strategic priorities and the continued roll-out of our People Strategy and associated strategies has demonstrated the commitment to staff development. This has included training and learning for financial audit staff in response to changing audit standards, development of public reporting skills for staff working in this area, as well as development in other specialist areas such as sustainability, counter-fraud and IT Audit. We have continued to deliver a programme of staff wellbeing activities and strengthened our focus on equality, diversity and inclusion. This work, and the colleagues who support and deliver it, play a crucial role in nurturing a working environment that allows NIAO employees to grow and flourish.

Finally, I would like to pay tribute to our Board, which has seen significant change, with the departure of our former Chair, Martin Pitt. Martin's commitment to supporting the work of the NIAO, and ensuring it delivers to the highest standards, has been evident. He has also been a continued source of support and advice to me personally since I took up post as Comptroller & Auditor General. I would like to express my sincere gratitude to Martin for his immense contribution to public audit in Northern Ireland over the six years of his tenure, and similarly to the other Non-Executive Members whose time with the NIAO Advisory Board came to an end during this year.

I am delighted to welcome our three new Non-Executive Members, and to also congratulate our new Chair, Marie Mallon OBE, on her appointment, following her period of dedicated service on the Board as a Non-Executive Member. I am confident that Marie, together with the rest of the Board, will continue to offer the leadership, encouragement and positive challenge that will be vital as the NIAO continues in delivering its purpose of making sure public money is spent properly.

I look forward to the year ahead and the continued contribution to public services by the Northern Ireland Audit Office.

Dorinnia Carville Comptroller and Auditor General for Northern Ireland



Dorinnia Carville
Comptroller and Auditor General
for Northern Ireland

30 June 2025



About the NIAO

Who We Are

The role of the C&AG is to help the Northern Ireland Assembly in its scrutiny of government and to assist in the process of ensuring that public organisations are effective, efficient and accountable. The C&AG must be independent of government and operate in an apolitical manner. In fulfilling the role of the Assembly's auditor, the C&AG is an Officer of the House.

The Northern Ireland Audit Office (NIAO) supports the C&AG in the delivery of her functions. Our aim is to achieve independence and excellence in audit to improve public services. We work with the public sector in overseeing and providing assurance to the Northern Ireland Assembly that public money is spent properly.

A senior member of the NIAO team is designated as the Local Government Auditor and independently audits bodies in the local government sector, supported by the NIAO's resources.

Why We Exist

Our vision (why we exist) is to provide independence and excellence in audit to improve public services.

What We Do

Our purpose (what we do) is making sure public money is spent properly. This is achieved through conducting our key activities.





Support to the Northern Ireland Assembly

Independent support to enable the Assembly, particularly the Public Accounts Committee, to hold public bodies to account.



Financial audits of Central and Local Government Bodies

Audit of the annual accounts of Central and Local Government bodies.



Public reporting on value for money

Focus on key issues facing the public sector in Northern Ireland.



Promoting Good Practice and Fraud Awareness

The NIAO promotes good practice in governance arrangements and helps to combat fraud.

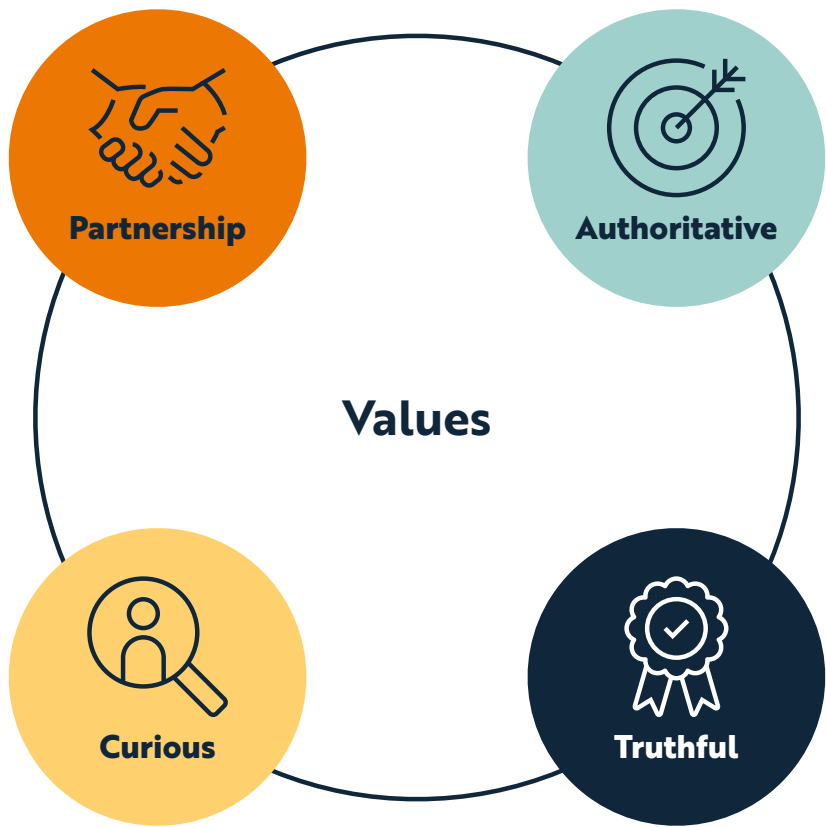


Comptroller Function

Authorising the issue of money from the Northern Ireland Consolidated Fund to enable Northern Ireland Departments to meet their necessary expenditure.

How We Act

Our core values (how we act) provide assurance to the public on the integrity with which we work.



Together, the NIAO corporate vision, mission and values drive us to create IMPACT through our work.

Vision	I	Independence and excellence in audit to improve public services.
	M	Making sure public money is spent properly.
Purpose	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.
Values	C	Curious...(examining, interested, outwardlooking) 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 Corporate Priorities and Outcomes

Our purpose and vision are delivered through our corporate priorities (what we will focus on) and intended outcomes (what we want to see in the future) supported by our values and key activities.

This is set out in our Corporate Plan for the period 2024-29.

Priorities	Outcomes
High-Quality Public Audit Support, enhance and promote high standards in public service administration, accountability arrangements and financial management.	Our stakeholders have confidence in the NIAO's statutory role in providing oversight and assurance on public sector spending.
Improve Outcomes and Accountability Promote and influence public service reform and improvement.	Public services are improved by accepting, learning from and applying the insights, expertise and good practice developed by the NIAO.
Invest in our People and Resources Be a high-performing, people-focused organisation.	The NIAO is a high-performing organisation committed to continuously improving our people, resources and technology to tackle emerging challenges.

Our accountability

The NIAO is accountable to the NI Assembly through the Northern Ireland Assembly Audit Committee (NIA AC). The latter has a Memorandum of Understanding on the governance and accountability of the Office which is being updated by the NIA AC. 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 the NIA AC on the actions they will take to uphold transparency and manage public money effectively.

Key risks and issues



Resourcing

Resourcing continues to be a key challenge for the NIAO in a competitive market for skilled staff. Nonetheless we grew our staff base from a Full Time Equivalent (FTE) of 116 to 120 and our associated skills in 2024-25.

We also adopted innovative approaches to recruitment and have increased our social media presence to enhance our visibility as an Investors in People (IiP) accredited organisation.



Quality

The increasing rigor of the new auditing standards has led to a greater need for highly skilled resources to identify and address the key risks to the figures in the financial statements. These challenges, and how we are addressing them, are set out in more detail in this Performance Report.



Future Changes in Accountability

The NIA AC completed a review of the governance and accountability arrangements for the NIAO prior to the end of the 2017-2022 mandate. Full implementation of the Review's 16 recommendations directly relevant to the NIAO is dependent on the Committee proposing new or updated legislation. Key recommendations include:

- 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 the NIA AC;
- 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.

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 Advisory Board retains both an Audit and Risk Assurance Committee and a Remuneration Committee to advise on relevant issues.

Performance analysis

The NIAO’s Corporate Plan 2024-29, published in April 2024, is available on our website. It sets out the Office’s ambitions, priorities and key activities up to 2029. Our performance in 2024-25 has been measured against this Plan and our Business Plan for the year.

Priority	Activity	Anticipated Outcome	KPI		Performance	Achieved in 2024 - 25
Priority 1: High-Quality Public Audit Support, enhance and promote high standards in public service administration, accountability arrangements and financial management.	Provide assurance through the timely delivery of our annual financial audit programme to International Standards on Quality Management.	Our stakeholders have confidence in the NIAO’s statutory role in providing oversight and assurance on public sector spending.	1. Financial audits are completed within 12 months of year end.		1. 124 accounts for 2023-24 and 30 prior year accounts were certified in 2024-25. At 31 March 2025 we have 22 backlog accounts where 77% of the delays are outside our control.	1. Partially achieved.
			2. NIAO’s financial audits comply with the International Standards on Quality Management.		2. Five accounts were subject to independent external review by the Institute of Chartered Accountants in England and Wales. Grading and recommendations are set out in the NIAO Quality Report.	2. Fully achieved.
	Holding the public sector to account through the delivery of quality, timely and accurate reports.		3. Public reports are published as set out in our Forward Work Programme and comply with quality assurance processes.		3. During 2024-25, a total of 26 reports were produced: <ul style="list-style-type: none">• 12 Public Reports• 1 Good Practice Guide• 1 National Fraud Initiative Report• 12 Local Government Audit Reports Resourcing challenges prevented us from delivering the full plan.	3. Partially achieved.
	Good Practice Reports completed as set out in our Forward Work Programme.		4. Good Practice Reports are considered relevant by our stakeholders.		4. In our recent survey of audited bodies, 98 per cent of respondents agreed or strongly agreed that “NIAO Good Practice Guides are a useful resource”.	4. Fully achieved.

Priority	Activity	Anticipated Outcome	KPI	Performance	Achieved in 2024 - 25
Priority 2: Improve Outcomes and Accountability Promote and influence public service reform and improvement.	Ensure our work aligns with the priorities of government and the public sector in a proportionate and timely manner.	Public services are improved by accepting, learning from and applying the insights, experience and good practice developed by the NIAO.	5. Achieve positive satisfaction surveys with Accounting Officers, Chair of Audit & Risk Assurance Committees and MLAs.	5. Our Survey of Audited Bodies returned overwhelmingly positive results. Over 90 per cent of respondents agreed or strongly agreed that NIAO audit staff provide a high quality and professional service and provide effective support to their Audit and Risk Assurance Committee. Similarly, our Survey of the Public Accounts Committee (PAC) Members was very positive with Members indicating that they were satisfied with the quality of NIAO correspondence, oral briefings, ability to support public inquiries and staff approachability.	5. Fully achieved.
	Promote our work, including effective and extensive engagement to support accountability.		6. Development, implementation and delivery of communications, engagement strategies and action plans.	6. The Draft Communications Strategy and action plan was presented to the Senior Leadership Team (SLT) in June 2025.	6. Partially achieved.
	Ensure our stakeholders value our work.		7. Positive actions are taken by audited bodies as a result of the NIAO's recommendations.	7. Agreement reached with the Head of the Civil Service and Permanent Secretaries to provide a response to individual recommendations in the NIAO reports to enable both the NIAO and respective Audit and Risk Assurance Committees (ARACs) to monitor progress. Ongoing positive engagement with the PAC in highlighting governance arrangements and accountability processes arising from the NIAO's reports and subsequent PAC investigations. Recommendations in our reports to those charged with governance are tracked by ARACs. Also see response to KPI 5 above.	7. Fully achieved.

Priority	Activity	Anticipated Outcome	KPI		Performance	Achieved in 2024 - 25
Priority 3: Invest in our People and Resources Be a high-performing people-focused organisation	To develop the capacity and capability of our highly skilled, motivated and versatile workforce.	The NIAO is a high-performing organisation committed to continuously improving our people, resources and technology to tackle emerging challenges.	8. Implementation of People Strategy and the associated annual action plans.		8. People Strategy 2024-29 launched in March 2024 and work is ongoing against the associated annual action plans.	8. Partially achieved.
	Embed an open, diverse and inclusive culture which recognises success.		9. Achievement of Silver Award in Investors in People.		9. Accreditation review conducted with standard accreditation achieved and retained. We are working towards achieving a Silver Accreditation.	9. Not achieved.
	Use our financial resources effectively, efficiently and sustainably.		10. Manage our finances within 2% of Total Allocated Budget.		10. We delivered within Allocated Gross Budget with an associated surplus of 2.3%.	10. Not achieved.
			11. Be on target to reduce emissions by 48% by 2030 in line with the NI Climate Bill 2022.		11. The NIAO has reduced its carbon emissions, since the 2018-19 baseline year, by 26% and is on target to meet the 48% reduction.	11. Fully achieved.

High quality public audit and improving outcomes and accountability

This section of the report provides an overview of how we support and promote high standards in public administration and financial management and our engagement with key stakeholders.

