



Northern Ireland
Audit Office

Annual Report and Accounts 2025 - 26

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 2026

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.
1 July 2026



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Summary of the year

147

accounts certified

93%

of NIAO recommendations
accepted by audited bodies

96%

of respondents to our survey of
audited bodies agreed or strongly
agreed that the NIAO's work leads to
improvement in public services

24

reports and good practice
guides published

Accredited

by DiversityMark and
Investors in People

84%

of surveyed MLAs said
they had a favourable
opinion of the NIAO



Performance Report

Overview

Chairperson's Foreword

As Chair of the Advisory Board I am pleased to present the Annual Report and Accounts for the year ending 31 March 2026. The Advisory Board exists to support the Comptroller and Auditor General (C&AG) by providing objective and impartial advice and works to assist her in the discharge of her functions whilst recognising the status of the Board as being Advisory. This year marked the beginning of a completely new Board and it has quickly become effective in carrying out its purpose. As Chair, I greatly welcomed the fresh perspectives and insights my fellow Non-Executive Directors have brought to the Board, and I would like to sincerely thank them for their input, time and effort.

As Chair of the Advisory Board, I am proud to be part of an organisation that continues to play such an important role in providing independence and excellence in audit to improve public services. We work to ensure public money is spent properly through the activities we undertake. Our 130 staff members work closely with the public bodies we audit to understand the challenges they face and assist them to make improvements in public services. We do this in several ways. The financial audits we undertake of around 150 public bodies seek to ensure that the public money allocated is spent properly. Our public reporting seeks to ensure that when public funds are being used there is evidence that they have been used efficiently and effectively. This work is of great value to the Northern Ireland Assembly, particularly the Public Accounts Committee as it scrutinises public spending based on the reports we produce.

Our work on promoting good practice in governance arrangements to help combat fraud is about ensuring money is spent in line with the purpose for which it was allocated. We are

delighted to see the value of the work that goes into our good practice guides being recognised by the number of downloads from our website. The good practice guides are invaluable in assisting with our strategic objective and commitment to help improve public services. I am greatly encouraged by the results of our annual survey of audited bodies which show these guides continue to be highly valued by those working across the public sector.

We could not undertake such important work and achieve the quality that is required unless our people perform in line with our vision, purpose and values. Our third strategic objective of being a high-performing people-focused organisation recognises that we need to invest in our people. We do this in a number of ways. Our Learning and Development strategy identifies not only the professional learning and development that is needed to ensure technical skills are at a high level, but that management and leadership skills are also essential to meeting our objectives.

Our People Strategy likewise outlines the actions needed to ensure our staff meet the challenges of their role and assist in both attracting and retaining the high calibre staff we need. This is particularly important as we grow and further develop the organisation.

The Board have been delighted to see improvements in our recruitment and retention figures and continue to work toward retaining and indeed improving on our IIP accreditation.

We will continue to transform the way we work by embracing technology and have already started to embrace the opportunities offered by artificial intelligence, with a new dedicated AI group looking at its further potential. These efforts contribute to our organisational development agenda and continuous improvement approach.

As an organisation we are mindful of our obligation to limit as far as possible our impact on the environment and to make our contribution to achievement of climate change targets.

The Advisory Board will continue to support the NIAO in the achievement of its strategic objectives. I would like to thank the C&AG for the value she puts on the contribution of the Board. We are able to freely give our views, supporting and challenging where appropriate. My thanks as well to the Chief Operating Officer (COO), Directors who attend the Board periodically and indeed other staff who have attended to present on particular items. Whilst recognising the Board operates in the strategic space, we have been encouraged to engage with staff at all levels in different ways. I know

I speak for all of my fellow Non-Executive Directors in noting that we greatly welcome these opportunities to gain a deeper and more personal understanding of the people and work of the Office.

Finally, I wish to offer my warm congratulations to Dorinnia and all her staff for another successful year - their work truly makes a difference.



Marie Mallon OBE
Chair, NIAO Advisory Board

30 June 2026



Comptroller and Auditor General's Statement

The Northern Ireland Audit Office's (NIAO) Annual Report and Accounts for the year 2025-26 reflects a wide range of notable accomplishments and milestones from my Office, over what has been a busy and highly productive 12 months. In a period when the public sector in Northern Ireland has faced growing demands and ongoing financial challenges, our work to provide independent assurance and promote improvement in services remains consistent and vitally important.

Financial audit remains at the core of what we do. The 147 accounts certified across central and local government bodies this year reflect both the diligence and commitment from NIAO staff, as well as the professional and productive relationships we continue to maintain with our audited bodies. This work provides crucial assurance on the stewardship of public funds, and I am greatly encouraged by the responses to our annual survey of audited organisations which show a vast majority of respondents (98 per cent) believe that our audit staff provided a high-quality and professional service. At the same time, we recognise the importance of ensuring we continue to deliver a high-quality audit function, and there remains scope to develop and enhance the quality of our audit work. As a result, we have further invested in our systems, methodologies and people, to ensure compliance with professional standards and support continuous improvement.

Our public reporting programme also continues to be a key means through which we add value and promote accountability for the delivery of public services. During 2025-26, we published 24 reports, spanning themes as wide-ranging as Waste Crime, Major IT Projects, and Active Travel. This work remains topical, well-profiled and highly valuable, with over 90 per cent of recommendations made across reports this year being accepted by audited bodies. In addition, we published our latest good practice guide, on Raising Concerns, aimed at supporting organisations across central and local government to develop a culture and environment where raising concerns is encouraged, welcomed and managed effectively.

These guides, and our wider public reporting programme, reflect our determination to both promote improvement in public service delivery and to highlight, acknowledge and learn from public bodies which are already demonstrating good practice.

We continue to play an important role in supporting the Northern Ireland Assembly, particularly through our close working relationship with the Public Accounts Committee. The Committee has had a similarly productive year, holding a total of eight inquiries based on our reports. MLAs have also expressed an interest in tracking and revisiting its past recommendations to help ensure greater accountability and maximise impact. I have also welcomed the opportunity to assist and engage with other Assembly committees over the last 12 months. We continue to work closely with the NI Assembly's Audit Committee in agreeing the NIAO budget and scrutinising our performance. Increased interest in the Office's output has also seen other committees, such as the Infrastructure and Finance Committees, seeking briefings and conducting inquiries based on our reports. This, along with the findings of our independent survey of MLAs, demonstrates the continued high esteem in which the NIAO is held by elected officials. We look forward to continuing to work with MLAs and Committees for the remainder of the mandate.

Collaboration more widely remains a cornerstone of our approach. During the year, we continued to work closely with key external partners including Chartered Accountants Ireland, the Business Fraud Alliance, and our colleagues across the UK and Ireland audit offices. These relationships enable the sharing of knowledge, expertise and good practice. Similarly, we were pleased to welcome a range of speakers from across the public, private and third sectors to participate in our ongoing Insight Exchange series. My Office also continues to participate and be represented at a range of external conferences and other events.

As an organisation, we recognise the need to remain outward-looking, curious to learn from the insights and experiences of others, and willing to share our own expertise widely.

This last year has seen some notable changes in leadership and responsibilities within the Office. Our colleague Colette Kane retired in December, after over 30 years with the NIAO. I was delighted to see Colette's accomplishments and contribution to public sector audit recognised in the 2026 King's New Year Honours, where she was awarded an OBE. On behalf of everyone in the Office, we wish her all the best for the future. Succeeding Colette as Local Government Auditor (LGA) is NIAO Director Brian O'Neill and I would like to congratulate Brian on taking on this vital role with significant responsibility that strengthens our oversight of local councils. With a new LGA, and a newly updated Code of Audit Practice, this has been a significant year for Local Government audit, and I wish Brian every success moving forward. I would also like to recognise the contribution of Rodney Allen, our Chief Operating Officer, who celebrated 40 years in public service in October, a major milestone reflecting his outstanding dedication and commitment.

Our people remain at the heart of everything we do. I am delighted that, after sustained effort in the delivery of our People Strategy, the Office has reached our full staff complement for our current operating model, with many colleagues having been successful in gaining promotion following open recruitment activities. This is a testament to their hard work and professionalism, and also our continued investment in staff development and learning. We have made important progress in promoting a positive and inclusive workplace. During the year, we launched our Equality, Diversity and Inclusion (EDI) Strategy, reinforcing our efforts to create an environment where all staff feel valued and supported. This has been recognised by independent accreditation and the awarding of the Diversity Mark, as well as our continued achievement of Investors in People accreditation. This year also saw the launch of our People Engagement Programme, established to take forward actions emerging from employee opinion surveys.

I have been greatly impressed with the enthusiasm of staff who have volunteered to take part in the programme from across all NIAO grades and business areas. By harnessing their insight, energy and talents, I am confident we can continue to drive improvements and make our Office an even better place for our people.

Beyond our core work, staff have demonstrated a strong commitment to social responsibility, fundraising and volunteering for the Office's chosen charity, Simon Community. Staff generously donated their personal time to support initiatives and events supporting people experiencing homelessness. These efforts demonstrate the values of our people in seeking to make a positive contribution to local communities.

The Advisory Board continues to provide valuable support and challenge. I am pleased to welcome Jill Laughlin, Clare McAleenan, and Dean Sullivan, who joined the Board in June 2025. Together with our Chairperson, Marie Mallon, their experience and insight strengthen the governance and strategic oversight of the organisation. I am grateful for their ongoing contribution, and for the support and efforts of everyone who has supported the NIAO as we continue to provide high-quality public audit to improve public services across Northern Ireland.

I look forward to the year ahead and to building on the progress made during 2025–26.



Dorinnia Carville
Comptroller and Auditor
General for Northern
Ireland

30 June 2026



About the NIAO

1 Who We Are

The role of the Comptroller and Auditor General (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.

2 Why We Exist

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

3 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.

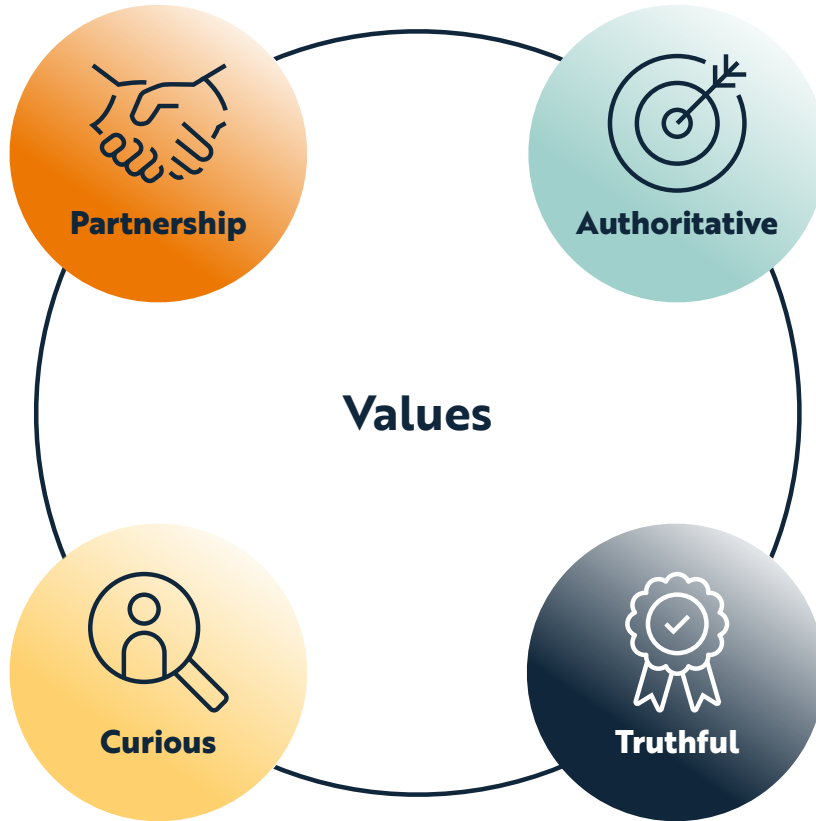


Comptroller Function

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.



Feedback From Auditees:

"The team make a clear effort to build a positive and open working relationship, engaging constructively with us to resolve matters efficiently and in a collaborative manner."



"NIAO communication and engagement is excellent. We have built strong and trusting relationships but at no point has this compromised the independence of the NIAO as we all recognise the need to identify areas for improvement."

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.
Purpose	M	Making sure public money is spent properly.
	P	Partnership... (collaborative, engaging, respectful) building positive open relationships based on trust and respect as the basis for how we work.
Values	A	Authoritative... (credible, professional, evidence based) diligent and exemplary in our practice, upholding the highest professional and ethical standards.
	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
<p>High-Quality Public Audit Support, enhance and promote high standards in public service administration, accountability arrangements and financial management.</p>	<p>Our stakeholders have confidence in the NIAO’s statutory role in providing oversight and assurance on public sector spending.</p>
<p>Improve Outcomes and Accountability Promote and influence public service reform and improvement.</p>	<p>Public services are improved by accepting, learning from and applying the insights, expertise and good practice developed by the NIAO.</p>
<p>Invest in our People and Resources Be a high-performing, people-focused organisation.</p>	<p>The NIAO is a high-performing organisation committed to continuously improving our people, resources and technology to tackle emerging challenges.</p>

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 was updated and issued in May 2026. The Memorandum which is available on the [NIAO 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



Quality

The increasing rigour of 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 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.



