

Media Release



Partnership Working: Departments and Arm's Length Bodies

More needs to be done to ensure that oversight of Northern Ireland's public sector Arm's Length Bodies (ALBs) is proportionate and consistent. This is among the conclusions of a report published today (25 March 2026) by the Comptroller and Auditor General.

Dorinnia Carville's report on "Partnership Working: Departments and Arm's Length Bodies" reviews progress made on addressing shortcomings in the way NI government Departments oversee and work with ALBs. These shortcomings were highlighted in a 2018 Insight Report, published by the Department of Finance, which made a series of recommendations for improving the approach to sponsorship.

Today's report highlights that Northern Ireland's ALBs play a vital role in delivering public services. Collectively, these bodies were responsible for 77 per cent of departmental spending in 2024-25.

Despite the importance of ALBs and their working relationships with sponsor Departments, the report notes that many recommendations made in the 2018 Insight Report have not been implemented fully or at pace.

The report includes recommendations around Partnership Agreements. These Agreements aim to clearly define the governance and assurance framework for individual ALBs; the roles and responsibilities of ALBs and their respective Departments; and the annual plan for engagement between the two. However, despite Department of Finance guidance indicating that Partnership Agreements should be phased in from 1 April 2020, by January 2026 around 27 per cent of Agreements had yet to be signed and published on sponsor department websites as required by DoF guidance. These included the Education Authority which recorded a total resource spend of over £3.3 billion in 2024-25.

Today's report notes an absence of a formal definition of what constitutes an ALB and a lack of central oversight of Partnership Agreements by the Department of Finance, which does not routinely track whether Agreements are in place or being reviewed in line with its guidance.

The NIAO review included stakeholder engagement with representatives from ALBs and sponsor Departments. The report notes that, while some ALBs reported improved dialogue with their Departments, several described ongoing challenges to partnership working. Additionally, the report notes that staffing levels in Sponsor Teams with Departments have increased by nearly 11 per cent 2019, despite the introduction of guidance on the need for proportionate oversight of ALBs.

THIS STATEMENT IS ISSUED ON THE STRICT UNDERSTANDING THAT IT IS NOT FOR PUBLICATION OR BROADCAST BEFORE 00.01 hrs ON WEDNESDAY 25 MARCH 2026

Commenting on the report's findings, Ms Carville said:

"The Programme for Government reinforces that 'working in partnership' is essential for successful delivery of public services in Northern Ireland. Arm's length bodies play a vital role in service delivery and are responsible for significant levels of public expenditure.

Oversight of arm's length bodies is essential for providing assurance that the services they deliver, and the significant public expenditure involved, are being managed effectively and efficiently. However, such oversight should be proportionate and based on relationships defined by transparency and trust.

Existing guidance from the Department of Finance offers a solid foundation for partnership working, but this needs support at a system-wide level. This report recommends that the NICS Board plays an active role in ensuring that previous recommendations from the Insight Report are implemented in full. It also recommends that more is done to support Departments and ALBs to adopt a more consistent and appropriate level of oversight."

ENDS

Notes for Editors

1. The Comptroller and Auditor General (C&AG) is Head of the Northern Ireland Audit Office (the Audit Office). She and the NIAO are totally independent of Government. The C&AG certifies the accounts of Government Departments and a range of other public sector bodies. She has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. Her reports are published as Assembly papers.
2. The report is available on the Audit Office website at www.niauditoffice.gov.uk. The report is embargoed until 00.01 hrs on Wednesday 25 March 2026.