What this section refers to:

- Comptroller Function
- Our Financial audit and Public Reporting work
- How we maintain quality
- Governance, fraud prevention and detection
- Support to the Northern Ireland Assembly
- Engaging with stakeholders
- Office Collaborations
- 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.

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	2024-25	2023-24
Total Accounts audited	124	126
Total Accounts qualified	15	13

Central Government Accounts	2024-25	2023-24
Accounts audited	109	111
Of which qualified	15	13

Local Government Accounts	2024-25	2023-24
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 and have been prepared in accordance with the relevant accounting and legislative requirements.

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 NI Assembly and conform to the authorities which govern them; a regularity opinion.



In 2024-25, 124 central and local government accounts (2023:24 126) were certified. In the reporting period 30 prior year accounts were also certified.

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 has not been incurred in line with the NI Assembly's intentions, nor conforms to the authorities which govern them, then the C&AG will qualify her opinion on the accounts. 15 central government accounts were qualified in 2024-25 (2023-24:13), including one account where C&AG disclaimed both of her opinions. A disclaimed audit opinion on the financial statements of a government department is an extremely unusual occurrence and a matter of significant concern. It means that the C&AG has been unable to form her opinion on the financial statements and arose as the audit team were unable to obtain sufficient, relevant and reliable audit evidence to support the information in the financial statements. In such cases, and in other cases where there are significant issues arising, we report our findings to the NI Assembly which may then be considered by the Public Accounts Committee (PAC).

We inform the organisations we audit of the issues we find during our work in the Report to those charged with Governance. This Report sets out audit findings and our independent view on areas where the audited body could improve its governance, controls and financial management. We liaise with management to agree their response in addressing any issues identified.

During 2024-25, we continued to work with the Office of the Comptroller and Auditor General in Dublin on the shared audit and certification of the six North-South bodies. We also continue to have close working arrangements with the National Audit Office for the accounts we audit on its behalf. This includes audits of European Agricultural Funds, National Lottery Funding and Whole of Government Accounts.

Local Government

A senior member of the NIAO's 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 the NIAO's staff, is responsible for the audit of local government bodies.



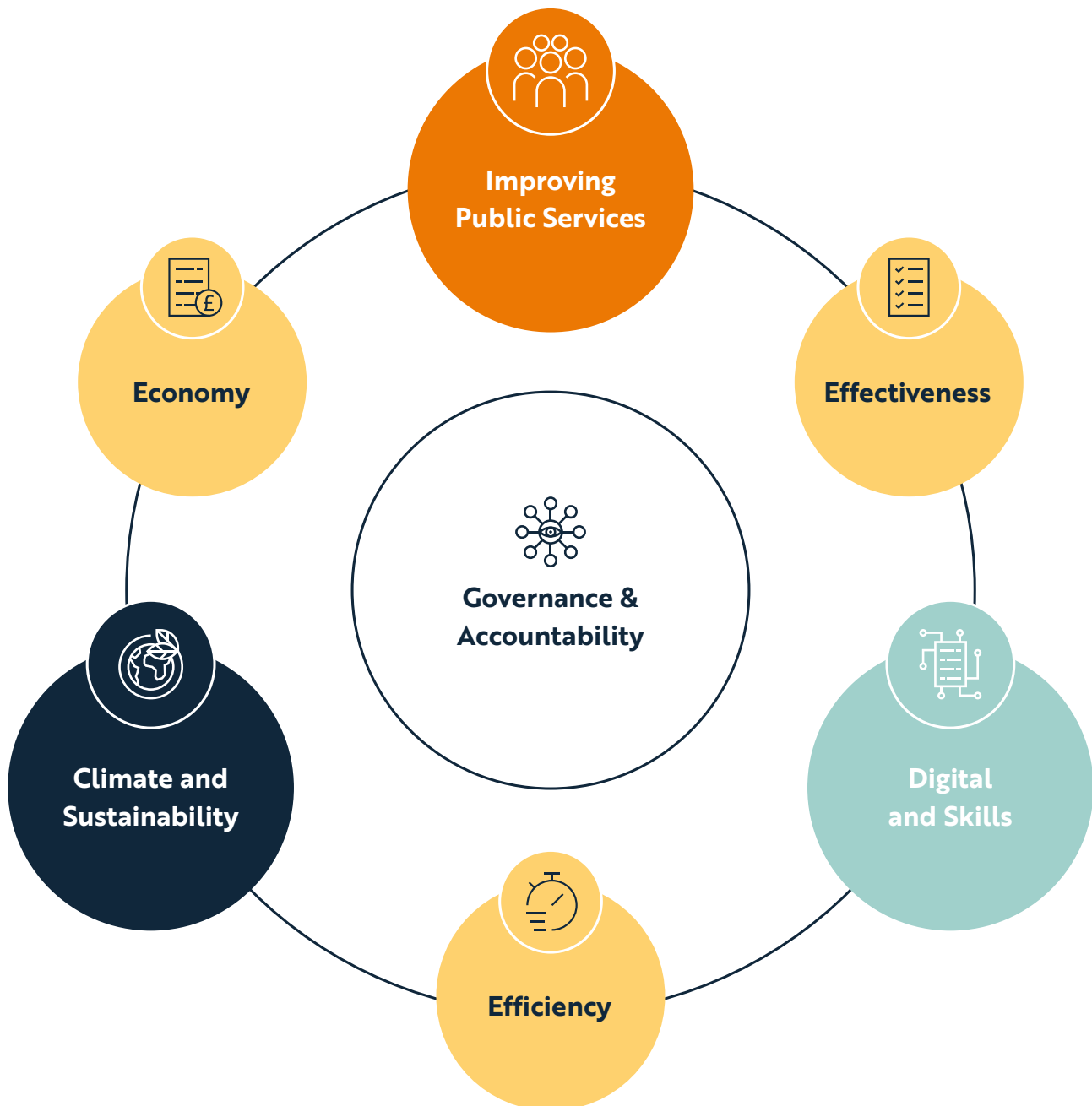
In 2024-25 we completed the audits of 15 local government accounts (2023-24:15). No local government accounts were qualified in either 2024-25 or 2023-24.

Public Reporting

We launched our Public Reporting Programme 2024-29 in April 2024. This reflects a flexible approach in our endeavours to remain agile and respond to new and emerging challenges in the public sector. During the process of assessing topics and engaging with stakeholders we have identified the following themes which underpin the Programme:

- Improving Public Services;
- Digital and Skills;
- Climate and Sustainability;
- Governance and Accountability;
- Economy, Efficiency and Effectiveness.

Our work in public reporting ranges from traditional value for money studies to shorter, fact-based reports and follow-up reports which assess the progress made on key issues from earlier reports. The 2024-25 Programme included work in the local government area and addressed important cross-cutting issues that lie beyond the boundaries of any single government department.



Public Reports

During 2024-25 a total of 26 reports were produced and nine departmental guides were published to assist members of Statutory Committees and other stakeholders in understanding the remit of the individual central government departments.



Full copies of these reports can be obtained from [our website](#).

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 2024-25, we produced a good practice guide on Effective Audit and Risk Assurance Committees.

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

Feedback From Auditees:



"The most recent guide is excellent. Directly relevant and readily accessible."

"The guides are always very useful and we would reference them in a number of areas."

"NIAO practice guides help inform the work of our Executive Leadership team and are useful benchmarks."

"These guides are an extremely helpful and practical resource."

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 2024 was also published during the year and is available on [our website](#).

How we maintain quality

The NIAO is committed to delivering high quality audits and we seek continuous improvement in the work that we do. We design and implement our quality arrangements to ensure compliance with auditing standards.

In line with the requirements of the International Standard of Quality Management (ISQM 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 and compliance with the Financial Reporting Council's Ethical Standard. In his role as Ethics and Compliance partner, the QMD also has operational responsibility for compliance with independence requirements. All staff in the NIAO 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.
- 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, five accounts were subject to independent external review by the Institute of Chartered Accountants in England and Wales (ICAEW). This is the fifth year ICAEW have reviewed our audits. Gradings and recommendations are included within the NIAO Quality Report which we are required to prepare under ISQM 1.

In addition, "critical friend reviews" were carried out by directors on other teams' audits along with cold reviews completed by NIAO's technical team. Themes from findings, accompanied with updated training on our audit approach, were provided to all staff, which included director-led workshops for teams.

The NIAO's technical team continues to oversee how we ensure quality requirements for our audits are met and has 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. We subsequently design and implement appropriate remedial actions to address each issue to reduce the likelihood of reoccurrence. The technical team oversees these RCA discussions with audit teams and ensures any remedial actions are implemented in the required time frame. Following the RCA process the findings of the quality reviews are communicated to all financial audit staff and a feedback session is held to offer an opportunity for staff to ask questions to clarify their understanding of issues raised.

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 1 & 2.

Where relevant and practical to do so, we also apply ISQM1 to our public reporting work. We subject our public reports to peer review by other audit institutions.

Governance, fraud prevention and detection

The NIAO promotes good practice in governance arrangements and helps to combat fraud. NIAO's staff attend the Audit, Risk and Assurance Committees of bodies we audit, 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.

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 findings from the eighth exercise in Northern Ireland were published in October 2024.

National Fraud Initiative



In Northern Ireland, the eight NFI exercises to date have identified over £48 million of fraud and error

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).

All of the NIAO reports are 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 particularly 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. Where appropriate, we may carry out further audit work.

During the year we received:

- 12 Freedom of Information requests (9 in 2023-24)
- 5 Subject Access requests (3 in 2023-24)
- 2 Environmental Information requests received under the Data Protection Act 2018 (1 in 2023-24)
- No complaints in either 2024-25 or 2023-24

Feedback From Auditees:



"The independence and views of the NIAO brings real value in adding credibility and confidence to our financial reporting."

"The NIAO audit is always conducted professionally and thoroughly and provides reassurance to me as Accounting Officer. It is an essential element of governance."

Raising Concerns

The Comptroller and Auditor General and the Local Government Auditor are prescribed persons under the Public Interest Disclosure (NI) Order 1998. 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. Concerns raised are dealt with professionally and treated in confidence, as appropriate.



In 2024-25, 15 issues of concern about the use of public money were received (2023-24: 33 issues).

MLA queries

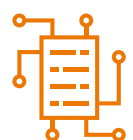
We also pursue concerns raised with us by Members of the Legislative Assembly (MLAs).



In 2024-25, 1 case was raised, and is currently under investigation. (2023-24: 3 cases).

Engaging through Social media

Our social media activity continues to raise our profile and build an understanding of the NIAO's work and impact, the opportunities we offer and the accomplishments of our staff. There were nearly 38,000 visits to the NIAO website during the year with our publications and media releases being downloaded over 11,600 times. Amid a changing social media landscape, we also continue to see audiences grow on LinkedIn, with followers increasing by 43 per cent.



Our video briefings, animated report summaries, videos of staff and office promotions (published between April 2024 and March 2025) have been seen over 3,000 times on Youtube alone, with thousands more views on our social media channels.

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 2025 we issued our latest survey to all audited bodies across central departments, local government and NDPBs. This survey collected feedback on audited bodies' experiences of working with the Office during the previous twelve months. A total of 54 audited bodies responded (out of 104 bodies surveyed). Of the responses received:

93%

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

91%

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

98%

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

A survey was also issued to Members of the Assembly's Public Accounts Committee, seeking feedback on their experiences of working closely with the NIAO in the course of their Inquiries.

Responses from all nine PAC Members were very positive with Members expressing satisfaction with:

- the relevance and presentation of the NIAO reports and their ability to support an effective Inquiry;
- the structure, clarity and level of detail at NIAO briefings; and
- the quality of NIAO correspondence, oral briefings and staff approachability.

Comments received in relation to NIAO engagement and communication included:

Feedback From Auditees:

"NIAO staff engaged positively throughout and worked collaboratively to deliver against agreed timelines"

"Good working relationships have been established... over a number of years based on mutual respect."

"The NIAO team provided valuable assistance to resolve issues raised last year."

Office Collaborations

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



Chief Executives' Forum

We work closely with the Chief Executives' Forum (CEF), an association of chief executive officers of the civil service and wider public sector 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'. We also hosted a number of governance and accountability training events during the year.



Local Government Association

We continue to work closely with the Northern Ireland Local Government Association (NILGA), 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 promotes, develops and champions local government by developing regional, all-council approaches to key issues affecting the sector.



Insight Exchanges

During the year the NIAO invited a range of external speakers to share information and experiences with our people in areas of interest or of relevance to our work. During 2024-25 this included academics from both the Queen's University of Belfast and Ulster University, the Parliamentary Commissioner for Standards, the Deputy Public Sector Ombudsman for Northern Ireland, the Chief Inspector of Criminal Justice, a former Irish diplomat who was part of the Irish government delegation in the talks that led to the Good Friday Agreement and two local MLAs who shared their experiences as women in frontline politics.