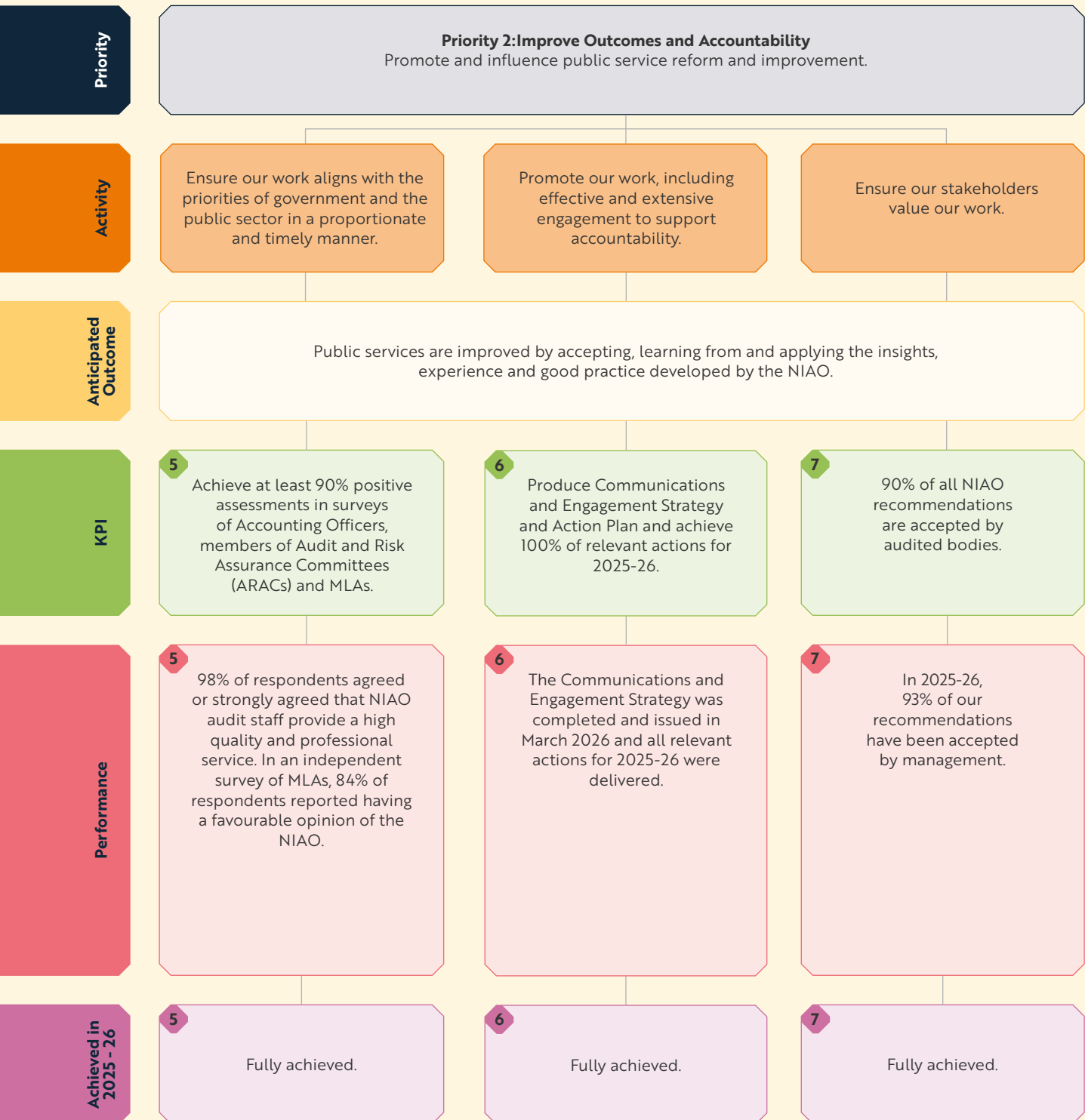
Cyber Security

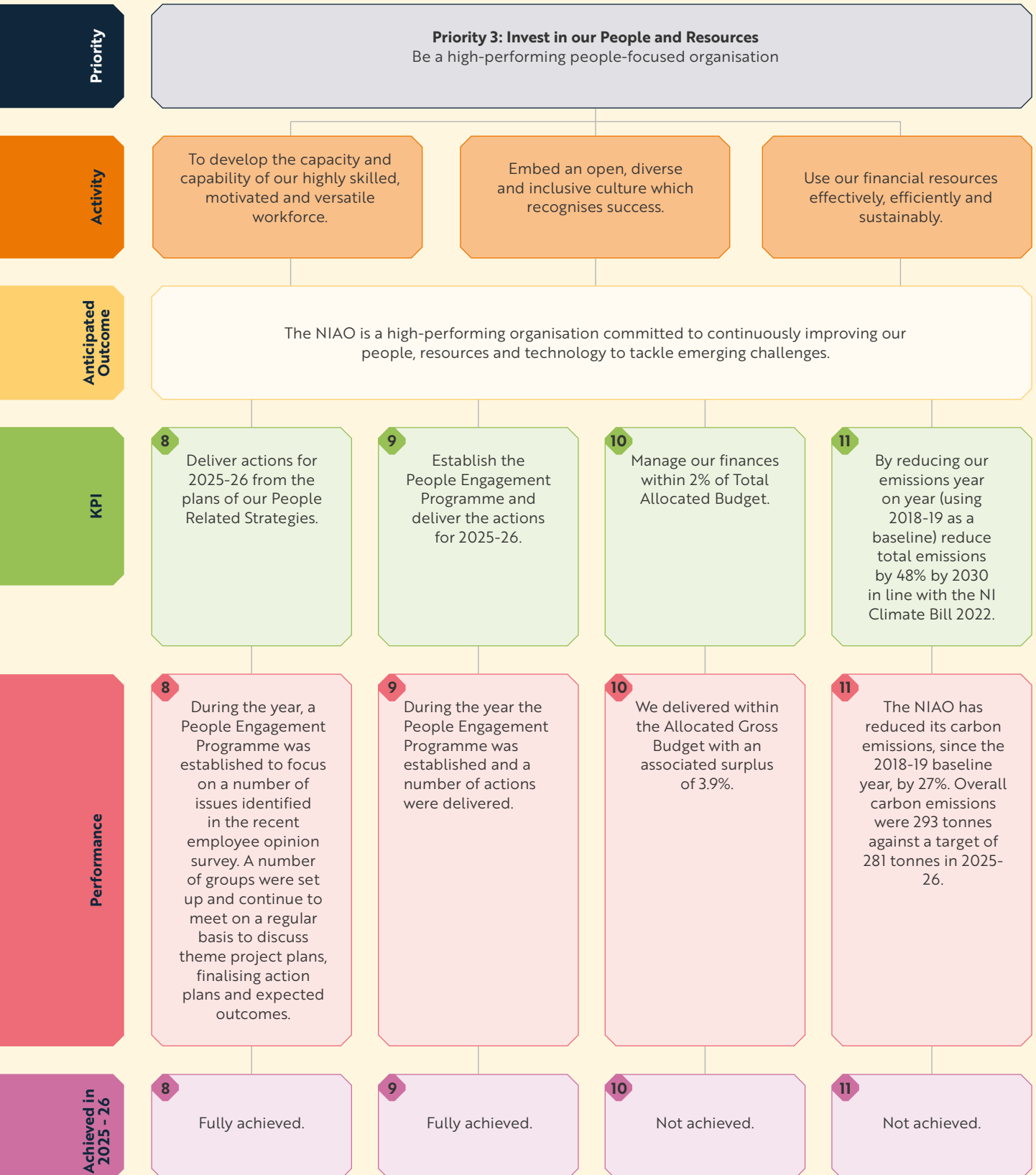
Cyber security remains a critical priority. The evolving threat landscape, characterised by more sophisticated and frequent cyber attacks, underscores the need for robust safeguards in place and continuous vigilance. Ongoing investment in systems, controls, and staff awareness is essential to mitigate risks and respond swiftly to emerging threats.

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 for the next five years. Our performance in 2025-26 has been measured against this Plan and our Business Plan for the year.







High-quality public audit

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

What this section 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
- 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. 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. The total number of the accounts audited in 2025-26 is set out below:

Total Accounts (Central and Local Government)	2025-26	2024-25
Total Accounts audited	147	154
Of which qualified	11	15
Of which disclaimed	1	1
Central Government Accounts	2025-26	2024-25
Accounts audited	132	139
Of which qualified	11	15
Of which disclaimed	1	1
Local Government Accounts	2025-26	2024-25
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 2025-26, 122 central and local government accounts (2024-25: 124) were certified. In the reporting period 25 prior year accounts were also certified (30 prior year accounts in 2024-25).

Eleven central government accounts were qualified in 2025-26 (2024-25:15), including one account where the C&AG disclaimed both of her opinions. A disclaimed audit opinion on a set of financial statements 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 was 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 make a report to the NI Assembly which may be considered by the Public Accounts Committee (PAC).

We inform the organisations we audit of the issues we find during our work 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 2025-26, 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 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 OBE, a former NIAO Director, undertook this function until 31 December 2025. Brian O'Neill, an NIAO Director, has undertaken this function from 1 January 2026. The LGA, assisted by the NIAO's staff, is responsible for the audit of local government bodies.



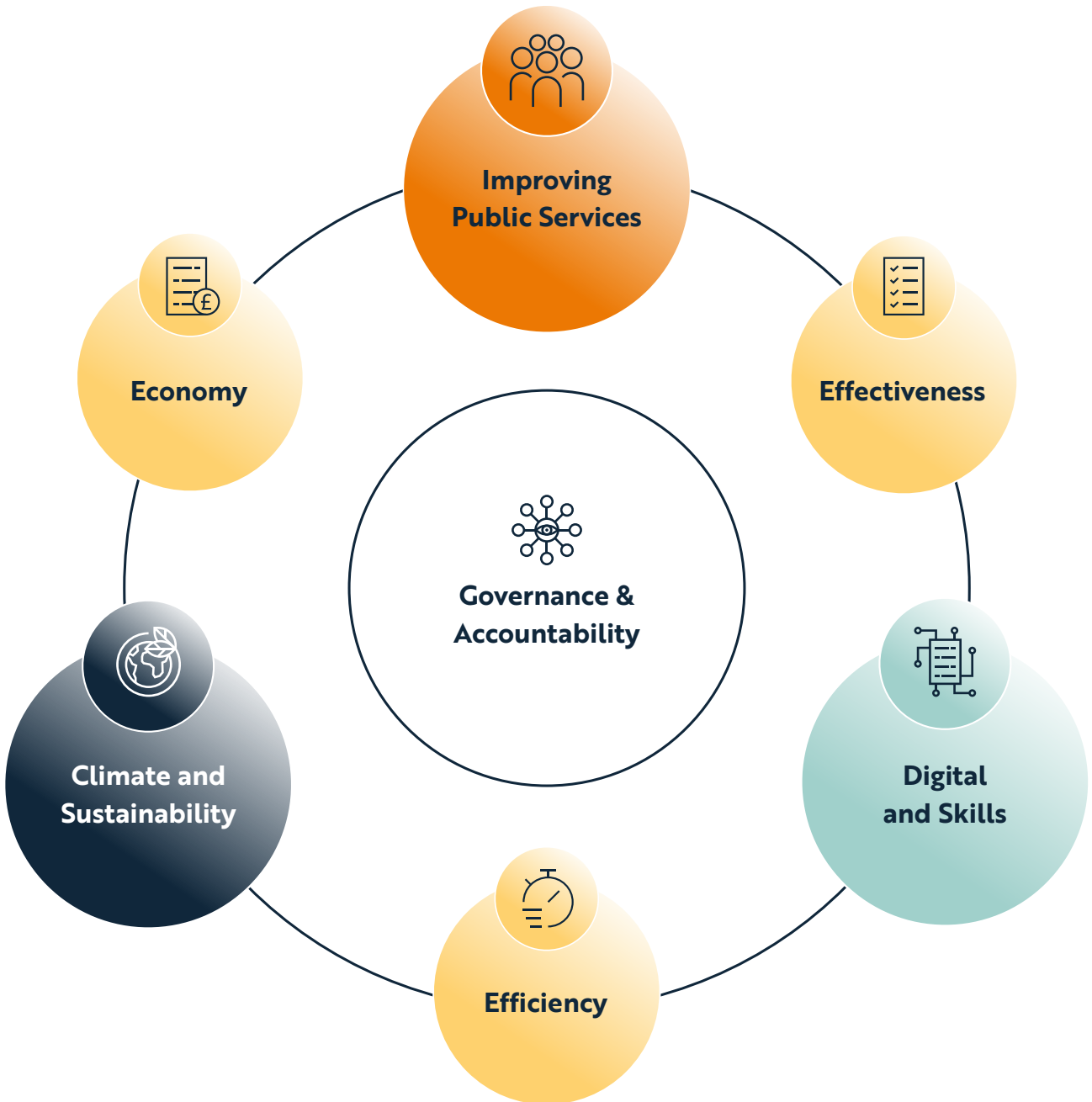
In 2025-26 we completed the audits of 15 local government accounts (2024-25:15). No local government accounts were qualified in either 2025-26 or 2024-25.