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. We note some examples of qualitative impacts that were realised in 2024-25 through our public reporting and financial audit work:

Water Quality in NI's Rivers and Lakes



In our March 2024 report we recommended that the Department of Agriculture, Environment and Rural Affairs (DAERA):

- utilise all available data sources to help focus its inspection efforts in addressing the long-term prevalence of pollution, linked to agricultural practices; and
- formalise approaches in managing and influencing environmental stakeholders to address all sources of diffuse pollution.

DAERA accepted these recommendations and advised that its response would include development of a DAERA Science Platform. This subsequently became Recommendation 33 of the Minister's Lough Neagh Report and Action Plan (July 2024) which included an action for a Forum to be established to develop wider stakeholder partnerships to address water quality issues.

The Minister promoted a series of community drop-in sessions during October 2024 on the multi-agency work being undertaken to address blue green algae and wider water quality issues around the Lough Neagh shoreline. Groups represented at the events included the Northern Ireland Environment Agency (NIEA), DAERA Marine and Fisheries Group, Agri-Food and Bioscience's Institute (AFBI), the Public Health Agency, NI Water, the Food Standards Agency, and Armagh, Banbridge and Craigavon Borough Council, as well as local non-governmental environmental organisations such as the Rivers Trust and Lough Neagh Partnership. The Lough Neagh Stakeholder Forum was established in December 2024 and is chaired by the DAERA Minister.

Such developments are welcome in supporting efforts for greater transparency, monitoring and understanding of water quality, as well as cultivating better and sustained engagement with stakeholders.

In line with our recommendations, such action will be vital to help protect water sources from damage and achieve the required regulatory quality standards.

Mental Health Services in Northern Ireland



Our 2023 report on Mental Health Services in Northern Ireland recommended that the Department of Health (DoH) take action to address information gaps and improve the quality of data collected to better inform the improvement of services.

As a result of this recommendation, and recommendations made by the PAC following their inquiry based on our Report, the DoH made a number of improvements to its data collection. It undertook to embed the Mental Health Outcomes Framework within Encompass, the new digital patient record system. In tandem, the DoH also undertook to carry out a review to consider how best the information it intends to collect can be utilised to improve services. Finally, the DoH is also developing a number of tools, including data visualization tools, outcomes-based accountability reporting and regional dashboards, to help support public access to data on mental health service activity, performance and outcomes.

Such measures represent welcome developments in efforts to enhance transparency and accountability, and to better inform taxpayers on mental health outcomes.

Tackling the Public Health Impacts of Smoking and Vaping



In our January 2024 report we identified challenges to enforcement activities aimed at combatting the selling of vaping products to Under 18s. Specifically, the report highlighted that any retailer or business can sell vaping products without having to register, creating difficulties for local councils in enforcing compliance with legislation. The Report recommended that, the DoH should, as a priority, explore the merits of introducing mandatory registration for retailers selling vaping products, similar to existing requirements for tobacco products.

Following the publication of this Report the Assembly voted to include Northern Ireland in the United Kingdom's new Tobacco and Vapes Bill in February 2025. One of the wide-ranging powers this legislation will introduce is extending the current Tobacco Retailers Register in Northern Ireland to include retailers selling vapes and other nicotine products. This will considerably strengthen the regulatory framework around selling these products. Failure to register may result in a £500 fixed penalty being imposed, or prosecution involving a fine of up to £5,000. The registration requirement will also significantly assist councils in improving their targeting of monitoring and enforcement of legislation.

These developments are a positive step in strengthening collaboration between central and local government to help deliver longstanding benefits to public health.



Public Bodies' Response to Misrepresented Soil Analysis

In our July 2024 report we outlined failures by public bodies in adequately investigating potential planning fraud involving over 3,000 falsified soil samples. The Report found that a number of local councils failed to initiate a planning fraud investigation until we raised the matter with them during our review. Among the issues identified by our Report was confusion within the planning system around where responsibility for initiating an investigation lay.

We recommended that all statutory bodies involved in the planning system should play their part and fully commit to a shared and collaborative approach going forward. We also recommended that a full review should be undertaken of similar issues that arose in a case in 2021, when a number of poultry farming planning applications in Northern Ireland were supported by falsified documents purporting to come from the Republic of Ireland's agri-food agency, Teagasc.

Since we published this report, a Task-and-Finish Group (TFG) has been established by the Department for Infrastructure and the Society of Local Authorities and Chief Executives (SOLACE) on behalf of the local councils. The TFG also includes representatives from DAERA and NIEA. The objective of this Group is to ensure, via a partnership approach, that the issues that arose in relation to misrepresentation of soil sample analyses are addressed to prevent a recurrence of similar issues.

A review of the 2021 case is within the scope of the TFG. The Group is reviewing lessons learned and is developing a draft protocol to clarify the roles and responsibilities of all stakeholders in providing greater collaboration and will identify how the planning system should respond to matters of fraud which impact across the region.



Some highlights of our year



Staff assembled at the 2025 NIAO Conference



Our new Trainee Accountants and Higher Level Apprenticeships visit Parliament Buildings at Stormont



Connie Foley shortlisted as a finalist for Public Sector Apprentice of the Year



Audit Manager and SistersIn mentor Karen Costley with mentee Katie Ferguson from Lumen Christi College



NIAO audit team visits the the Assembly Chamber during a team planning day at Parliament Buildings



Brian O'Neill, Anu Kane, the Data Analytics Team, Chris Boughton, Beth Thompson and Rebekah Gleghorne, and Rodney Allen visiting the Office of the Comptroller and Auditor General Ireland.



Dorinnia Carville and
Broadroom Apprentice
board member
Bonnie MacRae



NIAO Assembly Liaison Officer Kyle Bingham
and C&AG Dorinnia Carville with PAC staff



The NIAO visits the staff at the Office of the
Comptroller and Auditor General in Dublin



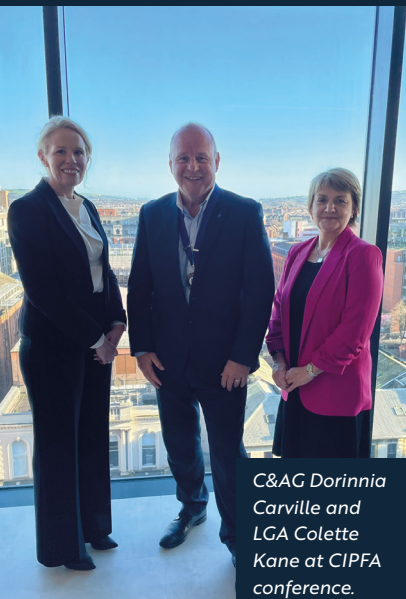
Engaging with
potential future
NIAO employees at
annual careers fairs.

NIAO presentation by Patrick Barr, Johnny
Feeney and Corey Parr to Ulster University Belfast
students on the BSc Accounting (Pathways) course.



Former diplomat Tim O'Connor visits the NIAO to deliver
an Insight Exchange session on his career in politics





C&AG Dorinnia Carville and LGA Colette Kane at CIPFA conference.



NIAO Trainee Accountants and Higher Level Apprentice's bowling night



Colette Kane, Director and Local Government Auditor at the final Northern Ireland Local Government Association Executive meeting of 2024, held in Antrim and Newtownabbey Borough Council.



NIAO staff on a lunch walk for #MOVEweek



Daniel Greenberg CB, the UK Parliamentary Commissioner for Standards, visits the NIAO to take part in an Insight Exchange session on the Nolan Principles of Public Life

Staff participate in a volunteering opportunity with the South Belfast Food Bank





We were honoured to welcome Dame Margaret Hodge, former UK Public Accounts Committee Chair, to our office for an Insight Exchange event, with representatives from the NI PAC staff also in attendance



Recognising and thanking our long serving members of staff for their outstanding contribution to the work of the NIAO.



Thanking our outgoing Chair Martin Pitt after completing his term with the NIAO Advisory Board.



Comptroller and Auditor General Dorinnia Carville attends the graduation ceremony following her participation in the Centre for Peace Building and Democracy's Fellowship Programme



Team NI get set for the Belfast Marathon, raising funds for the NI Air Ambulance.

Dorinnia Carville and Rodney Allen with Jacqui Durkin from the Criminal Justice Inspection NI and Sean Martin from Northern Ireland Public Services Ombudsman



Investing in our People and Resources

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

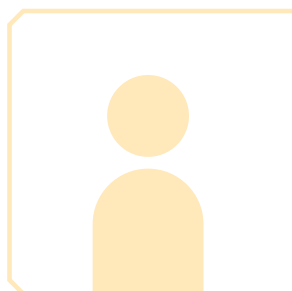
What this section contains:

- Our Staff Achievements
- Sickness Absence
- Investment in People
- Employee Engagement and Wellbeing
- Engaging with the Community
- Equity, Diversity and Inclusion
- Staff Turnover
- Real Living Wage
- Dying to Work

Our Staff Achievements

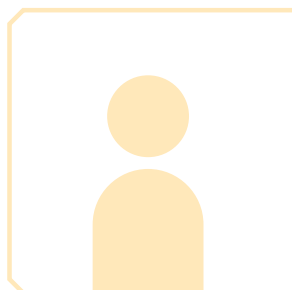
The Office continues to support staff in providing them with the training and opportunities to develop and broaden their experience.

Some achievements are set out below:



Coist Bradford and Lewis Kennedy **The Common Purpose Northern Ireland Legacy Leadership Programme**

The Common Purpose Northern Ireland Legacy Leadership Programme is designed to bring together leaders from diverse backgrounds to tackle complex societal issues and create lasting positive change in Northern Ireland. Through a series of workshops, discussions, and collaborative projects, participants explore leadership strategies, enhance their understanding of the region's unique challenges, and develop innovative solutions. Reflecting on his experience Coist commented that he has gained a deeper understanding of inclusive leadership, conflict resolution, and community engagement. Furthermore he has developed practical skills in strategic thinking, communication, and collaboration, enabling him to drive meaningful change in his own sphere of influence and beyond.



Connie Foley **Public Sector Apprentice of the Year Candidate**

Connie, a second year Higher-Level Apprentice was shortlisted in this category of the NI Apprenticeship Awards this year.

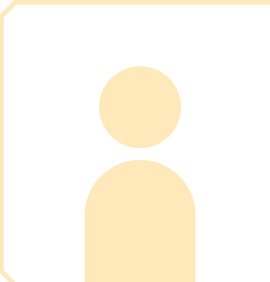
Connie spoke positively about her experience commenting that "being a finalist for the apprenticeship awards 2025 in the public sector category was a great experience and honour. This opportunity enabled me to advocate for apprenticeships and network with other apprentices. It pushed me outside my comfort zone but in turn has given me more confidence and self-belief. I feel honoured to be shortlisted and it wouldn't have been possible without the skills, support, and experiences that I have gained from my time so far in the Office. The awards ceremony was a very positive and uplifting day and it was very nice to cheer everyone on. The nomination allowed me to recognise all the hard work I have put into my apprenticeship journey."



Sarah Davidson

CIPFA Accredited Counter Fraud Technician (ACFTech)

During the year Sarah undertook this qualification, which is accredited by the Counter Fraud Professional Awards Body. It was achieved through a combination of self-study, attending a five-day intensive online course, and completion of an exam and assignment. Reflecting on her achievement, Sarah commented, "Fraud, especially cyber fraud, is very topical now and completing this course has allowed me to gain knowledge of fraud awareness and the impact that fraud has on the UK. It was interesting to learn alongside others who work within the public sector and hear their experiences to date and put my own learning into practice within the Counter Fraud Unit at NIAO."



Donna Anderson

Certificate in Diversity and Inclusion in the Workplace

The course consisted of 8 modules followed by an on-line assessment and submission of a 1,000 word essay. Donna noted that "this certificate provided me with a better understanding of the opportunities that are available for greater inclusivity in the current working environment. I am a member of NIAO's Equity, Diversity and Inclusion Committee and what I have learnt will be of great benefit."



Karen Costley

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.

Karen supported a mentee during 2024-25, working with a sixth form student from Lumen Christi College.

Reflecting on the experience, Karen noted "It was really fulfilling as a mentor to be able to help a young student grow in confidence, particularly with public speaking. I also enjoyed the opportunity to help spread information on the work that we do, which hopefully will help attract more people to join us as trainees or apprentices."



Curtis Fleming & Beth Lyttle

Young Scotland and Northern Ireland Programme

This is a 4-day residential annual event held in January and run jointly with the Young Ireland Programme. The event brings together delegates, early in their public sector careers, to develop their communication skills and build confidence through discussion and dialogue, the personal testimonies of inspiring speakers, and the delegates' own presentations on questions of 'current interest or controversy'.

Speaking about her experience in representing the Office, Beth commented "I enjoyed the programme especially meeting new people working in the public sector across Scotland, NI and Ireland. I found the public speaking challenges difficult but after completing them I think my confidence in this area has greatly improved."

Curtis also found the experience to have been very positive commenting "Having the chance to explore different public speaking styles, from structured speeches to spontaneous responses and interviews, really pushed me out of my comfort zone. Repeating this in front of a large audience over a few days helped me grow more confident in this environment."

During the year there was further exam and professional development success for our Trainee Accountants and Higher-Level Apprentices. Michael McNally, Jude Kells, Nikita White, Beth Lyttle and Caitlin Graham were admitted to membership of Chartered Accountants Ireland and are all promoted and working as Auditors in the office.

Trainee Accountants Alex Kerr, Fiona Cullen and Kyle Jeavons passed their Chartered Accountant Proficiency 2 (CAP2) exams. Siubhan Ni Chiarain, Ben Johnston, Daniel Bowden and Johnny Feeney passed their Chartered Accountant Proficiency 1 (CAP1) exams.

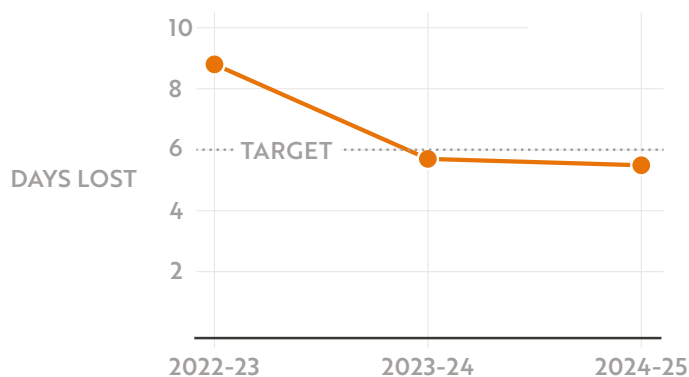
Conor Sackesen and Eva Donaghy successfully completed their Higher-Level Apprenticeship (HLA), qualifying as Account Technicians and have both progressed to the Trainee Accountant programme entering at CAP2 level.

Connie Foley successfully completed year 1 of her HLA and is currently completing Year 2. Connie has been successful in securing a conditional Trainee Accountant place with the office beginning in September 2025.

Sickness Absence

The NIAO successfully achieved its target of six days' average sickness absence per employee for 2024-25, showing a further reduction from levels in the preceding three years as follows:

Average days lost to sickness absence per employee has been below the 6 day target over the last two years



Overall sickness absence was 5.49 days lost per employee in 2024-25, a reduction on the previous year's 5.70 days.

Sixty-one per cent of these absences resulted from the long-term sickness of a small number of staff with 56 per cent of staff having no sickness absences in 2024-25.

We have a comprehensive attendance management policy, providing advice and guidance 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. Sickness absence is well managed with return to work meetings routinely carried out by line managers, following all incidents of sickness absence. Figures are also closely monitored by the Senior Leadership Team and the Advisory Board.

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

Investment in People

Our People Strategy and Learning Development and Talent Management Strategy for the period 2024-29 are intrinsic to the delivery of our Corporate Plan's strategic priorities.

As an Investors in People (IiP) accredited organisation we are committed to the continuous investment in our staff 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.

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. We have 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. That process highlighted many positive indicators and a number of areas for development to support action planning for continuous improvement.

Employee engagement and wellbeing

We provide access to a range of resources, such as on-site gym and wellness facilities, Mental Health First Aiders, access to an online Health and Wellbeing portal and an Employee Assistance Programme that includes provision for family members.

During the reporting period, we continued to deliver a Wellbeing Strategy through an action plan, supported by our Wellbeing Committee, with a focus on physical, mental, financial and social wellbeing. The Wellbeing Committee and the Sports and Social club collaborated to develop a calendar of activities including walks, lunchtime pool competitions, bowling, golf, yoga, a sleep awareness session, nutrition workshop, blood donation sessions, gardening club, all of which were well-supported during the year. In addition flu vaccines and health checks were provided for staff.

Engaging with the Community

Two teams took part in the Belfast Marathon relay event in May 2024. Our annual Macmillan Coffee morning was held in September 2024 followed by a day of building relationships with our colleagues in the Office of the Comptroller and Auditor General in Dublin. In December 2024 two teams volunteered at our local South Belfast Foodbank sorting and dating 5 tonnes of food with our staff providing a food donation that was the equivalent of 147 meals.

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.

Equity, Diversity and Inclusion

We are fully committed to the effective promotion of equality of opportunity in all our employment policies and procedures. We adopt a fair and consistent approach to recruitment and appointments are made on merit. Equity 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 staff are encouraged to develop to their full potential and we are committed to developing talent within the organisation on a fair and impartial basis.

We appreciate the benefits of a diverse workforce, creating a more inclusive culture and accessing a broader range of perspectives, skills and talent. This year we participated in various initiatives such as SistersIN.

The Equity, Diversity, and Inclusion (EDI) Committee has been making significant strides in promoting a more inclusive environment. With a steadily growing membership, it is committed to ensuring that diverse voices are not only heard but actively engaged in shaping the culture of the NIAO. This commitment is demonstrated through the work being done to obtain Diversity Mark Accreditation. As part of the accreditation, the incoming year will be pivotal with an EDI Strategy being developed and rolled out across the organisation for the first time.

In addition to this Accreditation, the EDI Committee has also taken important steps to address the needs of staff. The rollout of a "period-friendly workplace" initiative led to sanitary packs being placed in female and unisex toilets throughout the Office. This initiative not only demonstrates our commitment to staff wellbeing but also fosters a culture of openness around topics that have historically been stigmatised. Through these efforts, the EDI Committee aims to provide a workplace that values and respects the diverse identities and experiences of all members of staff.

Staff Turnover

The staff turnover percentage, defined as the number of leavers divided by the average staff in post, was 5.6 per cent for the year ended 31 March 2025 compared to 8 per cent for the previous year.

During 2024-25 we carried out a number of engagements with local universities and Further Education colleges, and we are working with many of our stakeholders to continue to recruit and retain high quality staff at the NIAO.

Real Living Wage

We became an accredited Real Living Wage employer in April 2020 and we are currently one of over one hundred Real Living Wage accredited 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 brackets. As an accredited employer we are committed to paying a wage independently calculated based on the cost of living ensuring that workers receive a fair wage that meets their everyday needs and we believe that this will help in our ambition to become an employer of choice.

Dying to Work

We have agreed a charter that sets out how our employees will be supported, protected and guided throughout their employment, following a terminal diagnosis.

Resource Accounts 2024 - 25

Article 6 (3) of the Audit (Northern Ireland) Order 1987, as amended requires the NIAO to prepare resource accounts of the kind mentioned in Section 9 of the Government Resources and Accounts Act (Northern Ireland) 2001. Details of the Order can be found at www.legislation.gov.uk.

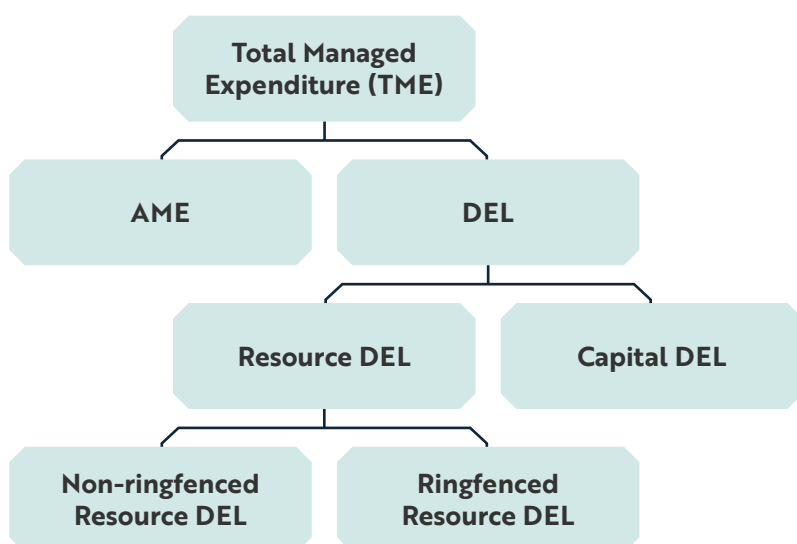
The financial statements on pages 104 to 107 have been prepared on a resource basis in accordance with the 2024-25 Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF).

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 (NIA AC) 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 Budget Act (Northern Ireland) Order 2025, which received Royal Assent on 6 March 2025, together with the Northern Ireland Spring Supplementary Estimates 2024-25 which were agreed by the Assembly on the 17 February 2025, provide the statutory authority for the Executive's final 2024-25 expenditure plans. The Budget Act (Northern Ireland) 2025 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2025-26 financial year.

Budget structure



The total amount the NIAO spends is referred to as the Total Managed Expenditure (TME), which is split into:

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

HM Treasury, and in turn DoF, do not set firm AME budgets. They are volatile or demand-led in a way that bodies cannot control. The NIAO does not have any AME expenditure.

As DEL budgets are controllable, Treasury sets firm limits for DEL budgets for Whitehall departments and Devolved Administrations at each Spending Review. 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 separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets.
- Capital DEL includes spending on the purchase and /or acquisition of assets.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by Treasury. [Consolidated budgeting guidance 2024 to 2025 - GOV.UK](#)

Budgetary Performance

Details of the NIAO's 2024-25 performance against Budgetary Control totals is set out in the table below.

	Final Plan 2024-25 £000	Provisional Outturn 2024-25 £000	Underspend / (Overspend) 2024-25 £000
Resource DEL	9,613	9,337	276
Non-ringfenced	9,388	9,156	232
Ringfenced	225	181	44
Capital DEL	30	0	30
Total DEL = TME	9,643	9,337	

Explanation of Variances

Our underspend in Resource DEL this year is primarily due to delays and challenges in the filling of vacant posts.

We did not spend any of the capital allocated this year as estimated planned works were not completed by the year end.

Resources

The Northern Ireland Assembly Audit Committee authorises separate resource, capital and cash budgets, which form totals within which the NIAO must manage.

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

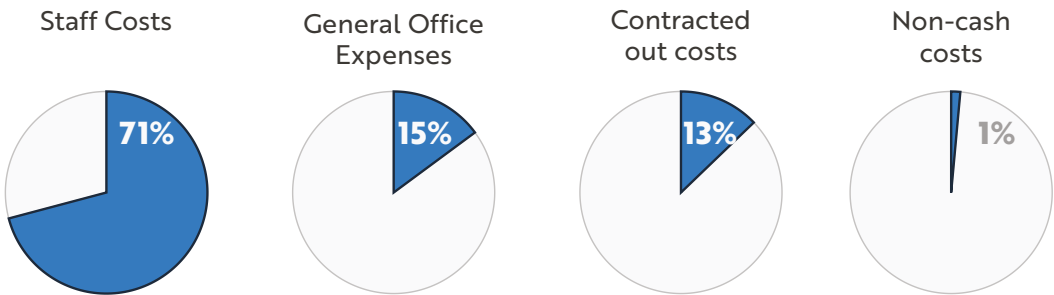
	Estimate £'000	Outturn £'000	Saving / (Excess) £'000	Saving / (Excess) %
Total spend on audit and assurance work	12,450	12,208	242	1.9
Less: income	(3,103)	(3,137)	34	1
Net spend	9,347	9,071	276	2.9
Capital expenditure	30	0	30	100

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 NIAO.

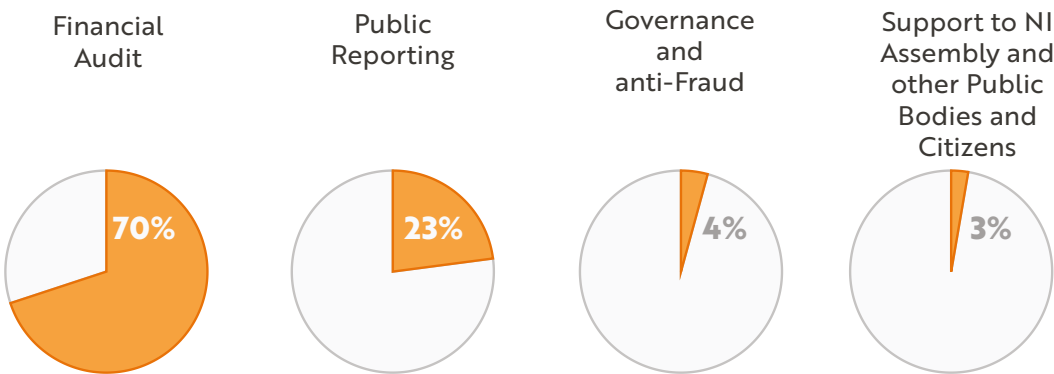
This table ties directly to the Statement of Outturn against Assembly Supply (SOAS) as a key accountability statement which is audited.