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, as aligned to our statutory responsibilities of economy, efficiency and effectiveness:

- Improving Public Services;
- Digital and Skills;
- Climate and Sustainability;
- Governance and Accountability.

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 2025-26 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 2025-26 a total of 24 reports were produced covering a range of key issues in Northern Ireland.



11 Public Reports



11 Local Government Improvement Reports



1 Good Practice Guide



1 Local Government Report

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 2025-26, we produced a good practice guide on Raising Concerns (copies of the report can be obtained from our website).

The following Auditee comments on our good practice guides highlight their value to the public sector:

Feedback From Auditees:

"We have referred to the NIAO Good Practice Guide on Effective Audit and Risk Assurance Committees multiple times, and we find it a really useful source of information."

"The Good Practice Guides are exceptional."

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. These reports were published on the NIAO's website on 31 March 2026.

The Local Government Auditor's Report for 2025 was also published during the year and is available on [our website](#).

In addition, the Code of Audit Practice was laid before the Northern Ireland Assembly under Article 5(7) of the Local Government (Northern Ireland) Order 2005 by the Department for Communities on 24 February 2026 and approved by a resolution of the Assembly on 14 April 2026. The Code sets out the framework for auditing local government sector bodies in Northern Ireland and will be in place for the next five years.

The Local Government Auditor also published a Statement of Responsibilities of the Local Government Auditor and Local Government Bodies in April 2026. The Statement of Responsibilities summarises the terms and responsibilities between the Local Government Auditor and local government bodies.

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 Standards 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, three accounts were subject to independent external review by the Institute of Chartered Accountants in England and Wales (ICAEW). This is the sixth 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.

The NIAO's Quality 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 and subsequently design and implement appropriate remedial actions to address each and prevent reoccurrence. The Quality 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.

In addition, training was delivered to all staff involved in financial audit covering key themes identified in the quality control reviews. The Quality Team also completed thematic hot file reviews on a sample of audit files to ensure that issues identified from the quality control reviews are addressed.

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. Four public reports published in 2025-26 were reviewed by other audit agencies as part of the peer review process. Reviewers found our reports to be balanced, authoritative and persuasive and the judgments included in reports are supported by robust evidence and analysis. The reviews also identified learning points that were shared with staff working on public reporting.

Governance, fraud prevention and detection

The NIAO promotes good practice in governance arrangements and helps to combat fraud. The NIAO's staff attend the audit and risk 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 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. Controls to prevent fraud and error are built into the NIAO's financial processes. The NIAO does not consider that there is any material fraud or error within its financial statements.

In March 2026 we published a report on Raising Concerns in the NI public sector and an updated Good Practice Guide on Raising Concerns. The updated guide is aimed at helping public sector organisations to understand the value of an open and honest reporting culture, where concerns can be raised and dealt with effectively as part of normal business, leading to strengthened governance. The report and guide can be found on our [website](#).

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

National Fraud Initiative

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 ninth exercise in Northern Ireland has recently concluded and the findings from this exercise will be published in Autumn 2026.

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.



In Northern Ireland, the NFI exercises to date have identified over £55 million of actual and estimated fraud and error.

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. It gives us an opportunity to explain and inform people about our work and helps us focus our questions on public bodies to probe issues and concerns of interest to the public. Where appropriate, we may carry out further audit work in response.

Feedback From Auditees:

"NIAO's work contributes to improvement by highlighting key issues and promoting good practice across the public sector."



During the year we received:

- 13 Freedom of Information requests (12 in 2024-25)
- 11 Subject Access requests (5 in 2024-25)
- 2 Environmental Information requests received under the Data Protection Act 2018 (2 in 2024-25)
- 2 complaints (none in 2024-25)

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.



In 2025-26, 20 issues of concern about the use of public money were received (2024-25: 15 issues). Issues of concern are encouraged, dealt with professionally and treated in confidence, as appropriate.

MLA queries

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



In 2025-26, 2 cases were raised, and both are now closed. (2024- 25: 1 case was raised and still ongoing).

Engaging through Social media

Our social media activity continues to profile and build understanding of the NIAO's work and impact, the opportunities we offer and the accomplishments of our staff. There were nearly 34,000 visits to the NIAO website during the year with our publications and media releases being downloaded over 9,500 times. We also continued to see audiences grow on LinkedIn, with followers increasing by 36 per cent. This year also saw the introduction of our e-newsletter "The Audit Trail" which is issued to key stakeholders and website subscribers on a quarterly basis. The Audit Trail helps keep readers updated on recent key business milestones and publications from the NIAO, and also profiles the Office work environment by highlighting our staff members' many accomplishments and external engagements.



Our video briefings, animated report summaries and our videos of staff and office promotion (published between April 2025 and March 2026) have been seen over 40,000 times across all 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 any issues of concern, and recognise our successes. As well as maintaining sustained dialogue and interaction, in May 2026 we issued our latest survey to all audited bodies across central government 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 55 audited bodies responded (out of 107 bodies surveyed).

Of the responses received:

98%

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

96%

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

100%

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

Comments received in relation to NIAO engagement and communication included:

Feedback From Auditees:

"NIAO audit staff engaged constructively with our staff to resolve outstanding issues thus ensuring the Annual Report and Accounts were laid before summer recess."

"Engagement with the NIAO audit team was consistently constructive and professional."

An independent survey was also issued to MLAs in the summer of 2025. Responses from this survey indicated that the NIAO is highly regarded and perceived as adding value to MLAs' work:

88%

of MLAs surveyed were familiar with the NIAO.

84%

of MLAs surveyed stated that they had a favourable opinion of the NIAO.

75%

of MLAs surveyed said they would speak highly of the NIAO.

The NIAO issued a survey 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 over the last year. All respondents, representing each of the main political parties, responded to the survey, expressing very positive satisfaction with:

- the relevance and presentation of the NIAO reports and their ability to support an effective Inquiry;
- the structure, clarity and level of inquiry support provided by the NIAO; and
- the quality of other supplementary information and support by the NIAO including staff approachability and engagement.

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 2025-26 through our public reporting and financial audit work:

Public Procurement in NI



In April 2023 we reported on Public Procurement in Northern Ireland and concluded that the structures and arrangements in place at that time had not provided effective leadership, governance and accountability in public procurement. We recommended that the Department of Finance (DoF) commission a fundamental review of arrangements to look at strategy, policy development and governance and accountability. The Public Accounts Committee made further recommendations regarding the strategic direction and oversight of public procurement in its report in November 2024. It also placed a strong emphasis on Social Value and the impact on SMEs. In response to these findings, DoF has now introduced a number of measures including:

- a Public Procurement Policy Statement which implements assurance arrangements;
- publication of new cross-sectoral performance metrics strengthening the quality and consistency of performance oversight;
- a revised Social Value policy to reduce unintended burdens on micro and small suppliers; and
- publication of a Supplier Communication Strategy.

As a result of this work, 882 microbusinesses and 131 voluntary and community organisations were newly registered on eTendersNI between July 2025 and February 2026, demonstrating improved visibility of opportunities and reduced barriers to participation.

These reforms collectively represent strengthened governance, improved transparency, and enhanced supplier access, directly shaped and accelerated by the NIAO report and the resulting PAC recommendations.

Reducing Adult Reoffending



In our June 2023 report *Reducing Adult Reoffending in Northern Ireland*, we highlighted weaknesses in strategic oversight, cross-government coordination and outcome measurement that limited the Department of Justice's ability to demonstrate the impact and value for money of its efforts to reduce reoffending. While a range of initiatives and pilots were in place, there was no overarching, outcome-focused strategic framework to prioritise action, assess effectiveness or support collaboration across departments whose policies significantly influenced levels of reoffending in Northern Ireland.

We recommended that the Department provide stronger leadership through the development of a cross-government strategy for reducing offending and reoffending, supported by clearer governance arrangements, improved use of performance information and better evaluation of interventions. The Department of Justice has subsequently taken steps to strengthen system-wide coordination and accountability, including:

- beginning development of cross-executive Strategy for Reducing Offending and Reoffending.
- work to draft a short-term cross-departmental Reducing Offending and Reoffending Strategic Framework (which is close to being finalised).
- establishing a new senior Strategic Board, chaired by the Permanent Secretary of the Department of Justice, to oversee delivery of this work. The Board met for the first time in May 2026.
- progress has also been made in other key policy and operational areas highlighted in our Report.

Our report also highlighted the importance of sentencing policy and the availability of effective community-based alternatives to short-term custody, alongside concerns about the high proportion of prisoners held on remand and the limited availability of bail support and alternatives to custodial remand.

Since publication, a further review of sentencing was launched in January 2026 alongside progress of the Sentencing Bill. In addition, the Enhanced Combination Order (ECO), an intensive community-based sentencing option which combines probation supervision with unpaid work and targeted rehabilitative interventions as an alternative to short-term custody, has been extended and is now operating in three court areas. This has increased judicial access to a credible community-based alternative to imprisonment, although further expansion remains subject to funding.

The Department of Justice was also successful in securing Public Sector Transformation funding to support the development of a new electronic monitoring model, enabling further piloting of enhanced technology and improved evaluation of its potential role as an alternative to custody and remand. Steps have also been taken to strengthen the evidence base, including work with the Northern Ireland Statistics and Research Agency (NISRA) to develop an outcomes dashboard and additional analytical work to support future decisions in this important area.

Taken together, these actions represent a tangible response to the issues raised in our report, improving governance, policy coherence and analytical capability, although further work will be required to demonstrate sustained improvements in reoffending outcomes.

Planning in NI



Our 2022 report on planning in Northern Ireland made a number of important recommendations to improve leadership and performance across the planning system. In response, the Department for Infrastructure (DfI) established the Planning Improvement Programme which aims to improve the efficiency and effectiveness of the NI planning system by addressing the recommendations made by both the Public Accounts Committee (PAC) and the NIAO.

As part of this programme, DfI has strengthened its engagement with local councils, taking a more visible and coordinated role in monitoring performance, sharing intelligence and promoting system-wide improvement. This clearer leadership has supported a more consistent dialogue on constraints and solutions, particularly for major development applications.

Importantly, this renewed focus has coincided with a measurable improvement in outcomes: average processing times for major planning applications have reduced significantly since the publication of our report, reaching their lowest level since the transfer of planning powers to councils.

Tackling Waiting Lists



In our October 2023 report we highlighted the critical situation within the local health service as it struggled with rising waiting lists for elective care. We reported on the growth in both the number of patients on elective care waiting lists, and the length of time they were waiting for assessment and treatment.

The report made several recommendations for improvement. Since the publication of our report the Department of Health updated the Elective Care Framework in 2024. It successfully secured additional funding in the 2025-26 budget to support the delivery of the Framework and in May 2025 published an associated Implementation and Funding Plan to tackle waiting lists. The Plan sets out a series of targets that will be monitored on an ongoing basis.

There has been positive progress to date with the Department reporting a downwards trend in the number of people waiting for an outpatient appointment and those waiting for inpatient or day care admission to hospitals.

These developments are a very welcome step towards reducing waiting lists and improving public health. The Department has emphasised the need for sustained investment to ensure continued delivery against its targets.

Ambulance Handovers in NI



Our March 2025 report on Ambulance Handovers in Northern Ireland highlighted a sustained deterioration in performance, estimating that delays had cost around £50 million over five years and contributed to an increasing reliance by the Northern Ireland Ambulance Service (NIAS) on private ambulance providers.

In response, the Department of Health accepted the report's recommendations and has taken a number of actions to implement the recommendations. This has included progressing a value for money assessment of private ambulance usage and committing to expand in-house capacity through additional recruitment and the development of new roles. The aim of these actions is to promote more efficient use of resources by reducing reliance on the private sector for both scheduled and unscheduled care. The report also drew attention to the lack of regulation of the private ambulance sector; since publication, the Department has begun work to explore the necessary legislative and regulatory changes, drawing on best practice in England.

In April 2026 NIAS implemented their "Release to Rescue" protocol with the aim of ensuring no patient waits longer than two hours in an ambulance outside an Emergency Department. NIAS has also strengthened its "Hear and Treat" and "See and Treat" pathways to support better system flow and increase NIAS capacity to meet ambulance demand.

Our report also recommended learning from high performing systems elsewhere in the UK, and this has been actively pursued. For example, departmental officials and clinicians visited a London hospital and shared lessons through a regional workshop in August 2025 to inform emerging guidance.

Waste Management in NI & Waste Crime in NI



Our Review of Waste Management in Northern Ireland was published in July 2024. A key recommendation in the report highlighted the need for the Department of Agriculture, Environment and Rural Affairs (DAERA) to produce an updated waste management strategy. The report made a number of recommendations as regards the content of the strategy, including a focus on waste prevention and the inclusion of measurable targets.

In January 2026, DAERA published, for consultation, "Rethinking Our Resources: Northern Ireland Resources and Waste Management Strategy". The Strategy embraces a circular economy approach with priority given to waste reduction or prevention and reuse rather than the traditional disposal focus. It outlines 10 targets and 63 specific actions to assist in delivering the strategic objectives. The Strategy includes a section on enforcement to ensure compliance with regulations and targeting of illegal waste activities. A number of actions are proposed to help meet the challenges faced in undertaking successful enforcement and these actions address a number of the issues which were raised in our 2025 report on Waste Crime in Northern Ireland.

Developing the Skills for NI's Future



In our September 2024 report, we highlighted the need for the Department for the Economy to review its skills programmes and assess how these are contributing to achieving the 2022 Skills Strategy strategic goals, and ensure they are focused on current and emerging areas of need.

The first step in addressing this recommendation was for the Department to develop a Departmental Monitoring and Evaluation Strategy. This Strategy was published in June 2025, and aims to strengthen evaluation practices in order to support effective, value for money policy-making that drives economic growth and improves lives. A thematic skills evaluation is now underway.

In addition, a new three-year Skills Action Plan to support the ambitions of the Skills Strategy and the economic vision was published in October 2025.

Improving Outcomes and Accountability

This section of the report provides an overview of some of the Office's collaborations with key stakeholders during 2025-26.

Office Collaborations

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



Chief Executives' Forum and NI Public Sector Chairs' Forum

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

We also work closely with the Northern Ireland Public Sector Chairs' Forum, a 'member-led, information sharing and networking resource for chairs of public bodies whose overarching purpose is to enhance leadership in Northern Ireland'.

In June 2025 we hosted a special event with CEF and NI Public Sector Chairs' Forum on our good practice guide on Effective Audit and Risk Assurance Committees. The session included particular discussion points around addressing emerging and increasingly crucial areas such as cyber security, the potential role of Artificial Intelligence, and best practice guidance for ARAC Members working in local government. Attendees also heard from Brian Whalley, a specialist in public sector governance and accountability training, who has had vast experience training and advising organisations and boards across the UK regions. This was complemented by an address from Sharon O'Connor, ARAC Chair of the Department for Communities, who offered her personal reflections and insights from her hands-on role working across the range of issues and challenges facing ARACs.

We also hosted a number of governance and accountability training events across the year.



Local Government Association

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



Insight Exchanges

Over the last year we have continued to invite a range of external speakers to take part in our 'Insight Exchange' series of events, which focus on sharing information and experiences with NIAO staff across areas of interest or of relevance to our work. We have welcomed a range of public leaders, both past and present, including the Chief Inspector of the Criminal Justice Inspectorate, the Chief Executive of the Northern Ireland Council for Voluntary Action, the Deputy Public Services Ombudsman, the former Chief Executive of Tourism Northern Ireland, and the new Chair of the Chief Executives' Forum. We also welcomed guests from the private sector, including a session with specialists from a digital fraud prevention company working with clients within the public sector.

Feedback From Auditees:

"The NIAO's work contributes positively to the improvement of public services, not only through its independent scrutiny but also through the practical insights and recommendations that support stronger governance and continuous improvement across the organisation."

"NIAO audit staff engaged constructively with our staff to resolve outstanding issues thus ensuring the Annual Report and Accounts were laid before summer recess."



Some highlights of our year



The Chief Executives' Forum held the graduation of their Transformative Leaders Programme at the NIAO in March.



CSAG Dorinnia Carville, and NIAO trainee accountant Suibhán Ní Chiarán attended the Department of Finance's International Women's Day event at Grand Central Station.



Rodney Allen and Colette Kane delivered a Lunch and Learn session to NIPSO staff on the breadth of the Audit Office's work and our reporting programme.



NIAO Trainee Accountants Katie, James and Matthew met future grads at the QUB recruitment fair to talk to them about our Trainee Accountant scheme.



This year we launched our first Equality, Diversity and Inclusion Strategy and were awarded Diversity Mark Accreditation. Both milestones recognise our continued commitment to building an inclusive workplace where everyone can thrive.



NIAO staff volunteered at one of our 2025 Charity Partner Simon Community's youth accommodation projects which are designed for young people aged 16-25, which aims to assist them in their transition towards independent adulthood.



CSAG Dorinnia Carville delivers a keynote speech at the 2026 NI Housing Conference, updating representatives from across the sector on developments in relation to our 2025 report on Homelessness.



SistersIn Mentoring Day 26
Maeve, Anu and Jill with some participants in the programme.



Simon Community Big Sleep Out

NIAO staff Fiona, Beth, Jude, Caitlin and Caitlin took part in NIAO's Charity Partner, Simon Community's One Big Sleep Out at Stormont.



Macmillan Coffee Morning 2025

Huge thanks to everyone who baked, bought, donated & judged at our Coffee Morning! We raised an AMAZING £512.50 for Macmillan!

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:

Kirsty O’Neill, Sarah McErlain, Victoria Frazer, Nicola Maguire, Sarah Heanen, Karen Armstrong & Conor Hill



CIPFA Performance Audit Fundamentals

Certificate

The Certificate in Performance Audit Fundamentals offers a detailed introduction to the key elements of planning, executing, communicating and monitoring performance audits. Module one introduces the core functions of the public sector and the importance of governance to protect the interests of citizens and ensure officials can be properly held to account. The similarities and important differences in the professional practices of external and internal auditing are clearly described in module two. The third module provides a detailed exploration of practical considerations for performance auditing as well as the conceptual foundations.

Kirsty, Sarah, Victoria, Nicola, Sarah, Karen and Conor completed the CIPFA Performance Audit Fundamentals Certificate. This is a 3-day online course of self-study followed by an exam. Conor Hill commented the certificate is ‘an excellent primer for performance audit’.

Seamus Wade

Transformative Leader Programme

Seamus Wade completed the Transformative Leader Programme delivered by the Chief Executives’ Forum. The programme ran from October 2025 to March 2026 and combined in-person and online modules. The Programme was built on Neuro-Linguistic Programming (NLP) as a practical toolkit for improving leadership, communication, self-management and organisational effectiveness.

It focused on how patterns of thinking (neuro), language (linguistic), and behaviour (programming) shape results. The Programme encouraged participants to assess their own patterns, consider how they might influence others more effectively and navigate complexity with clarity.



Seamus highlighted the benefit of combining theoretical knowledge and practical application in an environment that afforded an opportunity for reflection with other senior leaders in the public sector.

Brian O’Neill

CMI Level 7 Strategic Management and Leadership

Brian O’Neill undertook and completed the Chartered Management Institute Level 7 award in Strategic Management and Leadership course. The course was delivered in person across five days and aims to give senior leaders a sharpened understanding of what makes an effective, strategic leader, and how to achieve this in practice. Brian commented that the course was very engaging, practical and relevant, enhancing his strategic thinking, leadership capabilities and decision-making skills and has supported his professional development as a senior leader.



Jill Aicken, Karen Costley, Anu Kane, Maeve Morgan and Laura Murphy

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.

During 2025-26 five NIAO colleagues took on mentoring roles, each guiding a sixth-form student from various schools across Northern Ireland. The participation of our colleagues underscores the strong commitment within our office to empowering young women, and reflects the genuine satisfaction and sense of accomplishment our colleagues gain from supporting these young women as they develop their leadership abilities and grow their self-confidence. This marks the third consecutive year that our office has actively engaged with the SistersIN programme, a testament to our sustained commitment to mentorship, and reinforces our dedication to nurturing the next generation of female leaders.



Looking back on the experience, Jill shared "It was really rewarding to support a young student as they gained confidence and developed their leadership skills. Witnessing their growth throughout the completion of their school-based project, complemented by the leadership development training, made my mentoring journey truly enriching."



James McGeehan & Katie Williams

Young Scotland and Northern Ireland Programme

This is a 3-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'.

James McGeehan and Katie Williams participated in the Young Scotland and Northern Ireland Programme. The programme consists of 3 intensive days of presentation skills development for those early in their careers, in advance of attendance the candidate had to submit a written presentation and discussion topics.

James reflected on his participation that 'I developed my public speaking skills by engaging in discussions and presenting my ideas to a range of audiences. This experience helped build my confidence in communicating clearly, thinking on my feet, and contributing constructively to group debates and it was incredibly enjoyable'.



During the year there was further exam and professional development success for our Trainee Accountants and Higher-Level Apprentices. Kyle Jeavons and Alex Kerr successfully completed their Chartered Accountant Ireland (CAI) Final Admitting Exams and were admitted into membership. Kyle is the first person to progress from Higher Level Apprentice, to Trainee Accountant and then onto Auditor within the office. Fiona Cullen also successfully passed her Final Admitting Exams, and along with Alex has taken up an Auditor role in the office.

Trainee Accountants Daniel Bowden, Siubhán Ní Chiaráin and Johnny Feeny passed their Chartered Accountant Proficiency 2 exams, whilst Lauren Robson, Ryan Christie and Scott McClelland passed their Chartered Accountant Proficiency 1 (CAPI) exams.

Connie Foley completed her Higher-Level Apprenticeship, qualifying as an Accounts Technician, and has progressed to a Trainee Accountant role in the office with full CAPI exemptions from CAI.

Holly Mahood, Lewis Kennedy and Louis Matchett- Griffiths successfully completed the first year of their Higher Level Apprenticeship, progressing onto their second year of work and study. They have also secured a conditional offer for a Trainee Accountant role with the office beginning September 2026.

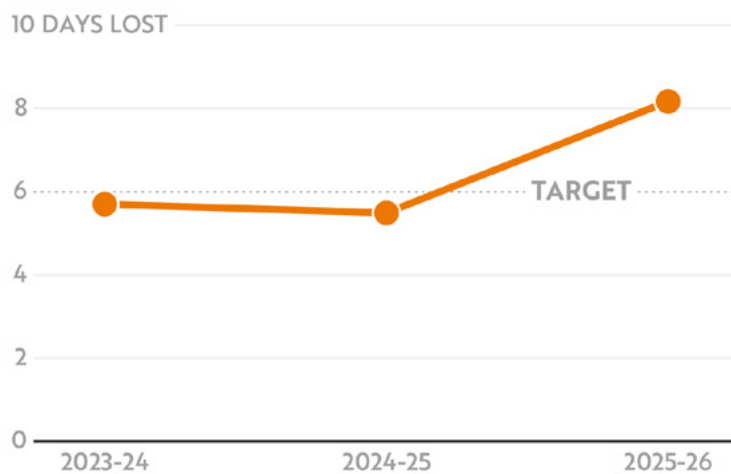
Sickness Absence

The NIAO did not achieve its target of six days' average sickness absence per employee for 2025-26, mainly due to a number of long-term absences in the period.

Overall sickness absence was 8.17 days lost per employee in 2025-26, an increase on the previous year's 5.49 days: 5.96 days related to long-term absences and 2.21 days related to short-term absences.

Seventy-four per cent of these absences resulted from the long-term sickness of a small number of employees, with 55 per cent of employees having no sickness absences in 2025-26. The figures for the past three years are as follows:

Average days lost to sickness absence per employee for the three years to 2025-26



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. We are due for IiP reassessment in the Spring of 2027.



Employee engagement and wellbeing

We provide our employees with access to a range of resources, such as an on-site gym and wellness facilities, Mental Health First Aiders, access to an online Health and Wellbeing portal, an Employee Assistance Programme and an extensive calendar of wellbeing events run throughout the year.

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 such as lunchtime walks, social events including lunchtime pool competitions, golf tournament, blood donation, gardening club, volunteering activities, pilates, mindfulness, planning for retirement session and arts & crafts which were well-supported during the year. In addition, flu vaccines and bi-annual health checks are provided for all employees.



Engaging with the Community

Our annual Macmillan Coffee morning was again very well supported by our staff and was held in September 2025. Across the year colleagues volunteered for our charity partner, the Simon Community, undertaking maintenance work at their Youth Facility and donating to and creating welcome packs for new clients. Alongside this some colleagues participated in the Simon Community Big Sleep out, sleeping out at Stormont to raise donations for the Simon Community.

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.



“From everyone at Simon Community, we want to say a massive thank you to all the staff at the Northern Ireland Audit Office for the impact that you have helped make over the past year.”

Rebekah Barr, Senior Partnerships and Engagement Manager, Simon Community Northern Ireland

Equity, Diversity and Inclusion

At the NIAO, our vision is “to create a thriving organisation where investing in our people and resources cultivates a high-performing culture that celebrates diversity, ensures equity, and fosters a genuine inclusion and sense of belonging for all employees.”

During 2025–26, the NIAO further strengthened its commitment to EDI, successfully obtaining Diversity Mark accreditation in February 2026. This achievement recognises the organisation’s commitment to advancing diversity and inclusion and to fostering an inclusive workplace. The NIAO also completed the development of its Equity, Diversity and Inclusion Strategy, which was formally launched in April 2026 following consultation with staff, management, the Board and the Trade Union. The Strategy sets out the organisation’s strategic objectives and priorities in this area and will be supported by a detailed EDI Action Plan which is in development, which is designed to deliver measurable outcomes and embed inclusive practices across all aspects of the organisation’s work.



Progress was also made in enhancing EDI awareness and capability across the organisation. During the year, a programme of EDI training was delivered to all employees, including the introduction of mandatory training. This programme was designed to build understanding of key EDI principles, support inclusive behaviours, and strengthen leadership capability across the organisation. In addition, the EDI Committee played a key role in promoting awareness and engagement across the organisation. The Committee delivered a range of initiatives and coordinated communications to mark key EDI events and campaigns throughout the year, supporting greater awareness, participation and dialogue among staff.