The figures below show that the main area of expenditure continues to be staff costs at 71 per cent of expenditure (2023-24: 70 per cent), with 70 per cent of the NIAO’s resources (2023-24: 65 per cent approximately) being focused on financial audit.

Key areas of expenditure



How we used our resources



Included in the above, the cost of administering the Comptroller Function was £20,000, 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 97.

Resources required in the future

During October and November 2024, the C&AG and NIAO officials gave evidence to the NI Assembly Audit Committee (NIA AC) in respect of the budget proposed for 2025-26. The NIA AC agreed that the Executive’s Budget document should make provision for the bid submitted and the NI Executive agreed the 2025-26 allocation of a Resource DEL budget of £11.2 million 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:

	2024-25 £'000	2023-24 £'000
Resource Budget Outturn of which		
Departmental Expenditure Limits (DEL) – Voted	9,071	8,252
Departmental Expenditure Limits (DEL) – Non-Voted	266	257
Annually Managed Expenditure (AME)	-	-
Total	9,337	8,509
Net Operating Cost	9,337	8,509

Payment of Suppliers

We are 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 2024-25, we paid 98 per cent of bills (2023-24: 97.6 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 2024-25 we met this standard for 94.4 per cent of invoices received (2023-24: 92.7 per cent).

Sustainability, environmental, social and community matters

The Climate Change Act (Northern Ireland) 2022 (the Act) sets a clear statutory target of net zero emissions by 2050. This legislation places a statutory duty on all government departments to exercise their functions in a manner that is consistent with achieving that target as far as possible.

Our sustainability reporting is based on the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

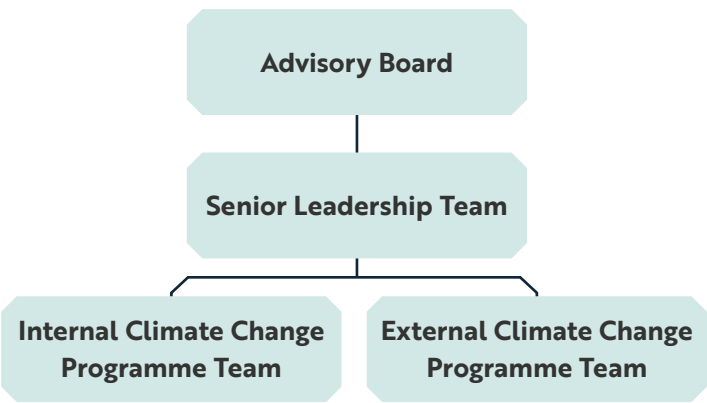
Governance within the NIAO

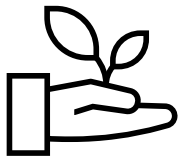
The NIAO established two teams to address the issue of sustainability:

- the Internal Climate Change Programme Team (ICCPT) which focuses on what the Office can do; and
- the External Climate Change Programme Team (ECCPT) which focuses on the position in the wider public sector.

Both teams report to the Senior Leadership Team (SLT) and the Advisory Board, providing updates on sustainability issues.

The current governance structure is summarised below:





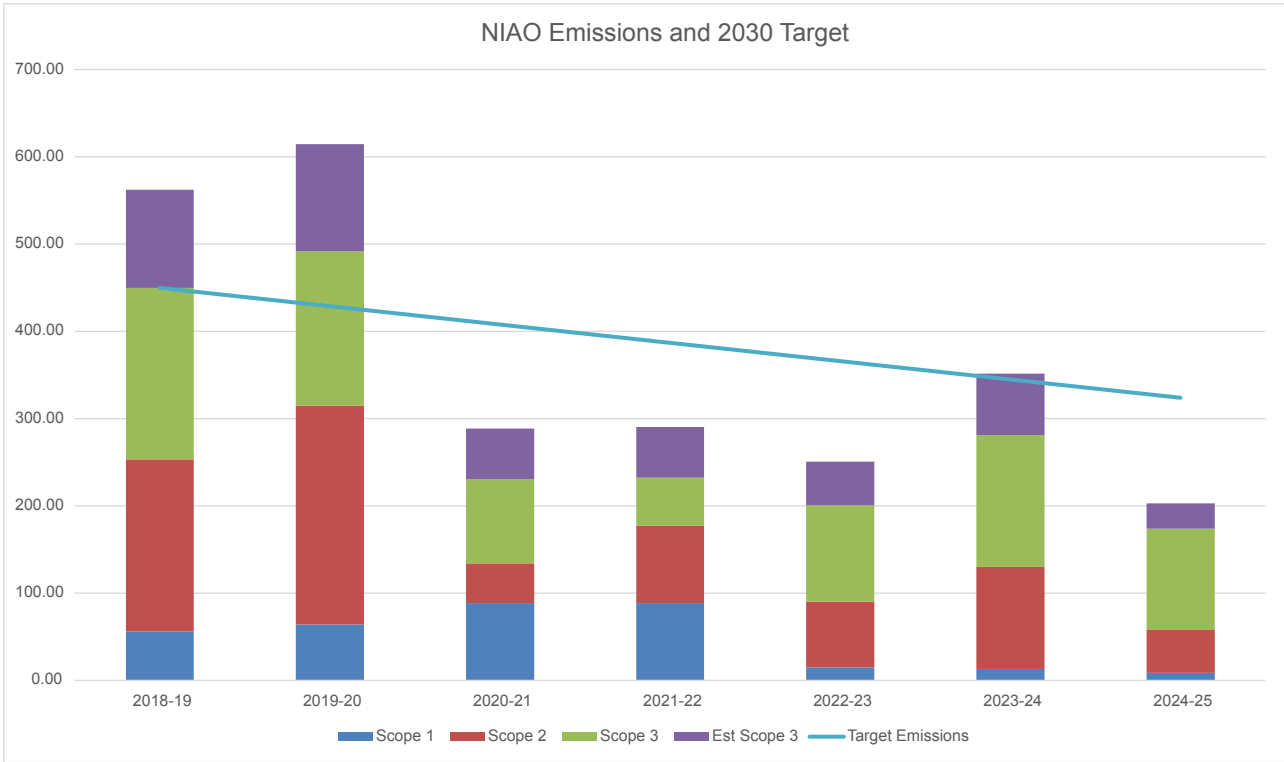
Emissions

We have adopted the Green House Gas Protocols 2001 (GHG) and the associated GHG reporting and use the UK Government Conversion Factors¹ for greenhouse gas (GHG) reporting as they are relevant to emissions reporting. We report on:

- Scope 1 (direct) emissions, which are those we make directly, for example, through the burning of natural gas for heating;
- Scope 2 (energy indirect) emissions, released into the atmosphere in line with our consumption of purchased electricity;
- Scope 3 (other indirect) emissions such as water usage, business travel, commuting and working from home.

Our baseline year for emissions is 2018-19, as it was the first year that complete data was available, and the last complete year, free from the COVID-19 pandemic disruption and the new hybrid way of working.

NIAO annual emissions (Total Tonnes CO₂e per year) by scope and targets



¹ [ghg-conversion-factors-2024-condensed set for_most_users_v1_1.xlsx](#)

Analysis

Scope	2024-25 Nearest Tonnes Co2e	2023-24 Nearest Tonnes Co2e	Analysis
1	9	13	This is driven purely by gas consumption which was lower this year.
2	49	117	Electric consumption is the only emission that meets the definition of Scope 2. We have consumed more electricity this year, however the emissions' factor has reduced as our electricity consumption is now sourced from fully renewable energy. Previously, we had reported waste generation and water usage under this scope which is now reported under Scope 3.
3	184	107	Emissions have risen due to an increase in business travel and associated increase in accommodation costs for staff.
Estimated Scope 3	41	60	We have estimated this based on the number of audits we contract out. It assumes that the firms, to whom we contract audits, have achieved the same emissions' efficiency as we have. We recognise that more reliable data is required in this area.
Trajectory	Target met in 2024-25	Target met in 2023-24	The Climate Act 2022 target is a 48% reduction against baseline by 2030. In 2024-25 we achieved a 49% reduction.

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

Managing Risks

NIAO's Corporate Risk Register Working Group considers the latest in sustainability and environmental risks in its annual horizon scanning exercise and reports these to the ICCPT and ECCPT.

We have reviewed various scenarios on the Department for Infrastructure's flood maps' viewer and considered them as part of our office's business continuity plan to ensure operations can continue without access to the office.

A potential risk to our work is the impact of climate change on our auditees, as assets may become more difficult to value and verify.

Actions

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 based on our reporting and recommendations. Audit teams now consider climate change related risks as part of our work. During the year three of our staff have undertaken additional training on sustainability reporting with Chartered Accountants Ireland.

Members of staff attended several environmental, renewable energy and sustainability conferences in year, to identify emerging issues in sustainability.

We have also continued the successful scheme Fill by Floor Fridays in which our building is filled from the first floor up to reduce the energy used on heating and lighting for one day a week. Staff also continue to look after the many plants and shrubs in the car park throughout the year.

Action plan metrics and KPIs

Following on from the creation of the ICCPT action plan in 2023, we are continuing to make satisfactory progress in implementing the 18 identified tasks, with many of them embedded as part of our everyday operations and monitoring.

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 Act's target of Net Zero by 2050. Maintaining the 2030 target of a 48% reduction will be the focus of our efforts in the coming years.

We are mindful of the International Sustainability Standards Board's development and publication of sustainability standards S1 and S2 and will seek to incorporate any additional requirements in our reporting in the coming years.

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 in 2023-24.

Target	Met in year	Comment
Being on target to reduce emissions by 48% by 2030 in line with legislation	Achieved	We have reduced our carbon emissions, since the 2018-19 baseline year, by 49%. Emissions have decreased by 18% in 2024-25 from 2023-24 (2024-25 target: 26% reduction).
Reducing electricity consumption	Not Achieved	There has been a 27% increase in electricity consumption since 2023-24, however consumption is now sourced from fully renewable energy.
Reducing gas consumption	Achieved	Gas usage has decreased by 41% since 2023-24.
Reducing water consumption	Achieved	Our water consumption has decreased by 18% since 2023-24.
Increasing species on office grounds	n/a	No official data to support or compare but anecdotally more species of pollinators have been observed in year and plant species and variety remains higher than before the garden car park was established. In 2024-25, we held our Annual Big Dig event, where staff planted flowers and plants in our car park.



Dorinnia Carville
Comptroller and Auditor
General for Northern Ireland

30 June 2025

Accountability Report

Corporate Governance Report

The section explains the NIAO’s governance structures and 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 chaired by either 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
Suzanne Jones	Director
Colette Kane	Director
Brian O’Neill	Director
Seamus Wade	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 accordance with the 'Corporate governance in central government departments: Code of good practice NI 2025' issued by the Department of Finance, with the objective of providing constructive challenge.

The Advisory Board comprises four non-executive members, the C&AG and the Chief Operating Officer (COO). The non-executive members bring 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. 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 NIA AC.

In 2024-25, the Advisory Board's membership, in addition to the C&AG was as follows:



Marie Mallon OBE

Advisory Board Chairperson from 2 December 2024

Previously Non-Executive Director

Marie Mallon (OBE) was previously Director of HR and Deputy CEO of Belfast Health and Social Care Trust for seven years, having held the position of Director of HR with the Royal Hospitals Trust before that. Marie is an associate of the HSC Leadership Centre and was previously Chair of both the Labour Relations Agency and the Public Sector Chairs Forum. She was also recently on the Board of the NI Transport Holding Company (Translink) and, in 2022, she was awarded an OBE for her services to industrial and employment relations in Northern Ireland.



Martin Pitt

Advisory Board Chairperson, until 1 December 2024

In December 2018, Martin Pitt was appointed as the Chairperson of the Advisory Board for an initial three-year period to December 2021 and was subsequently 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.

Rodney has been a member of the NIAO senior team since 2008. He is a fellow member of the Association of Chartered Certified Accountants and is a graduate of the US Office of Personnel Management's Federal Executive Institute.

Three new non-executive members were appointed to the Advisory Board during the year for a three-year period:



Dean Sullivan

Non-executive Director, since 26 February 2025

Dean is a CIPFA-qualified accountant and is currently a self-employed management consultant. His recent consultancy roles include stocktake of the NI Regional Co-ordination Centre for unscheduled care on behalf of the six HSC Trust Chief Executives. He has recently provided the Southern Trust with strategic, operational and governance support.

Dean's previous roles include Chief Strategy Officer for the Irish Health Service Executive (2017-24) and Director of Commissioning at the NI Health Social Care Board (2010-17).