The NIAO remains committed to embedding Equity, Diversity and Inclusion as a core element of its organisational culture. Championing EDI at all levels is essential to achieving its ambition of becoming a high-performing organisation.

Staff Turnover

The staff turnover percentage, defined as the number of leavers divided by the average staff in post, was 3.8 per cent for the year ended 31 March 2026 compared to 5.6 per cent for the previous year.

During 2025-26 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 have been an accredited Real Living Wage employer since 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 agreed a charter that sets out how our employees will be supported, protected and guided throughout their employment, following a terminal diagnosis.

Feedback From Auditees:

"The communication from the audit team is excellent."



Resource Accounts 2025-26

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.

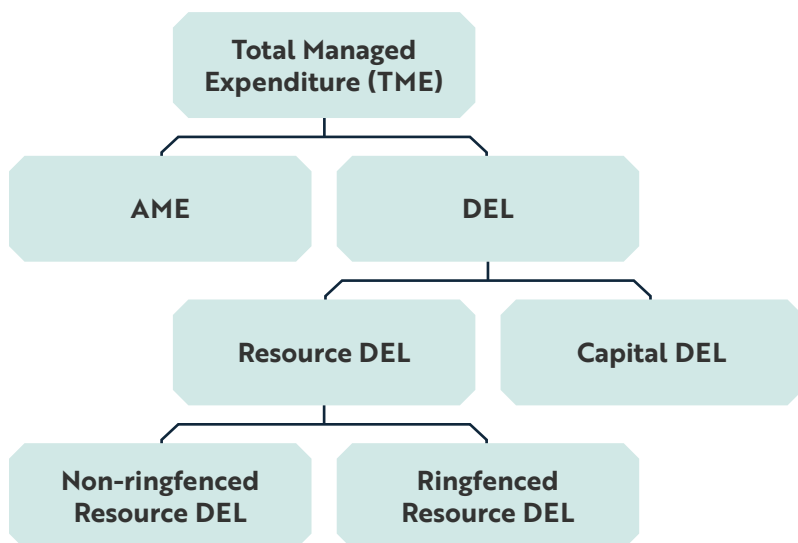
The financial statements on pages 104 to 107 have been prepared on a resource basis in accordance with the 2025-26 Government Financial Reporting Manual (FRM) issued by the Department of Finance (DoF).

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) 2026, which received Royal Assent on 20 March 2026, together with the Northern Ireland Spring Supplementary Estimates 2025-26 which were agreed by the Assembly on the 23 February 2026, provide the statutory authority for the Executive’s final 2025-26 expenditure plans. The Budget Act (Northern Ireland) 2026 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2026-27 financial year.

NIAO Estimate and Budget Process



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 2025 to 2026 - GOV.UK](#)

Budgetary Performance

Details of the NIAO's 2025-26 performance against Budgetary Control totals is set out in the table below.

	Final Plan 2025-26 £000	Provisional Outturn 2025-26 £000	Underspend / (Overspend) 2025-26 £000
Resource DEL	11,043	10,568	475
Non-ringfenced	10,843	10,342	501
Ringfenced	200	226	(26)
Capital DEL	40	0	40
Total DEL = TME	11,083	10,568	

Explanation of Variances

Our surplus in Resource DEL this year is primarily due to additional income received in the year higher than what was originally budgeted. This was due to several factors including some audits invoiced at a higher than anticipated cost as well as some additional income from secondments and rental income.

We did not spend any of the capital allocated this year.

Resources

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

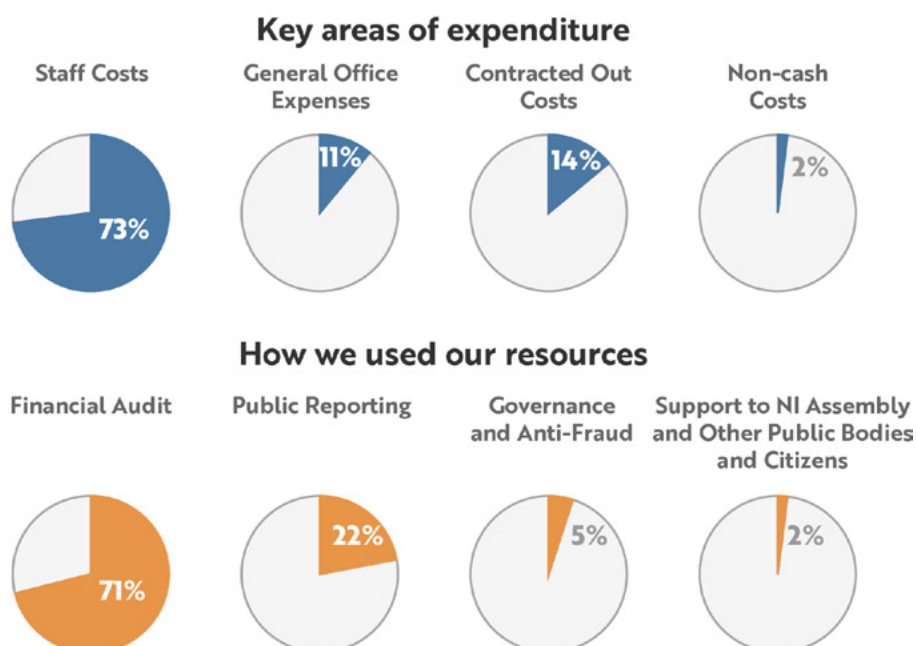
Overall financial performance against the budget is set out in the following table:

	Estimate £'000	Outturn £'000	Saving / (Excess) £'000	Saving / (Excess) %
Total spend on audit and assurance work	13,593	13,488	105	0.8
Less: income	(2,850)	(3,159)	309	10.8
Net spend	10,743	10,329	414	3.9
Capital expenditure	40	0	40	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 73 per cent of expenditure (2024-25: 71 per cent), with 71 per cent of the NIAO's resources (2024-25: 70 per cent approximately) being focused on financial audit.



Included in the above, the cost of administering the Comptroller Function was £22,000, as shown at Note 2 to the Financial Statements.

Income includes fees received from:

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

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

Resources required in the future

During September 2025, the C&AG and NIAO officials gave evidence to the NI Assembly Audit Committee (NIA AC) in respect of the budget proposed for 2026-27, 2027-28, 2028-29 and 2029-30. The NIA AC agreed that the Executive's Budget document should make provision for the bid submitted and the NI Executive agreed the 2026-27 allocation of a Resource DEL budget of £11.9 million and a Capital DEL budget of £45,000 for the NIAO.

Summary budget to accounts reconciliation

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

	2025-26 £'000	2024-25 £'000
Resource Budget Outturn of which		
Departmental Expenditure Limits (DEL) – Voted	10,329	9,071
Departmental Expenditure Limits (DEL) – Non-Voted	239	266
Annually Managed Expenditure (AME)	-	-
Total	10,568	9,337
Net Operating Cost	10,568	9,337

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 2025-26, we paid 98.4 per cent of bills (2024-25: 98.0 per cent) within 30 days following delivery of the invoice.

In addition to this, government guidelines indicate that, wherever possible, public sector bodies should seek to pay suppliers within 10 working days of receipt of the invoice. For 2025-26 we met this standard for 93.7 per cent of invoices received (2024-25: 94.4 per cent).

Sustainability Report

About this sustainability report

This sustainability report has been prepared in accordance with NICS’s Sustainability Reporting guidance 2025-26, which is aligned with HMT sustainability reporting guidance and the Task Force on Climate Related Financial Disclosures (TCFD) recommendations.

All information included in this sustainability report conforms to the normal public sector financial year of 1 April to 31 March. NI’s Sustainability reporting guidance 2025-26 was issued to NICS departments mid-year, i.e departments were unaware of the information they were expected to collect at the start of the 2025-26 financial year. NIAO has routinely been reporting Scope 1, 2 and 3 emissions since 2021-22. In the medium to long-term, we aspire to obtain ISO 14001 environmental Management Certification.

The information disclosed in this report relates to the building that the NIAO occupies. The NIAO acts as its own policy administrator, coordinating data collection, assurance and preparation of this report.

In order to report the greenhouse gas emission associated with activities, “activity” data such as distance travelled, or tonnes of waste disposed has been converted into carbon emissions. The greenhouse gas conversion factors used in this report were published by the UK Government and can be found via the following link: [Government conversion factors for company reporting of greenhouse gas emissions - GOV.UK](#)

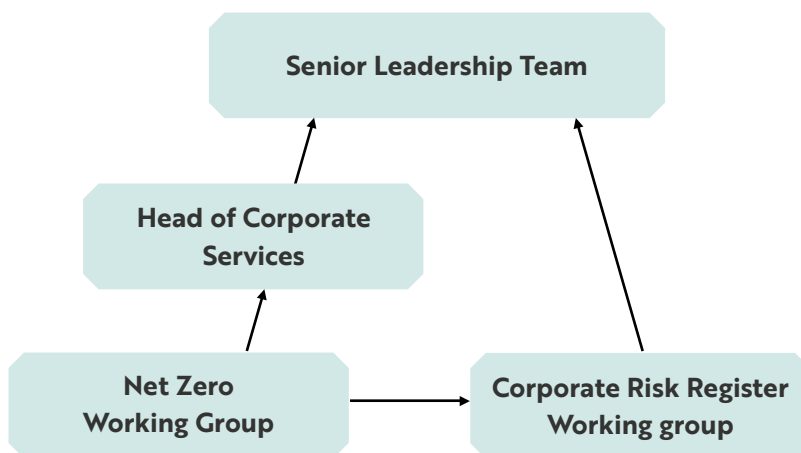
Governance within the NIAO

The NIAO has a Net Zero Strategy in place and a Net Zero working group was established in 2021, with a focus on identifying and promoting activities which contribute towards a reduction in our carbon emissions.

The Head of Corporate Services chairs the group and it currently reports quarterly to the Senior Leadership Team (SLT). Membership comprises six employees and staff are encouraged to contribute and make suggestions to the group.

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

The current governance structure of our sustainability reporting is summarized below.



Representatives from the group also attend meetings with representatives from the National Audit Office, Audit Wales, Audit Scotland and the Office of the Comptroller and Auditor General, Ireland as part of an overall sustainability network, discussing individual sustainability projects, sustainability public reporting and sustainability financial reporting standards.

Representatives from the NIAO attend environmental conferences and seminars and report back to both the Net Zero Working Group and the Corporate Risk Register Working Group on any emerging issues. Additionally, some of our staff attended the ICAEW Sustainability Summit November 2025.

Emissions

Emissions Scope 1 (fuel burned) and 2 (purchased electricity)

The NIAO owns the accommodation located at 106 University Street, Belfast. While the building is owned, we operate under the NICS shared contract for gas and electricity supplies.

Table 1: Energy Emissions, consumption and cost for fuel burned and purchased electricity in 2025-26

	Scope 1 (fuel burned-natural gas)	Scope 2 (purchased electricity)
Emissions (kg CO ₂ e)	10,283	40,865
Consumption (kWh Gross CV)	57,125	227,028 (Location) ¹ 227,028 (Market)
Net Cost (£'000s)	5	60

Source of Data: Supplier invoices.

Emissions Scope 1 (NIAO owned transport)

The NIAO does not own or operate any transport.

Emissions Scope 3 (Fuel Burned due to business travel via staff owned transport)

This sustainability report does not include data on staff commuting to and from their normal place of work. Vehicle size and vehicle fuel type are unknown for the data in Table 2.

Table 2: Mileage and emissions from vehicles not owned by NIAO in 2025-26

Year	Mileage	Kg CO ₂ e
2025-26	20,780 miles	5,611 Kg CO ₂ e

Source of Data: Financial Reporting System

¹ Location based emissions refers to energy that is physically consumed at your operational site or facility. Market based emissions take into account the type of contract that an organisation has with an energy provider. As the NIAO uses electricity that is generated using 100% renewable methods, there is no variance between our location and market emissions values.

Emissions Scope 3- Business travel using public transport that is claimed back.

There is no known record of mileage associated with public transport claims, only the costs as shown in Table 3.

Table 3: Expenses claimed for public transport used for official business travel (excludes staff commuting to their regular place of work)

Year	Bus (cost, £)	Rail (cost, £)	Taxi (cost, £)
2025-26	66	566	302

Source of Data: Financial Reporting System

Emissions Scope 3- Business travel that is booked via Travel Desk²

Table 4: Air and Rail Travel booked by Travel Desk for NIAO

Mode of Transport	Category	Class	Year 2025-26	
			Distance (km)	Emissions (kg CO ₂ e)
Domestic flight		Economy	13,946	3,198
International Flight	Short Haul	Economy	1,664	381
Rail Travel		Standard	2,588	92
		Enterprise Plus	960	34

Source of Data: Selective Travel

Table 5: Hotel Stay booked by Travel Desk or equivalent for NIAO

Country	No of Nights Stayed	Emissions (Kg CO ₂ e)
UK	27	296

Source of Data: Selective Travel

² The NIAO sourced the information in tables 4 and 5 from the contractor who books travel, hotel rooms and hired cars on behalf of NIAO staff when requested. The NIAO has calculated Kg CO₂e using 2025 conversion factors (specifically domestic to/from UK, with RF).