Claire McAleenan

Non-executive Director, since 26 February 2025

Claire has been employed by Natwest as Head of Cost Planning from 2021. This organisation has over 60,000 employees and operating costs exceeding £7 billion. Claire is a chartered accountant and recently had oversight of the Ulster Bank Republic of Ireland exit program from 2021-24.

Claire holds a leadership role as a Regional Board Member for Ulster Bank. This role focusses on promoting growth and brand along with supporting a variety of charities. Claire is a former Non-executive Director for Parenting NI from 2017- 20.



Jill McLaughlin

Non-executive Director, since 18 March 2025

Jill is a highly experienced corporate and commercial solicitor with a career spanning over two decades. She holds a Law degree from the University of Newcastle upon Tyne and a Diploma in Legal Practice from the University of Northumbria, where she was awarded the Law Society prize for Outstanding Performance. She is a qualified solicitor in both England & Wales and Northern Ireland.

Jill has recently been appointed as a lecturer for the MSc in Management and Corporate Governance course at Ulster University. She is passionate about integrating her wealth of practical experience into academic learning and equipping future leaders with essential corporate governance expertise.

Two non-executive members and our Boardroom Apprentice left during the year:



Fergus Devitt

Non-executive Director, resigned 27 January 2025

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 and an accredited High Risk GatewayTM 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.



John Turkington

Non-executive Director, until 31 March 2025

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.



Bonnie MacRae (term ended 30 June 2024)

Boardroom Apprentice

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.

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 the NIAO's operational activities. It comprises three non-executive Board members, excluding the Board Chairperson who appoints its Chairperson. The Board Chairperson attends by invitation. During 2024-25 the membership of the Committee has been:

- John Turkington (Chairperson until 31 March 2025)
- Marie Mallon OBE (Until 2 December 2024 when she was appointed Chairperson of the Board)
- Fergus Devitt (Resigned on 27 January 2025)
- Dean Sullivan (Chairperson since 1 April 2025, in post since February 2025)
- Claire McAleenan (in post since February 2025)
- Jill McLaughlin (in post since March 2025)
- Bonnie MacRae (until 30 June 2024)

Register of interests

The SLT and Advisory Board members complete an annual declaration of interests. None of the non-executive or executive members held company directorships or significant interests which might conflict with their responsibilities in 2024-25. 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.

Details of the cost of the work done by the external auditor are disclosed in Note 3 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) during 2024-25.

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 [Complaints Page | Northern Ireland Audit Office](#). 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.

We received no complaints during either 2024-25 or 2023-24. 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 1000

Health and Safety

Our health and safety policy is available to all staff.

No incidents were recorded during 2024-25 or 2023-24 and there was nothing to report to the Health and Safety Executive for Northern Ireland under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

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 independent.



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 during the year by the NIAO.

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 provides 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.

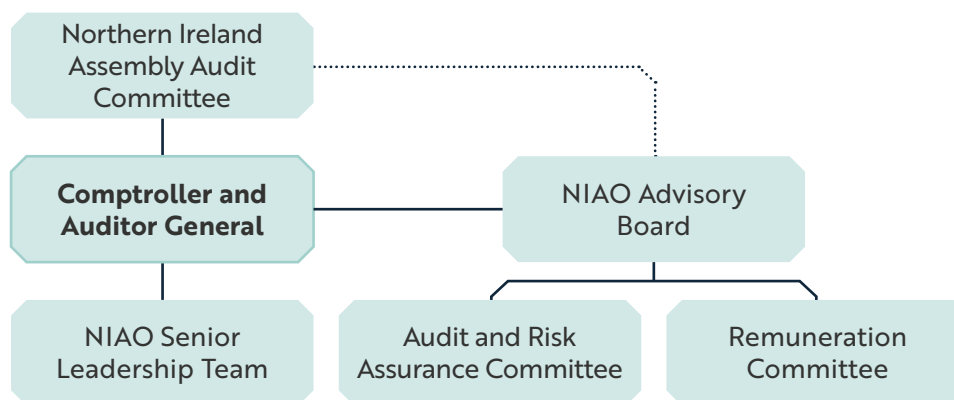
As the holder of this office, I have primacy in determining the strategy, staffing and structure of the Office and am responsible for designing and implementing the internal governance arrangements to support the delivery of my statutory functions. In so doing, I seek to comply with the spirit of the 'Corporate governance in central government departments: Code of good practice NI 2025' ('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 2025 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 (NIA AC)'s report on the "[Review of the Governance and Accountability Arrangements for the Northern Ireland Audit Office and the Northern Ireland Public Services Ombudsman](#)" issued 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 formal separation of the NIAO from the C&AG and its establishment as a body corporate in the form of a statutory board, and the appointment of non-executive members of the NIAO statutory board by the NIA AC.

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 the NIA AC to reflect organisational changes is in progress.

The 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 (NIA AC)

I am accountable to the Northern Ireland Assembly via the NIA AC, which has the role defined in section 66 of the Northern Ireland Act 1998. Under current arrangements, the NIA AC'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;
- the adequacy of management's response to issues identified by audit activity, including external audit's management letter; and
- monitoring progress on actions taken in response to recommendations.

During 2024-25, the Advisory Board met three times. The attendance at each of these meetings is recorded below:

Members present	03/06/24	21/10/24	26/02/25
Martin Pitt (Chairperson until 1 December 2024)	Yes	Yes	Not in post
Marie Mallon OBE (Chairperson from 2 December 2024)	Yes	Yes	Yes
John Turkington	Yes	Yes	Yes
Fergus Devitt	No	Yes	Yes
Dorinnia Carville (Comptroller & Auditor General)	Yes	Yes	Yes
Rodney Allen (Chief Operating Officer)	Yes	Yes	Yes
Bonnie MacRae (Boardroom Apprentice)	Yes	Not in post	Not in post

Other officials attended, as required, to assist with the discussion of agenda items. The Office's Information Governance Officer provided support services.

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. The Chairperson of ARAC, appointed by the Advisory Board Chairperson, was John Turkington.

During 2024-25 the Committee met 4 times. The attendance is recorded below:

Members present	22/05/24	24/06/24	16/09/24	27/01/25
John Turkington (Chairperson)	Yes	Yes	Yes	Yes
Marie Mallon OBE	Yes	Yes	Yes	Yes
Fergus Devitt	No	Yes	Yes	Yes
Martin Pitt (by invitation)	Yes	Yes	No	Yes
Bonnie MacRae (Boardroom Apprentice)	No	Yes	Not in Post	Not in Post

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

ARAC remains independent of all of the NIAO's 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 areas of focus in 2025-26.

Remuneration Committee

The Advisory Board has also established a further sub-committee, the Remuneration Committee, which met twice in 2024-25. It comprises all non-executive Advisory Board members of the NIAO and supports the Advisory Board in advising me on a variety of employment-related matters as outlined in its Terms of Reference.

The attendance at each of these meetings is recorded below:

Members present	24/06/24	01/08/24
Marie Mallon OBE (Chairperson)	Yes	Yes
John Turkington	Yes	Yes
Martin Pitt	Yes	No
Fergus Devitt	Yes	Yes

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

Senior Leadership Team

The Senior Leadership Team (SLT) comprises me, 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 these meetings 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 2025', its responsibilities are: Strategic Projects; Strategic Performance; People and Organisational Development; Financial Management; Corporate Governance; Communication and Engagement; Risk Management; and Audit Quality.

The SLT has formally met 11 times in 2024-25 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.

Corporate Management Team

During 2024-25 a Corporate Management Team (CMT) was established to further strengthen the governance arrangements in place within the Office. CMT comprises all Managers within the NIAO and is responsible for operational leadership and contributing to the strategic leadership within the NIAO.

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. We 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.

During 2024-25, 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 5 times in 2024-25. The timing of its meetings ensured that all requirements of the SLT and ARAC were addressed on a timely basis. No near misses or breaches of significant control arose during the year.

The Working Group is comprised of staff from within the Office and provides them with development opportunities and a fresh perspective on how the NIAO considers and manages risks. During the year SLT asked the Working Group to refresh the Corporate Risk Register within the current strategic framework. As part of this process the Working Group sought feedback from all staff on the risk management process and the Corporate Risk Register. In addition I have asked our internal auditors to review the risk management process and assurance framework within the NIAO and this work will conclude in 2025-26.

During 2024-25 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 effectively 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 with further detail provided in my annual Quality 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 regularly 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;
- maintain information asset registers; and
- ensure an up-to-date Data Protection Policy is 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 SLT, 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 Internal Audit and the executives within the NIAO who have responsibility for the development and maintenance of the internal control framework, comments made by External Audit in their Report to those charged with Governance and other reports, and issues raised by ARAC. No 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 NIAO's system of internal control, corporate governance and risk management. Following a procurement process, Validera were appointed as our Internal Auditors for a period of 3 years from 2024-25. They reviewed the following areas during 2024-25:

- Core Financial Controls
- Delivery Management: Management of Contracted-out Audits
- Health and Safety: Estates Management
- Information Management

All areas received a satisfactory rating, and all recommendations for improvement have been accepted by management and either 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 the NIAO has adequate and effective risk management, governance and control processes.

Significant internal control weaknesses

I can report that there were no significant weaknesses in the NIAO's system of internal control in 2024-25 which affected the achievement of the Office's key policies, aims and objectives.



Dorinnia Carville
Comptroller and Auditor
General for Northern Ireland

30 June 2025

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 the NIAO's Estimate. The remuneration and associated pension and national insurance contributions are disclosed in Note 3 to the Accounts on page 113 as Consolidated Fund Standing Services.

NIAO staff

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, relates solely to an incremental pay scale step, where appropriate. The pay award involves a minimum percentage uplift in gross terms which is awarded to all 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 permanent. 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 Officials (Audited)

The following sections provide details of the remuneration and pension interests of the NIAO's Senior Leadership Team (SLT). The information on pages 79 to 91 is covered by the audit opinion.

Single total figure of remuneration						
Officials	Salary (£'000)		Pension Benefits* (to the nearest £1,000)		Total (£'000)	
	2024 - 25	2023 - 24	2024 - 25	2023 - 24	2024 - 25	2023 - 24
				**		
Dorinnia Carville*** C&AG	150-155	150-155	60	59	210-215	210-215
Rodney Allen COO	130-135	120-125	116	37	225-250	155-160
Patrick Barr Director	95-100	90-95	56	47	150-155	135-140
Suzanne Jones Director	95-100	90-95	56	47	150-155	135-140
Colette Kane Director / LGA	105-110	95-100	70	21	175-180	115-120
Brian O'Neill Director	95-100	85-90	70	36	165-170	120-125
Seamus Wade Director	95-100	85-90 (full year equivalent 90-95)	38	34	135-140	120-125
Tomas Wilkinson Director	100-105	95-100	62	26	160-165	120-125

* 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.

** Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the Remedy Period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

*** The salary of the C&AG is based on her salary at appointment in August 2021. The Northern Ireland Assembly Audit Committee (NIA AC) is currently reviewing the position.

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 expenditure incurred by the NIAO and treated by HM Revenue and Customs as a taxable emolument. No such benefits were provided to the NIAO’s staff during either 2024-25 or 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 is met by the NIAO following agreement with HMRC.

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 member of the SLT in the NIAO in the financial year 2024-25 was £150,000 to £155,000 (2023-24: £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.

2024 - 25	25th percentile	Median	75th percentile
Total Remuneration	£43,069	£48,000	£57,733
Pay Ratio	3:5:1	3.2:1	2:6:1

2023-24	25th percentile	Median	75th percentile
Total Remuneration	£40,824	£48,004*	£53,301
Pay Ratio	3.7:1	3.5:1	2.9:1

**The median percentile for 2023-24 has been restated to align with the methodology used in 2024-25 which is considered more meaningful.*

The 25th percentile, median and 75th percentile remuneration figures are based on annualised salaries for the last month of the financial year, adjusted for any non-consolidated payments made to staff during the year.

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.

The values for the salary component of remuneration for the 25th percentile, median and 75th percentile were £43,069 (2023-24: £40,824), £48,000 (2023-24: £48,004) and £57,733 (2023-24: £53,301) respectively.

No employees received remuneration more than the highest paid member of the SLT in either 2024-25 or 2023-24.

Remuneration ranged from £23,177 to £154,527 (2023-24: £21,052 to £154,527).

The C&AG's role is the highest paid position in NIAO and she was the highest paid member of the SLT during 2024-25. Her salary was in the range £150,000 to £155,000 (2023-24: £150,000 to £155,000). This was 3.2 times (2023-24: 3.5) the median remuneration of the workforce which was £48,000 (2023-24: £48,004).