Paper Printed³

Table 6: Paper printed by year

Year	Paper Printed (pages)
2023-24	334,164
2024-25	280,949
2025-26	284,360

Source of Data: IT Assist

Responsible Disposal of ICT Waste

In the specification for the "Framework for disposal service for IT equipment, electronic and electrical equipment", suppliers must have BS EN ISO 14001:2015- Environmental Management System accreditation (or equivalent) being appointed to the framework.

The framework specification also requires the following from suppliers.

All equipment that is not resold must be dismantled and recycled/disposed in accordance with the relevant legislation including but not limited to:

- The Waste Electrical and Electronic Equipment Directive;
- BS EN ISO 14001:2015
- The Environmental Protection Act 1990; and
- The Hazardous Waste Regulations.

Source of Data: IT Assist

Sustainable Procurement

The Scoring Social Value policy approved by the Executive, mandated that from June 2022, tenders must include a minimum of 10 percent of the total award criteria to social value. On 5 December 2024, DoF secured Executive approval for a revised PPN (Procurement Policy Note) 01/21- Social Value in Procurement. This came into effect on 24 February 2025 and strengthened and broadened the theme "Delivering Net Zero" to "Delivering Climate Action".

For information on the meaning of Social Value: the Public Procurement Policy statement which was approved by the NI Executive on 5 June 2025 states "Social Value means economic, environmental and social benefits in support of the Programme for Government". The DoF Social Value Strategy document 2025-27 states "social Value refers to wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment. It incorporates ethical and sustainable supply chains, community benefits and wealth building, job and skills creation and efforts to combat climate change".

The Procurement Policy Note (PPN) 01/21- Scoring Social Value has been revised to Procurement Policy Note (PPN) 01/21- Social Value in Procurement and came into effect on 24 February 2025.

³ This data is sourced from NICS' common IT service and systems provider (IT Assist) which sits within the Department of Finance.

We are a Living Wage employer and as part of the preparation of this sustainability statement we confirmed that our contracts with security and cleaning agencies for our premises cover these workers ensuring they are also recipients of the Living Wage.

Single use plastics

DAERA, in partnership with DoF, has removed all unnecessary single-use plastic (SUP) from the Government estate and a ban on the use of unnecessary SUP across the Northern Ireland Civil Service (NICS) estate, including the NIAO, is now in place.

The NIAO continues to use SUP in respect of bin bags and other cleaning products. We do maintain a shared pool of crockery and cutlery for staff to use, which is all reusable.

Recycled Waste

Table 7: Total Weight and Cost of Recycled Waste

	2025-26	
	Waste Recycled (kg)	Cost of Waste Recycled (£)
Total Waste recycled	4,204	1,331
Waste composted/ food waste	434	413
Dry mixed recyclables	1,336	274
General waste	2,434	644

Source of Data: Invoices from contractor

None of the waste generated within the NIAO is sent to landfill.

Water Consumed⁴

Table 8: Water Supply and Treatment

	2025-26	
	Water used (m ³)	Emissions (kg CO ₂ e)
Water supply	197	37.4 kg CO ₂ e
Water Treatment	187	31.8 kg CO ₂ e

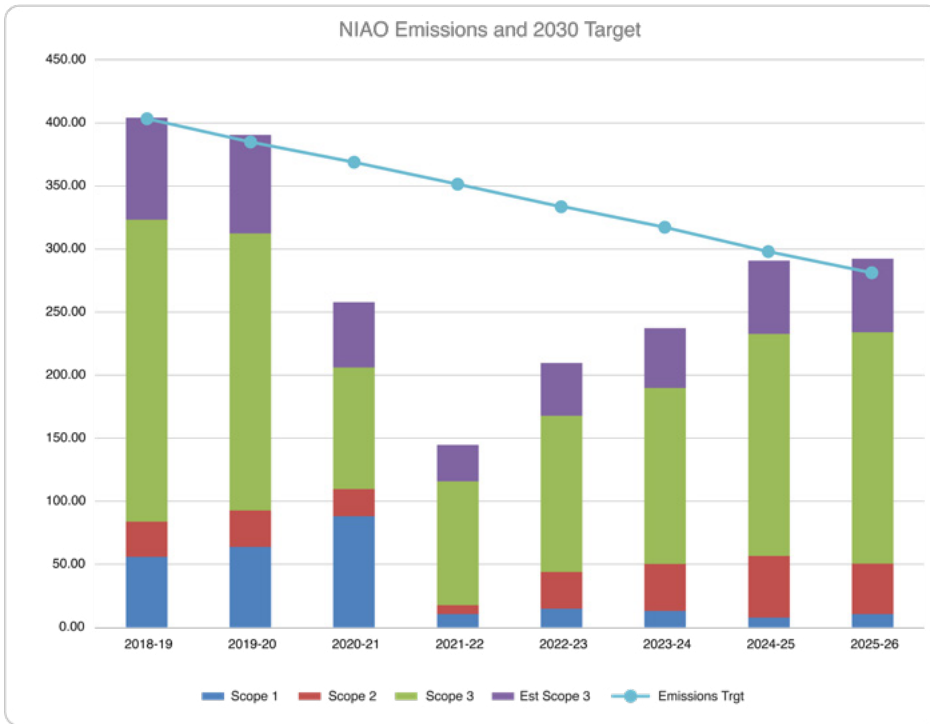
Source of Data: Invoices from contractor

⁴ An assumption has been made that 95% of water supplied is returned to the sewerage system.

NIAO’S own fleet: Ultra Low Emission Vehicles

The NIAO does not own or operate any Ultra-low emission vehicles. We have not used any offsetting services to lower our emissions figures.

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



Sustainability and Public Reporting

In 2025-26, the following reports were published by the C&AG on issues relating to sustainability and environment within Northern Ireland :

- **Northern Ireland Energy Strategy (21 October 2025)**

The Energy Strategy, published in December 2021, sets out a long-term vision of net zero carbon emissions and affordable energy for Northern Ireland. It included three key targets for completion by 2030. However, progress against the key targets in Northern Ireland’s Energy Strategy is lagging considerably, despite expenditure totalling around £107 million since 2020. A copy of the full report can be found here: [NI Audit Office Report - NI Energy Strategy.pdf](#)

- **Active Travel in NI (29 September 2025)**

Active travel is the undertaking of journeys by cycling, walking or wheeling, and increasing such journeys is considered important in supporting a wide range of Executive priorities. Despite annual spend of around £50m, targets for investing in and developing Northern Ireland’s active travel infrastructure will not be met. There is also no evidence that delivery to date has significantly increased active travel rates. A copy of the full report can be viewed here: [NI Audit Office Report - Active Travel in NI_0.pdf](#)

- **Waste Crime in Northern Ireland (3 July 2025)**

Current measures for regulating and inspecting the waste sector are not achieving best value for money and put at risk delivery of the Northern Ireland Environment Agency's (NIEA) obligations to protect the environment. A copy of the full report can be found here: [NI Audit Office Report - Waste Crime in NI.pdf](#)

- **PSNI Fleet Management (8 April 2025)**

Resourcing issues and capacity constraints are hampering the PSNI's attempts to reduce costs and deliver its ambitions for a modern, sustainable fleet. Since 2021-22 the PSNI has spent almost £26 million on purchasing new vehicles, however over a quarter of its fleet is more than 10 years old and an increasing number are off the road due to the need for repair. A copy of the full report can be found here: [NI Audit Office Report - PSNI Fleet Management.pdf](#)

- **Flood Risk Management (16 June 2026)**

This report assesses how effectively the Department for Infrastructure is managing flood risk across Northern Ireland, focusing on prevention and protection activities within the Flood Risk Management Plan. A copy of the full report can be found here: [NI Audit Office Report - Flood Risk Management Plan.pdf](#)

Nature Recovery and Biodiversity Action Planning

As an organisation located in inner city accommodation with no green areas, our ability to substantially impact on nature recovery is limited. However, we hold an Annual Big Dig Event, where staff volunteer their time to plant flowers in our car park, tidy up shared spaces and create a space where biodiversity can flourish.



Dorinnia Carville

Dorinnia Carville
Comptroller and Auditor
General for Northern
Ireland

30 June 2026



Accountability Report

Corporate Governance Report

Directors' Report

This section explains the NIAO's governance structures and how they support the achievement of our objectives.

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 OBE (retired 31 December 2025)	Director
Barry Mitchell (temporary appointment 28 January 2026)	Director
Conor McGeown (appointed 1 December 2025)	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 the five areas of strategic clarity, commercial sense, talented people, results focus and management information, as set out in 'Corporate governance in central government departments: Code of good practice NI 2025' issued by the Department of Finance, with the objective of providing constructive challenge. It also provides a challenge function and advises on Office finances on an ongoing basis.

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

These arrangements will be reviewed in the "Governance and Accountability Arrangements for the NIAO (and the Northern Ireland Public Services Ombudsman)" conducted by the NIA AC and further details are provided in the Governance Statement.

In 2025-26, the Advisory Board's membership was as follows:



Marie Mallon OBE

Advisory Board Chairperson

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 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. Marie is a Chartered Fellow of the CIPD and has an MSc in HR Leadership.



Dean Sullivan

Non-executive Director

Dean is a CIPFA-qualified accountant, management consultant and non-executive director.

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

Claire is a Fellow of Chartered Accountants Ireland with significant experience in corporate finance, financial transformation and large scale change programmes. She is Head of Cost Planning at NatWest and a NatWest Northern Ireland Regional Board Member.

Claire previously held senior roles at PwC and Ulster Bank, and is a former Non Executive Director of Parenting NI (2017-2020).



Jill Laughlin

Non-executive Director

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 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.



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.

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 2025-26 the membership of the Committee has been:

- Dean Sullivan (Chairperson since 1 April 2025, in post since February 2025)
- Claire McAleenan
- Jill Laughlin

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 2025-26. 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 2025-26.

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 two complaints during 2025-26 (none in 2024-25). Further information on the monitoring of complaints can be requested from:

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

Tel No 028 9025 4323

Health and Safety

Our health and safety policy is available to all staff.

No incidents were recorded during 2025-26 or 2024-25 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.

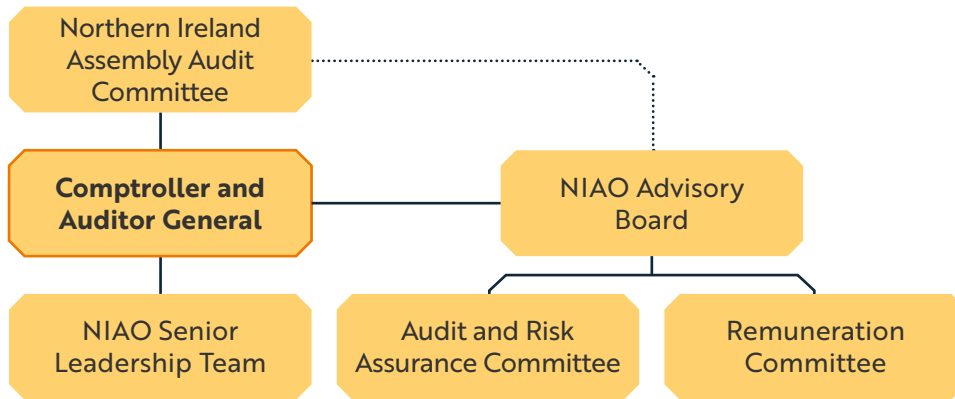
As the holder of this office, I have statutory responsibility for determining the strategy, staffing and structure of the Office and am responsible for designing and implementing the internal governance arrangements to support the delivery of my statutory functions. In so doing, I seek to comply with 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 has been updated and was issued in May 2026.

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.

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](#).

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.

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 five times. The attendance at each of these meetings is recorded below:

Members present	09/06/25	29/09/25	08/12/25	23/02/26	31/03/26
Marie Mallon OBE Chairperson	Yes	Yes	Yes	Yes	Yes
Jill Laughlin	Yes	Yes	Yes	Yes	Yes
Claire McAleenan	Yes	Yes	Yes	Yes	Yes
Dean Sullivan	Yes	Yes	Yes	Yes	Yes
Dorinnia Carville (Comptroller and Auditor General)	Yes	Yes	Yes	Yes	Yes
Rodney Allen (Chief Operating Officer)	Yes	Yes	Yes	Yes	Yes

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 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 2025-26, the Audit and Risk Assurance Committee met four times. The attendance at each of these meetings is recorded below:

Members present	28/05/25	30/06/25	22/09/25	26/01/26
Dean Sullivan (Chairperson)	Yes	Yes	Yes	Yes
Jill Laughlin	Yes	No	Yes	Yes
Claire McAleenan	Yes	Yes	Yes	Yes
Marie Mallon OBE (by invitation)	Yes	Yes	Yes	Yes

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 2026-27.

Remuneration Committee

The Advisory Board has also established a further sub-committee, the Remuneration Committee, which met four times in 2025-26. It comprises all non-executive Advisory Board members of the NIAO and supports the Advisory Board in advising me on issues including terms and conditions of employment, pay settlements and succession planning. The Chairperson of the Remuneration Committee, appointed by the Advisory Board Chairperson, is Jill Laughlin.

The attendance at each of these meetings is recorded below:

Members present	28/05/25	30/06/25	08/12/25	31/03/26
Jill Laughlin (Chairperson)	Yes	No	Yes	Yes
Dean Sullivan	Yes	Yes	Yes	Yes
Claire McAleenan	Yes	Yes	Yes	Yes
Marie Mallon OBE	Yes	Yes	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 formally met 11 times in 2025-26 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, strategic performance and 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 and meets on a monthly basis.

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 was updated in 2025 that 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 its 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 2025-26, Risk Management was a standing agenda item at all monthly meetings of the SLT and at each ARAC meeting. 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 six times in 2025-26. 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 comprises 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 project, the Working Group issued a survey to all NIAO staff to gather feedback on risk identification and the format of the Corporate Risk Register. The Group also reviewed Corporate Risk Registers from other audit and client bodies for comparison, alongside commentary from NIAO's internal auditors following their review of risk management. This work resulted in a shift from three high-level risks aligned to strategic priorities to a more detailed set of twelve risks, each supported by clearly defined risk triggers, lines of defence, and action plans. Workshops were subsequently held with the SLT and the Board in September 2025, after which the new risk register was formally adopted. A similar presentation was later delivered to the Leadership Forum in December 2025. Following completion of this significant piece of work, the membership of the Group was refreshed, with the reconstituted Group meeting once before the end of the year.

As at March 2026, the twelve corporate risks were:

- Limitations in capacity and capability impact the delivery of corporate objectives
- Failure to deliver high quality financial audits
- Failure to deliver high quality public reports
- Failure to deliver financial audits by the statutory or agreed date
- Failure to deliver the committed public reporting programme
- Failure to live within financial means
- Inability to sustain a positive workplace environment that supports staff in the delivery of corporate objectives
- Failure to manage personal/confidential information appropriately
- Vulnerabilities in our information systems and networks are exploited by cyber threats/attacks and impact the delivery of our work
- Critical business processes may be disrupted due to unforeseen events
- Failure to comply with requirements of legislation (including climate change)
- Failure to effectively manage communications resulting in poor stakeholder relationships, a negative impact on organisational reputation or a reduction in public confidence

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;
- information asset registers are maintained; and
- 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 Office'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 three years from 2024-25.

They reviewed the following areas during 2025-26:

- Budgetary Control
- Payroll
- HR Health Check
- Business Continuity
- Delivery Management
- Risk Management (Advisory)

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, there is a satisfactory system of governance, risk management and control.

Budget Position and Authority

The Budget Act (Northern Ireland) 2026, which received Royal Assent on 20 March 2026, together with the Northern Ireland Spring Supplementary Estimates 2025-26 which were agreed by the Assembly on 23 February 2026, provide the statutory authority for the Executive's final 2025-26 expenditure plans. The Budget Act (Northern Ireland) 2026 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2026-27 financial year. The NIAO is currently operating under the authority provided by the Vote on Account which provides 45% of the 2025-26 financial year's cash and resources. The cash and resource balance to complete for the remainder of 2026-27 will be authorised by the 2026-27 Main Estimates and the associated Budget Bill based on an agreed 2026-27 Budget.

In the event that this is delayed, then the powers available to the Permanent Secretary of the Department of Finance under Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 will be used to authorise the cash, and the use of resources during the intervening period.

Significant internal control weaknesses

I can report that there were no significant weaknesses in the NIAO's system of internal control in 2025-26 which affected the achievement of the Office's key policies, aims and objectives.



Dorinnia Carville
Comptroller and Auditor
General for Northern
Ireland

30 June 2026

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 111 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

The following sections provide details of the remuneration and pension interests of the NIAO’s Senior Leadership Team (SLT). The information on pages 80 to 92 is covered by the audit opinion.

Single total figure of remuneration						
Officials	Salary (£'000)		Pension Benefits* (to the nearest £1,000)		Total (£'000)	
	2025-26	2024 - 25	2025-26	2024 - 25	2025-26	2024 - 25
Dorinnia Carville** C&AG	160-165	150-155	63	60	225-230	210-215
Rodney Allen COO	135-140	130-135	73	116	210-215	245-250
Patrick Barr Director	100-105	95-100	32	56	130-135	150-155
Suzanne Jones Director	100-105	95-100	32	56	130-135	150-155
Colette Kane Director/LGA Until 31 December 2025	80-85 (full year equivalent 110-115)	105-110	(24)	70	55-60	175-180
Barry Mitchell Director From 28 January 2026 to 16 February 2026	5-10 (full year equivalent 90-95)	-	4	-	10-15	-
From 5 March 2026	5-10 (full year equivalent 90-95)	-	8	-	15-20	-
Conor McGeown Director From 1 December 2025	30-35 (full year equivalent 90-95)	-	39	-	70-75	-
Brian O’Neill Director/LGA	100-105	95-100	54	70	155-160	165-170
Seamus Wade Director	100-105	95-100 (full year equivalent 90-95)	40	38	140-145	135-140
Tomas Wilkinson Director	105-110	100-105	42	62	145-150	160-165

* 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.

** In March 2026 the Assembly Audit Committee published a report into its review of salary arrangements for the role of Comptroller and Auditor General. The recommended salary levels have been reflected in the C&AG’s costs.

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 2025-26 or 2024-25.

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 2025-26 was £160,000 to £165,000 (2024-25: £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.

2025-26	25th percentile	Median	75th percentile
Total Remuneration	£44,792	£49,550	£58,482
Pay Ratio	3.6:1	3.3:1	2.8:1

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

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 £44,792, (2024-25: £43,069), £49,550 (2024-25: £48,000) and £58,482 (2024-25: £57,733) respectively.

No employees received remuneration more than the highest paid member of the SLT in either 2025-26 or 2024-25.

Remuneration ranged from £24,336 to £160,708 (2024-25: £23,177 to £154,527).

Fair Pay Disclosures

The C&AG’s role is the highest paid position in the NIAO and she was the highest paid member of the SLT during 2025-26. Her salary was in the range £160,000 to £165,000 (2024-25: £150,000 to £155,000). This was 3.3 times (2024-25: 3.2) the median remuneration of the workforce which was £49,550 (2024-25: £48,000).

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:	2025-26 v 2024-25	2024-25 v 2023-24
Average Employee Total Remuneration	2%	0%
Highest Paid Director’s Total Remuneration	6.56%	0%

No performance pay or bonuses were payable in these years.

Pension Benefits

Name and Title	Accrued pension at pension age as at 31/3/26 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2026	CETV at 31 March 2025	Real increase in CETV
Official	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Dorinnia Carville C&AG	10-15	2.5-5	189	135	38
Rodney Allen COO	75-80 plus a lump sum of 185-190	2.5-5 plus a lump sum of 2.5-5	1,703	1,559	50
Patrick Barr Director	25-30	0-2.5	426	381	19
Suzanne Jones Director	25-30	0-2.5	399	358	16
Colette Kane Director / LGA Until 31 December 2025	40-45 plus a lump sum of 80-85	0-2.5 plus a lump sum of 0	974	1,042	(88)
Conor McGeown Director From 1 December 2025	30-35	0-2.5	568	530	30
Barry Mitchell Director From 28 January 2026 to 16 February 2026	25-30	0-2.5	447	443	3
From 05 March 2026	30-35	0-2.5	456	449	5
Brian O'Neill Director /LGA	35-40 plus a lump sum of 75-80	2.5-5 plus a lump sum of 0-2.5	744	662	41
Seamus Wade Director	5-10	0-2.5	104	65	29
Tomas Wilkinson Director	35-40 plus a lump sum of 80-85	2.5-5 plus a lump sum of 0-2.5	787	719	23

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 (DoF) to remedy this discrimination.

DoF 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 forward in providing equal pension provision for all scheme members.

DoF 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 Remediability 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 have been able to be issued by the original regulatory timeline of 31 March 2025. The Scheme Manager has invoked the discretion allowed by the remedy legislation and has extended the timeline for issuing Immediate Choice RSS packs to 31 March 2027. The Pension Regulator has been notified of this extension. Our priority remains to provide members with all the accurate information they need to make a choice. It can be noted that other Public Service Pension Schemes are also in a similar position. 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 2025-26 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 2025 was 3.8% and HM Treasury has announced that public service pensions will be increased accordingly from April 2026.

Employee Contribution Rates

Percentage rates for employee contributions were revised for all members from 1 July 2025 as a result of the [Northern Ireland Civil Service Pension Scheme: Consultation on Scheme Yield / Member Contributions](#) as shown below*:

Annualised Rate of Pensionable Earnings (Salary Bands) From 01 April 2025 to 31 August 2025		Contribution rates – All members from 1 April 2025 to 30 June 2025	*Contribution rates – All members from 1 July 2025
From	To		
£0	£27,091.99	4.6%	4.65%
£27,092.00	£61,645.99	5.45%	5.65%
£61,646.00	£165,793.99	7.35%	7.55%
£165,794.00 and above		8.05%	8.25%

Salary bands were also updated from 1 September 2025 as follows:

Annualised Rate of Pensionable Earnings (Salary Bands) 1 September 2025 onwards		Contribution rates – All members
From	To	
£0	£28,716.99	4.65%
£28,717.00	£65,343.99	5.65%
£65,344.00	£175,740.99	7.55%
£175,741.00 and above		8.25%

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.

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 2025-26.

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 2025-26, the following remuneration was payable to non-executive members.

	Date of Contract	Length of contract (years)	2025 - 26 Salary £'000	2024 - 25 Salary £'000
Marie Mallon OBE*	02-12-24	3	12.5-15	7.5-10
Jill Laughlin	18-03-25	3	7.5-10	-
Claire McAleenan	26-02-25	3	7.5-10	-
Dean Sullivan	26-02-25	3	5-7.5	-
Martin Pitt**	01-12-21	3	-	7.5-10
John Turkington***	01-04-22	3	-	2.5-5
Fergus Devitt****	08-06-23	3	-	0-2.5

* Marie Mallon OBE was appointed to the Advisory Board on 1 April 2022. Marie was also then appointed Board Chairperson from 2 December 2024.

** Martin Pitt ceased to be a member of the Advisory Board and ARAC at the end of his contract on 3 December 2024.

*** John Turkington ceased to be a member of the Advisory Board and ARAC at the end of his contract on 1 April 2025.

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

Staff Report

Staff Costs (Audited)

Staff Costs	2025-26 £'000			2024-25 £'000
	Permanently employed staff	Others	Total	Total
Wages and salaries	6,641	227	6,868	6,141
Social security costs	881	-	881	680
Other pension costs	2,275	-	2,275	2,019
Sub Total	9,797	227	10,024	8,840
Less recoveries in respect of outward secondments	(24)	-	(24)	-
Total net costs	9,773	227	10,000	8,840

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 2025-26, employers' contributions of £2,275,404 were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay, for all salaries (2024-25: £2,019,296).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employers' contributions were paid in 2025-26 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 2025-26 and 2024-25. No contributions were due to the partnership pension providers at the reporting period date either.

In both 2025-26 and 2024-25 no-one retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £NIL (2024-25: £NIL).

Average number of persons employed (Audited)

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

2025-26			2024-25
Permanently employed staff	Others	Total	Total
126	2	128	115

There were 130 permanent full-time equivalent staff at 31 March 2026 (2024-25: 120).

	Male	Female	Total
Senior Management	5	2	7
Other Staff	49	74	123
Total	54	76	130

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

There were no compulsory redundancies in 2025-26 (2024-25: nil).

Consultancy

In 2025-26, £1,182 (2024-25: £19,200) was paid 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 2025-26, £226,449 (2024-25: £43,625) was paid for temporary staff. This amount is included in Note 3 to the Financial Statements.

'Off-Payroll' Engagements

Off-payroll engagements are those where individuals, either self-employed or acting through a personal service company, are paid gross by the employer. In line with HM Treasury requirements, DoF requires disclosure of such engagements that were in place during 2025-26. We had no off-payroll engagements in place at any time during 2025-26 or 2024-25.

Sickness absence data

We had an overall sickness absence rate of 8.17 days lost per employee between April 2025 and March 2026 (2024-25: 5.49 days lost). 74% of absence arose due to a small number of staff suffering from long-term sicknesses while 55% of staff had no absences in 2025-26.

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 matters specific to the Office.

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 results have played a pivotal role in shaping the NIAO's People Engagement Programme, specifically designed in response to the survey findings, providing a thematic framework that targets areas where staff have indicated opportunities for greater improvement, such as systems and structures, development, and engagement and participation. 30% of staff are actively involved in projects that support the progression of these initiatives. The NIAO is already beginning to see tangible benefits as a result. The next survey is scheduled for 2027.

Equity, 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. During 2025-26, the NIAO further strengthened its commitment to EDI, successfully obtaining Diversity Mark accreditation in February 2026. The NIAO also completed the development of its Equity, Diversity and Inclusion Strategy, which was formally launched in April 2026 following consultation with staff, management, the Board and the Trade Union.

Learning & Development

The NIAO Learning, Development and Talent Strategy directly aligns with our Corporate Plan 2024-2029 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. The 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 has operated a successful trainee programme that provides dedicated support for both Higher-Level Apprentices and Trainee Accountants. Trainees currently represent 15% of the NIAO’s workforce and contribute significantly to the operations and overall success of the organisation.

Feedback From Auditees:

“NIAO auditors engage appropriately with key finance staff, enabling good working relationships whilst also maintaining appropriate independence and exercising the challenge function.”

“All audit issues were discussed in a timely manner.”