Percentage Change in Remuneration

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

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

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:	2024-25 v 2023-24	2023-24 v 2022-23
Average Employee Total Remuneration	0%	3%
Highest Paid Director's Total Remuneration*	0%	0%

**The highest paid director's total remuneration is based on her salary at appointment in August 2021. The Northern Ireland Assembly Audit Committee (NIA AC) is currently reviewing the position.*

No performance pay or bonuses were payable in these years.

Pension Benefits – Officials (Audited)

Name and Title	Accrued pension at pension age as at 31/3/25 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2025	CETV at 31 March 2024	Real increase in CETV
Official	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Dorinnia Carville C&AG	10-15	2.5-5	135	81	36
Rodney Allen COO	65-70 (plus a lump sum of 175-180)	5-7.5 (plus a lump sum of 7.5-10)	1,559	1,389	111
Patrick Barr Director	25-30	2.5-5	381	324	36
Suzanne Jones Director	25-30	2.5-5	358	305	33
Colette Kane Director / LGA	40-45 (plus a lump sum of 110-115)	2.5-5 (plus a lump sum of 2.5-5)	1,042	938	61
Brian O'Neill Director	30-35 (plus a lump sum of 75-80)	2.5-5 (plus a lump sum of 2.5-5)	662	576	57
Seamus Wade Director	0-5	0-2.5	65	29	26
Tomas Wilkinson Director	30-35 (plus a lump sum of 75-80)	2.5-5 (plus a lump sum of 2.5-5)	719	633	55

* The pension benefits of any members affected by the [Public Service Pensions Remedy](#) which were reported in 2022-23 based on alpha membership for the period between 1 April 2015 and 31 March 2022 have been reported since 2023-24 based on PCSPS(NI) membership for the same period.

Pension Arrangements C&AG

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.

Northern Ireland Civil Service (NICS) Pension Schemes

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. The majority of 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. Transitional protection measures introduced alongside these reforms meant any members who, on 1 April 2012, were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 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 and 2015 Remedy

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 older (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. There are a significant number of Immediate Choice Remediable Service Statement (RSS) packs to issue. This process involves complex calculations to provide members with individually tailored statements. Due to the complexity of the calculations and some prolonged work to finalise policy elements of the remedy, not all Immediate Choice packs will issue by 31 March 2025 as originally planned. The legislation for the 2015 Remedy provides discretion which allows the Scheme Manager to extend beyond this date so it has become necessary to engage this discretion.

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 at DoF [Annual Reports and Accounts](#).

As part of the remedy involved rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits for the 2024-25 pension disclosures for affected members continue to be based on the rolled back position.

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%.

From 1 April 2015, all new entrants joining the NICS 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) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos 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%.

Benefits in Classic accrued 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 accrued 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 essentially 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% and 14.75% (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% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Annual Benefit Statements

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 Nuvos. Further details about the NICS pension schemes can be found at the website [Civil Service Pensions \(NI\)](#).

Pension Increases

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 2024 was 1.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2025.

Employee Contribution Rates

Employee contribution rates for all members for the periods covering 1 April 2024 – 31 March 2025 and 1 April 2025 – 30 June 2025 are as follows².

Annualised Rate of Pensionable Earnings (Salary Bands) From 01 April 2024 to 31 March 2025		Annualised Rate of Pensionable Earnings (Salary Bands) From 01 April 2025 to 30 June 2025		Contribution rates - All members
From	To	From	To	
£0	£26,302.49	£0	£27,091.99	4.6%
£26,302.50	£59,849.99	£27,092.00	£61,645.99	5.45%
£59,850.00	£160,964.99	£61,646.00	£165,793.99	7.35%
£160,965.00 and above		£165,794.00 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 as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended).

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% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% 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 [Basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes - GOV.UK](#). As at the year-end there have been no further changes to the SCAPE discount rate of 1.7% above CPI inflation since the HM Treasury guidance was published.

² Rates are expected to change mid-year as a result of the outcome of the [consultation on Scheme Yield and Member Contributions](#).

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, 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

No members of senior management lost office in 2024-25.

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 2024-25, the following remuneration was payable to non-executive members.

	Date of Contract	Length of contract (years)	2024 - 25 Salary £'000	2023 - 24 Salary £'000
Martin Pitt	01-12-21	3	7.5-10	10-12.5
Marie Mallon OBE*	01-04-22	3	7.5-10	2.5-5
John Turkington	01-04-22	3	2.5-5	2.5-5
Fergus Devitt**	08-06-23	3	0-2.5	2.5-5

* Marie Mallon OBE was appointed Board Chairperson from 2 December 2024.

**Fergus Devitt was appointed for a period of three years from 8 June 2023 and resigned on 27 January 2025.

Three new non-executive directors were appointed during the year for a 3 year period. Dean Sullivan and Claire McAleenan were appointed on the 26 February 2025 and Jill McLaughlin was appointed on the 18 March 2025.

Staff Report

Staff Costs (Audited)

	2024-25 £'000			2023-24 £'000
Staff Costs	Permanently employed staff	Others	Total	Total
Wages and salaries	6,097	44	6,141	5,644
Social security costs	680	-	680	621
Other pension costs	2,019	-	2,019	1,801
Sub Total	8,796	44	8,840	8,066
Less recoveries in respect of outward secondments	-	-	-	-
Total net costs	8,796	44	8,840	8,066

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's share of the underlying assets and liabilities cannot be provided.

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 <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

For 2024-25, employers' contributions of £2,019,296 were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay, for all salaries (2023-24: £1,800,361 at one of three rates in the range 28.7% to 34.2%).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employers' contributions were paid in 2023-24 or 2024-25.

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% 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 2024-25 and 2023-24. No contributions were due to the partnership pension providers at the reporting period date either.

In both 2024-25 and 2023-24 no-one retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £NIL (2023-2024: £NIL).

Average number of persons employed (Audited)

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

2024-25			2023-24
Permanently employed staff	Others	Total	Total
114	1	115	117

There were 120 permanent full-time equivalent staff at 31 March 2025 (2023-24: 116).

	Male	Female	Total
Senior Management	5	2	7
Other Staff	47	66	113
Total	52	68	120

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

There were no compulsory redundancies in 2024-25 (2023-24: nil).

Consultancy

In 2024-25, we paid £19,200 (2023-24: £25,200) to external consultants. This amount is included in Professional Services Bought In which is disclosed in Note 3 to the Financial Statements.

Temporary staff

In 2024-25, we paid £43,625 (2023-24: £2,050) for temporary staff. This amount is included in Wages and Salaries 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 2024-25. We had no off-payroll engagements in place at any time during 2024-25 or 2023-24.

Sickness absence data

We had an overall sickness absence rate of 5.49 days lost per employee between April 2024 and March 2025 (2023-24: 5.7 days lost). Sixty-one per cent of absence arose due to a small number of staff suffering from long term sickness while 56 per cent of staff had no absences in 2024-25.

All staff have access to an Employee Assistance Programme which includes access to a confidential helpline and counselling, and guidance on a range of health and wellbeing matters. A Wellbeing Strategy is in place to help promote healthy lifestyles. Through this, a range of health and wellbeing initiatives are provided to staff with a particular focus on mental, physical, social and financial wellbeing.

Employee Consultation and Trade Union Relationships

The NIAO recognises the importance of good industrial relations and is committed to engaging effectively with its staff. The NIAO consults and/or negotiates with recognised Trade Union, NIPSA, on matters relating to HR policy, pay, terms and conditions. Monthly meetings take place with local representatives to enable consultation on any relevant matters.

Staff Policies regarding Disabled People

The NIAO is an equal opportunities employer, committed to the promotion of equality in all aspects of working life. Full and fair consideration is given to applications for employment made by disabled persons and reasonable adjustments for disabled job applicants are made on request. The NIAO makes reasonable adjustments to enable disabled staff members to perform their duties effectively and participate as fully as possible in all aspects of the working environment. Occupational Health Service provide advice and guidance on the provision of reasonable adjustments which are in place for a number of staff.

Employee Engagement

In 2024-25, all staff were invited to take part in the NIAO's biennial Staff Engagement Survey and supplementary staff focus groups. 95 staff participated in the survey (80% response rate) and the results were shared with staff on 22 May 2025. The NIAO's People Engagement Programme has been developed in response to the survey findings, providing a thematic framework to focus on areas where staff have indicated scope for further enhancement.

Diversity & Inclusion

Equity, Diversity and Inclusion (EDI) is intrinsic to the NIAO's Corporate Plan 2024-29 and is one of the five pillars of the NIAO's People Strategy 2024-29. Our aim is to ensure all our people feel they work in an inclusive environment which celebrates diversity, and everyone has a sense of belonging. To further our commitment to Equity, Diversity and Inclusion, in March 2025, the NIAO made an application to Diversity Mark for accreditation. The NIAO is currently developing an Equity, Diversity and Inclusion Strategy that will inform an EDI action plan.

Learning & Development

The NIAO Learning, Development and Talent Strategy directly aligns with our Corporate Plan 2024-29 and is a fundamental part of the strategic pillars within the NIAO People Strategy. Recruitment, retention and development of staff continues to be a high priority for the NIAO, in order to maintain and develop as an organisation. NIAO provides an extensive programme of learning and development for staff that includes professional and technical development, leadership development, management development, skills development, trainee development and personal development. For a number of years the NIAO have operated a successful trainee programme supporting Higher-Level Apprentices and Trainee Accountants. Trainees make up eighteen per cent of the NIAO's current workforce. This year we will see our first trainee who started as a Higher-Level Apprentice successfully complete the programme to qualify as a chartered accountant. Another of our Higher-Level Apprentice trainees was recognised as a Young Apprentice of the Year finalist.

Assembly Accountability and Audit Report

Statement of Outturn against Assembly Supply (SOAS)

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 [Estimates publications | Department of Finance](#).

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 (note 1); a reconciliation of outturn to net expenditure in the SOCNE, to tie the SOAS to the financial statements (note 2); and a reconciliation of net resource outturn to net cash requirement (note 3).

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 52, 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.

Summary table, 2024-25, all figures presented in £'000s

Type of spend	Note	Outturn			Estimate			Outturn vs Estimate saving/(excess)		Prior Year Outturn total, 2023-24
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
Departmental Expenditure Limit Resource	SOAS 1.1	9,071	266	9,337	9,347	266	9,613	276	276	8,252
Capital	SOAS 1.2	-	-	-	30	-	30	30	30	43
Total Budget Expenditure		9,071	266	9,337	9,377	266	9,643	306	306	8,295
Non-Budget Expenditure		-	-	-	-	-	-	-	-	-
Total Budget and Non-Budget Expenditure		9,071	266	9,337	9,377	266	9,643	306	306	8,295

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 2024-25, all figures presented in £'000s

Item	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn total, 2023-24
Net Cash requirement	SOAS 3	8,974	9,252	278	8,088

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 2024-25, all figures presented in £'000s

Type of spend	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn total, 2023-24
Programme costs	SOAS 1.1	9,071	9,347	276	8,252

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

Notes to the Statement of Outturn against Assembly Supply, 2024-25, (£'000)

SOAS1.1 Outturn detail, by Estimate Line

SOAS 1.1 Analysis of resource outturn by Estimate line, all figures presented in £'000s.

Type of spend (Resource)	Resource outturn			Estimate	Outturn vs Estimates saving/(excess)	Prior Year Outturn total, 2023-24
	Programme			Total		
	Gross	Income	Net Total			
Spending in Departmental Expenditure Limits (DEL)						
Voted Expenditure						
1. Audit and Assurance Services	12,208	(3,137)	9,071	9,347	276	8,252
Total Voted DEL	12,208	(3,137)	9,071	9,347	276	8,252
Non-voted Expenditure						
2. Comptroller and Auditor General's Costs	266	-	266	266	-	257
Total non-voted DEL	266	-	266	266	-	257
Total spending in DEL	12,474	(3,137)	9,337	9,613	276	8,509

Note: This note mirrors Parts II of the Estimates: (Revised) Subhead Detail and Resource to Cash Reconciliation.

SOAS 1.2 Analysis of capital outturn by Estimate line, all figures presented in £'000s.

Type of spend (Capital)	Outturn			Estimate	Outturn vs Estimates saving/ (excess)	Prior Year Outturn total, 2023-24
	Programme			Total		
	Gross	Income	Net Total			
Spending in Departmental Expenditure Limits (DEL)						
Voted Expenditure						
Audit and Assurance Services	-	-	-	30	30	43
Total Voted DEL	-	-	-	30	30	43

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	Note	Outturn total £'000	Estimate £'000	Outturn vs Estimate, saving/(excess) £'000
Total Resource outturn	SOAS 1.1	9,337	9,613	276
Total Capital outturn	SOAS 1.2	-	30	30
Adjustments to remove non-cash items: Depreciation, impairments and revaluations		(181)	(225)	(44)
Adjustments to reflect movements in working balances: Increase/(decrease) in receivables		(27)	100	127
(Increase)/decrease in payables		111	-	(111)
Total		9,240	9,518	278
Removal of non-voted budget items				
Consolidated Fund Standing Services		(266)	(266)	-
Net cash requirement		8,974	9,252	278

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.