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, 2025-26, all figures presented in £'000s

Type of spend	Note	Outturn			Estimate			Outturn vs Estimate saving/(excess)		Prior Year Outturn total, 2024-25
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
Departmental Expenditure Limit Resource	SOAS 1.1	10,329	239	10,568	10,743	300	11,043	414	475	9,337
Capital	SOAS 1.2	-	-	-	40	-	40	40	40	-
Total Budget Expenditure		10,329	239	10,568	10,783	300	11,083	454	515	9,337
Non-Budget Expenditure		-	-	-	-	-	-	-	-	-
Total Budget and Non-Budget Expenditure		10,329	239	10,568	10,783	300	11,083	454	515	9,337

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 2025-26, 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	10,097	10,683	586	8,974

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 2025-26, all figures presented in £'000s

Type of spend	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn total, 2024-25
Programme costs	SOAS 1.1	10,329	10,743	414	9,071

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

Notes to the Statement of Outturn against Assembly Supply, 2025-26, (£'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, 2024-25
	Programme					
	Gross	Income	Net Total	Total		
Spending in Departmental Expenditure Limits (DEL)						
Voted Expenditure						
1. Audit and Assurance Services	13,488	(3,159)	10,329	10,743	414	9,071
Total Voted DEL	13,488	(3,159)	10,329	10,743	414	9,071
Non-voted Expenditure						
2. Comptroller and Auditor General's Costs	239	-	239	300	61	266
Total non-voted DEL	239	-	239	300	61	266
Total spending in DEL	13,727	(3,159)	10,568	11,043	475	9,337

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 2024-25
	Programme					
	Gross	Income	Net Total	Total		
Spending in Departmental Expenditure Limits (DEL)						
Voted Expenditure						
Audit and Assurance Services	-	-	-	40	40	-
Total Voted DEL	-	-	-	40	40	-

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	10,568	11,043	475
Total Capital outturn	SOAS 1.2	-	40	40
Adjustments to remove non-cash items: Depreciation, impairments and revaluations		(226)	(200)	26
Adjustments to reflect movements in working balances: Increase/(decrease) in receivables		110	100	(10)
(Increase)/decrease in payables		(116)	-	116
Total		10,336	10,983	647
Removal of non-voted budget items				
Consolidated Fund Standing Services		(239)	(300)	(61)
Net cash requirement		10,097	10,683	586

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.


	2025-26 £'000			2024-25 £'000		
	Income	Full Cost	Surplus/ (deficit)	Income	Full Cost	Surplus/ (deficit)
Fee Income						
NAO	45	108	(63)	149	143	6
Other Financial Audit	1,865	1,919	(54)	1,713	1,779	(66)
Local Government Audit	1,205	1,195	10	1,123	1,218	(95)
NFI	-	-	-	148	136	12
	3,115	3,222	(107)	3,133	3,276	(143)

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. Additional income not included in the table above relates to secondment income and rental income.

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 2026

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 2026 under the Audit (Northern Ireland) Order 1987. The financial statements comprise:

- Statement of Financial Position as at 31 March 2026;
- 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 2026 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 2026 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 certificate.

We are independent of the Northern Ireland Audit Office in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and 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 certificate.

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 certificate, we do not express any form of assurance conclusion thereon.

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

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters

In our opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001.

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 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 www.frc.org.uk/auditorsresponsibilities. 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.

Report

We have no observations to make on these financial statements.

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
1 The Square
Moy
County Tyrone
BT71 7SG

30 June 2026

Financial Statements

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2026

This account summarises the expenditure and income generated and consumed on an accruals 'basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2025-26		2024-25	
		£'000	£'000	£'000	£'000
Total Operating Income	4		(3,159)		(3,137)
Staff Costs	3	10,024		8,840	
Purchase of Goods and Services	3	3,477		3,453	
Depreciation and impairment charges	3	226		181	
Total Operating Expenditure			13,727		12,474
Net Operating Expenditure	SOAS1.1		10,568		9,337
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		(275)		(185)
Comprehensive Net Expenditure for the year			10,293		9,152

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

Statement of Financial Position as at 31 March 2026

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 2026		31 March 2025	
		£'000	£'000	£'000	£'000
Non-current Assets					
Property, Plant and Equipment	5	5,365		5,266	
Investment Property	6	900		950	
Total non-current assets			6,265		6,216
Current Assets					
Trade and other receivables	7	1,178		1,068	
Cash and cash equivalents	8	331		278	
Total current assets			1,509		1,346
Total Assets			7,774		7,562
Current liabilities					
Trade and other payables	9	(1,149)		(980)	
Total current liabilities			(1,149)		(980)
Total assets less total liabilities			6,625		6,582
Taxpayers' equity and other reserves:					
General Fund			6,300		6,374
Revaluation Reserve			325		208
Total equity			6,625		6,582

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



Dorinnia Carville
Comptroller and Auditor
General for Northern
Ireland

30 June 2026

Statement of Cash Flows for the year ended 31 March 2026

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	2025-26 £'000	2024-25 £'000
Cashflows from operating activities			
Operating expenditure		(10,568)	(9,337)
Adjustment for non-cash transactions	3	226	181
Increase / (decrease) in trade and other receivables	7	(110)	(11)
Increase / (decrease) in trade and other payables	9	169	(52)
less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		(19)	(21)
Net cash outflow from operating activities		(10,302)	(9,240)
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	9	(34)	-
Purchase of intangible assets		-	-
Net cash outflow from investing activities		(34)	-
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		10,150	8,995
Consolidated Fund Standing Services	3	239	266
Net financing		10,389	9,261
Net increase/ (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		53	21
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		53	21
Cash and cash equivalents at the beginning of the period		278	257
Cash and cash equivalents at the end of the period		331	278

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

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2026

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 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
Net Assembly Funding		10,428	-	10,428
Consolidated Fund Standing Services	3	230	-	230
Consolidated Fund Standing Services Adjustment	3	9	-	9
Supply payable adjustment	9	(331)	-	(331)
Comprehensive Net Expenditure for the year		(10,568)	275	(10,293)
Other reserves movements including transfers		158	(158)	-
Balance at 31 March 2026		6,300	325	6,625

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 2025-26 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 18 Presentation and Disclosure in Financial Statements

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

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

Accounting policies for assets and liabilities

1.4 Property, plant and equipment

Land and buildings have been included based on professional valuations performed by Land & Property Services (LPS). The valuation provided by LPS as at 31 March 2026 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.

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.

NIAO uses Producer Price Indices published by the Office for National Statistics (ONS) in order to apply indexation to the value of non-property assets at year-end. In line with previous years, the October indices have been applied in 2025-26.

In March 2025, ONS paused publication to review an issue with the chain-linking methodology affecting historical data from 2008 onwards. ONS recommenced publication of the indices in October 2025, including revised historical series. In accordance with IAS 8 the fair value of assets is an accounting estimate and retrospective restatements are not required for changes in accounting estimates. As such, no adjustments have been made to the prior-year comparative figures as a result of the changes to PPI, but the updated indices have been applied in determining the asset values for the current year-end.

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 2025-26 this was at a rate of 0 per cent (2024-25: 1 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:

The building is depreciated over a 28 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.

Information Technology	3 to 7 years
Furniture	5 to 20 years

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.

	2025-26			2024-25		
	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Income £'000	Net Expenditure £'000
Financial Audit	9,782	2,905	6,877	8,845	2,776	6,069
Public Reporting	2,945	210	2,735	2,768	209	2,559
Governance and Fraud Prevention and Detection	664	-	664	514	-	514
Support to the NI Assembly, other public bodies and citizens	314	-	314	327	-	327
Comptroller Function	22	-	22	20	-	20
Total	13,727	3,115	10,612	12,474	2,985	9,489

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	2025-26		2024-25	
		£'000	£'000	£'000	£'000
Staff Costs ⁵ :					
Wages and Salaries		6,868		6,141	
Social Security Costs		881		680	
Other Pension Costs		2,275		2,019	
			10,024		8,840
Contracted Out Audits		1,676		1,598	
IT Support Services		465		416	
Accommodation		422		402	
Recruitment and training		202		191	
Consolidated Fund Standing Services (C&AG's costs)		239		266	
National Fraud Initiative Charge		-		136	
Professional Services Bought In		181		196	
Other Indirect Costs		143		114	
Office Supplies/Equipment		41		42	
Legal Fees		26		28	
Travel and Subsistence		24		23	
Internal Auditor's Fees		30		15	
External Auditor's Fees - Audit		21		21	
Hospitality		7		5	
			3,477		3,453
Non-cash items					
Depreciation	5	186		181	
Impairment of non-current assets		40		-	
			226		181
Total			13,727		12,474

⁵ Further analysis of staff costs is located in the Staff Report on page 88.

4. Operating Income

Item	2025-26 £'000	2024-25 £'000
Income from NAO	45	149
Other Audit Fees	3,070	2,836
NFI	-	148
Secondment Income	24	-
Rental Income	20	4
Total	3,159	3,137

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

Identification of a contract

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

Audit income stream	Basis for identifying a contract	Performance obligation
Statutory Audit	For these audits, we are appointed auditors under statute, and we charge a fee directly to the body. For audits under the Government Resources and Accounts Act NI 2001 the client recognises a notional fee, and no income is recognised in the NIAO accounts. There is no legal contract with fee-paying statutory audit clients but 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.
Agreement Audit	For these audits, we are appointed auditors by the organisation's board under their own governance arrangements and have a contract with them in the form of a Letter of Engagement.	Issue a Certificate and Report of the C&AG to the Northern Ireland Assembly.

Companies Act Audit	For these audits, we are appointed auditors under the Companies (Public Sector Audit) Order 2013 and therefore have a contract with them in the form of a Letter of Understanding.	Issue a Certificate and Report of the C&AG to the Northern Ireland Assembly.
National Audit Office subcontract services	For these assignments we contract with the NAO to conduct audit and verification work on organisations for which the NAO is the appointed lead auditor.	Issue a report or advice as per the terms of the engagement.

Identification of performance obligations

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

Determination of when performance obligations are satisfied

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

The majority of the NIAO's financial audits are on an annual cycle. The fee (which is based on estimated costs to the NIAO) and invoicing schedule is agreed between the individual assignment teams and the client. The NIAO is entitled to recover costs in respect of work completed to date at any stage of the audit.

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

2025-26

	Land £'000	Buildings £'000	Information Technology £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation					
At 1 April 2025	400	4,500	63	389	5,352
Additions	-	-	-	-	-
Reclassifications	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Revaluations	100	-	5	30	135
At 31 March 2026	500	4,500	68	419	5,487
Depreciation					
At 1 April 2025	-	-	27	59	86
Reclassification	-	-	-	-	-
Charged in year	-	158	9	19	186
Disposals	-	-	-	-	-
Revaluations	-	(158)	3	5	(150)
At 31 March 2026	-	-	39	83	122
Carrying amount at 31 March 2025	400	4,500	36	330	5,266
Carrying amount at 31 March 2026	500	4,500	29	336	5,365

All assets at 31 March 2026 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

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	-	-	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 were owned by the NIAO.

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

6. Investment Property

2025-26

	Investment Property £'000
Cost or Valuation	
At 1 April 2025	950
Additions	-
Disposals	-
Revaluations	(50)
At 31 March 2026	900
Depreciation	
At 1 April 2025	-
Charged in year	-
Disposals	-
Revaluations	-
At 31 March 2026	-
Carrying amount at 31 March 2025	950
Carrying amount at 31 March 2026	900

All assets at 31 March 2026 are owned by the NIAO.

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

6. Investment Property cont'd

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 1.5 to the Accounts.

7. Trade and other receivables

	2025-26 £'000	2024-25 £'000
Amounts receivable within one year		
Trade receivables	144	53
Work in progress	871	842
Other receivables	6	-
Rent receivable	-	4
Consolidated Funding Services non-supply adj	9	38
Prepayments	148	131
Total	1,178	1,068

There are no amounts receivable after more than one year.

8. Cash and cash equivalents

	2025-26 £'000	2024-25 £'000
Balance at 1 April	278	257
Net change in cash and cash equivalent balances	53	21
Balance 31 March*	331	278

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

9. Trade and other payables

	2025-26 £'000	2024-25 £'000
Amounts falling due within one year		
VAT	19	5
Trade payables	80	69
Consolidated Funding Services non-supply adj	9	38
Accruals	371	272
Employee benefits accrual	317	262
Total excluding amounts due to the Consolidated Fund	796	646
Amounts issued from the Consolidated Fund for supply but not spent at the year end	331	278
Sub Total	1,127	924
Other payables: capital creditor	22	56
Total	1,149	980

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 30 June 2026.

Some highlights of our year



In June we launched our guide on Effective Audit and Risk Assurance Committees with the Chief Executives' Forum and Public Sector Chairs Forum.



Congratulations to Seamus Wade, NIAO Director, who graduated from the Chief Executives' Forum Transformative Leaders Programme, hosted at the NIAO office.



NIAO staff members Declan, Laura, Finula, Colette and David celebrated 30+ years of public service with lunch at Parliament Buildings with the CSAQ and COO



Members of the Equality, Diversity and Inclusion Committee attended training in the Collaboration Space at NIAO



NIAO staff generously donated gifts to the Cash for Kids Mission Christmas appeal



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