	2024-25 £'000			2023-24 £'000		
	Income	Full Cost	Surplus/ (deficit)	Income	Full Cost	Surplus/ (deficit)
Fee Income						
NAO	149	143	6	461	434	27
Other Financial Audit	1,713	1,779	(66)	1,560	1,692	(132)
Local Government Audit	1,123	1,218	(95)	1,027	995	32
NFI	148	136	12	-	-	-
	3,133	3,276	(143)	3,048	3,121	(73)

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 and significant issues arising in certain audits.

Remote Contingent Liabilities

In addition to contingent liabilities reported in the financial statements, the Office has no other 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.



Dorinnia Carville
Comptroller and Auditor
General for Northern Ireland

30 June 2025

Independent Auditor's Certificate and 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 2025 under the Audit (Northern Ireland) Order 1987. The financial statements comprise:

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in their preparation of the financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

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 as at 31 March 2025 and of its net operating expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- have been properly prepared in accordance with the Audit (Northern Ireland) Order 1987 and relevant Department of Finance directions issued thereunder.

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 2025 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 this report.

We are independent of 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 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 Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that Northern Ireland Audit Office's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Audit Office's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and our auditor's 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 auditor's report, 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 Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; 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

In the light of the knowledge and understanding of the Northern Ireland Audit Office and its environment obtained in the course of the audit, we have not identified material misstatements in the Performance Report and Accountability Report.

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;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Northern Ireland 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 Accounting Officer either intends to liquidate the entity or 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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's 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.

Our procedures included:

- 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 Northern Ireland Audit Office's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Northern Ireland Audit Office's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement partner led team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, we identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journals;
- engagement partner oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

Owing to 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. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional 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. This description forms part of our auditor's report.

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. The voted Assembly control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget and Net Cash Requirement. 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 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

1 July 2025

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

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.

		2024-25		2023-24	
	Note	£'000	£'000	£'000	£'000
Total Operating Income	4		(3,137)		(3,048)
Staff Costs	3	8,840		8,066	
Purchase of Goods and Services	3	3,453		3,236	
Depreciation and impairment charges	3	181		255	
Total Operating Expenditure			12,474		11,557
Net Operating Expenditure	SOAS1.1		9,337		8,509
Other Comprehensive Net Expenditure					
Items that will not be reclassified to net operating expenditure: – Net (gain) on revaluation of Property, Plant and Equipment	5/6		(185)		(96)
Comprehensive Net Expenditure for the year			9,152		8,413

The notes on pages 108 to 122 form part of these accounts.

Statement of Financial Position as at 31 March 2025

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 2025		31 March 2024	
		£'000	£'000	£'000	£'000
Non-current Assets					
Property, Plant and Equipment	5	5,266		5,272	
Investment Property	6	950		940	
Total non-current assets			6,216		6,212
Current Assets					
Trade and other receivables	7	1,068		1,057	
Cash and cash equivalents	8	278		257	
Total current assets			1,346		1,314
Total Assets			7,562		7,526
Current liabilities					
Trade and other payables	9	(980)		(1,032)	
Total current liabilities			(980)		(1,032)
Total assets less total liabilities			6,582		6,494
Taxpayers' equity and other reserves:					
General Fund			6,374		6,310
Revaluation Reserve			208		184
Total equity			6,582		6,494

The notes on pages 108 to 122 form part of these accounts.



Dorinnia Carville
Comptroller and Auditor
General for Northern Ireland

30 June 2025

Statement of Cash Flows for the year ended 31 March 2025

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 cashflows 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	2024-25 £'000	2023-24 £'000
Cashflows from operating activities			
Net expenditure for the year		(9,337)	(8,509)
Adjustment for non-cash transactions	3	181	255
(Increase) / Decrease in trade and other receivables	7	(11)	(26)
(Decrease) / Increase in trade and other payables	9	(52)	(100)
less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		(21)	150
Net cash outflow from operating activities		(9,240)	(8,230)
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	5,6	-	(85)
Purchase of intangible assets		-	-
Net cash outflow from investing activities		-	(85)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		8,995	8,010
Consolidated Fund Standing Services	3	266	227
Net financing		9,261	8,237
Net (decrease) / increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		21	(78)
Payments of amounts due to the Consolidated Fund		-	-
Net (decrease) / increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		21	(78)
Cash and cash equivalents at the beginning of the period		257	335
Cash and cash equivalents at the end of the period		278	257

The notes on pages 108 to 122 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

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 2023		6,328	234	6,562
Net Assembly Funding		8,345	-	8,345
Consolidated Fund Standing Services	3	227	-	227
Consolidated Fund Standing Services Adjustment	3	30	-	30
Supply payable adjustment	9	(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
Net Assembly Funding		9,252	-	9,252
Consolidated Fund Standing Services	3	228	-	228
Consolidated Fund Standing Services Adjustment	3	38	-	38
Supply payable adjustment	9	(278)	-	(278)
Comprehensive Net Expenditure for the year		(9,337)	185	(9,152)
Other reserves movements including transfers		161	(161)	-
Balance at 31 March 2025		6,374	208	6,582

The notes on pages 108 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.

These financial statements have been prepared in accordance with the 2024-25 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of the NIAO for the purpose of giving a true and fair view has been selected. The policies adopted by the NIAO are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2 Basis of preparation

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of investment 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: Insurance Contracts replaces IFRS 4: Insurance Contracts and is to be included in the FReM for mandatory implementation from 2025-26. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard.

IFRS 17 requires insurance contracts, including reinsurance contracts, to be recognised on the statement of financial position as the total of the fulfilment cashflows and the contractual service margin (CSM).

The fulfilment cashflows consist of the present value of future cash flows calculated using best estimate assumptions with an explicit risk adjustment for non-financial risk.

The risk adjustment is released to the SoCNE as risk expires. The CSM is the unearned profit on insurance contracts and is released to the SoCNE over the insurance contract period as insurance services are provided. Where an insurance contract is onerous, it will have no CSM and the onerous element of the insurance contract will be recognised immediately in the SoCNE.

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

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18: Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The Public Sector implementation date is not yet confirmed. The impact of IFRS 18 on the Public Sector is still being assessed.

Non-investment asset valuations

In December 2023 Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (e.g. PPE, intangible assets). The following changes to the valuation and accounting of non-investment assets is to be included in the 2025-26 FReM for mandatory implementation:

References to assets being held for their 'service potential' and the terms 'specialised/ non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets, which remains Existing Use Value (EUV).

An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets are now valued using one of the following processes:

- A quinquennial revaluation supplemented by annual indexation.
- A rolling programme of valuations over a 5-year cycle, with annual indexation applied to assets during the 4 intervening years.
- For non-property assets only, appropriate indices.
- In rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year 3.

The option to measure intangible assets using the revaluation model is withdrawn. The carrying values of intangible assets at 31 March 2025 will be considered the historical cost at 1 April 2025.

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 2025 is current 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 by the NIAO and held to earn rental income. It was 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 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

1.7 Revenue from contracts with clients

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 4.

1.8 Rental income

The NIAO rents parts of its office to a third party at a commercial rate. The rental contract is classified as an operating lease and rental income is recognised as it falls due. Any financial incentives offered, such as rent-free periods, are accounted for separately and apportioned across the lease. Rental income includes a service charge levied on an accruals basis to recover central costs borne by the NIAO.

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 2024-25 this was at a rate of 1 per cent (2023-24: 5 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 and the Investment property are 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 4 to the financial statements.

2. Statement of Operating Expenditure by Operating Segment

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

	2024-25			2023-24		
	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Income £'000	Net Expenditure £'000
Financial Audit	8,845	2,776	6,069	8,393	2,865	5,528
Public Reporting	2,768	209	2,559	2,262	183	2,079
Governance and Fraud Prevention and Detection	514	-	514	608	-	608
Support to the NI Assembly, other public bodies and citizens	327	-	327	277	-	277
Comptroller Function	20	-	20	17	-	17
Total	12,474	2,985	9,489	11,557	3,048	8,509

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 the NIAO's 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. Expenditure

	Note	2024-25		2023-24	
		£'000	£'000	£'000	£'000
Staff Costs ³ :					
Wages and Salaries		6,141		5,644	
Social Security Costs		680		621	
Other Pension Costs		2,019		1,801	
			8,840		8,066
Contracted Out Audits		1,598		1,497	
IT Support Services		416		441	
Accommodation		402		342	
Recruitment and training		191		240	
Consolidated Fund Standing Services (C&AG's costs)		266		257	
National Fraud Initiative Charge		136		-	
Professional Services Bought In		196		128	
Other Indirect Costs		114		149	
Office Supplies/Equipment		42		62	
Legal Fees		28		50	
Travel and Subsistence		23		27	
Internal Auditor's Fees		15		15	
External Auditor's Fees - Audit		21		22	
Hospitality		5		6	
			3,453		3,236
Non-cash items					
Depreciation	5	181		184	
Impairment of non-current assets	5	-		43	
Reclassification of non-current assets	5	-		28	
			181		255
Total			12,474		11,557

3 Further analysis of staff costs is located in the Staff Report on page 88.

4. Operating Income

Item	2024-25 £'000	2023-24 £'000
Income from NAO	149	461
Other Audit Fees	2,836	2,587
NFI	148	-
Rental Income	4	-
Total	3,137	3,048

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.	Issue a Certificate and Report of the C&AG to the Northern Ireland Assembly.
Agreement Audit	There is no legal contract with fee-paying statutory audit clients but a contract is deemed to be in place, 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.
Companies Act 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.
National Audit Office subcontract services	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 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 the National Audit Office. 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.

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 7. 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.

5. Property, Plant and Equipment

2024-25

	Land £'000	Buildings £'000	Information Technology £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation					
At 1 April 2024	400	4,500	66	366	5,332
Additions	-	-	-	-	-
Reclassifications	-	-	-	-	-
Disposals	-	-	(3)	-	(3)
Impairment	-	-	-	-	-
Revaluations	-	-	-	23	23
At 31 March 2025	400	4,500	63	389	5,352
Depreciation					
At 1 April 2024	-	-	20	40	60
Reclassification	-	-	-	-	-
Charged in year	-	155	10	16	181
Disposals	-	-	(3)	-	(3)
Revaluations		(155)		3	(152)
At 31 March 2025	0	0	27	59	86
Carrying amount at 31 March 2024	400	4,500	46	326	5,272
Carrying amount at 31 March 2025	400	4,500	36	330	5,266

All assets at 31 March 2025 are owned by the NIAO.

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

5. Property, Plant and Equipment cont'd

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 2024	-	-	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 were owned by the NIAO.

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

6. Investment Property

2024-25

	Investment Property £'000
Cost or Valuation	
At 1 April 2024	940
Additions	-
Disposals	-
Revaluations	10
At 31 March 2025	950
Depreciation	
At 1 April 2024	-
Charged in year	-
Disposals	-
Revaluations	-
At 31 March 2025	-
Carrying amount at 31 March 2024	940
Carrying amount at 31 March 2025	950

All assets at 31 March 2025 are owned by the NIAO.

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

6. Investment Property cont'd

2023-24

	Investment Property £'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	-
Carrying amount at 31 March 2023	1,000
Carrying amount at 31 March 2024	940

All assets at 31 March 2025 are owned by the NIAO.

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

7. Trade and other receivables

	2024-25 £'000	2023-24 £'000
Amounts receivable within one year		
Trade receivables	53	196
Work in progress	842	684
Rent receivable	4	-
Consolidated Funding Services non-supply adj	38	30
Prepayments	131	147
Total	1,068	1,057

There are no amounts receivable after more than one year.

8. Cash and cash equivalents

	2024-25 £'000	2023-24 £'000
Balance at 1 April	257	335
Net change in cash and cash equivalent balances	21	(78)
Balance 31 March*	278	257

*The above balance is held at a commercial bank within the NI Banking Pool.

9. Trade and other payables

	2024-25 £'000	2023-24 £'000
Amounts falling due within one year		
VAT	5	86
Trade payables	69	37
Consolidated Funding Services non-supply adj	38	30
Accruals	272	334
Employee benefits accrual	262	232
Total excluding amounts due to the Consolidated Fund	646	719
Amounts issued from the Consolidated Fund for supply but not spent at the year end	278	257
Sub Total	924	976
Other payables: capital creditor	56	56
Total	980	1,032

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

10. 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 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, given these complexities, the cases are still at an early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

11. Related Party Transactions

None of the NIAO Advisory Board, Audit and Risk Assurance Committee, 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.

12. 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 1 July 2025.



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