

Northern Ireland Audit Office

coverage of the

Department of Education



Northern Ireland
Audit Office

Introduction

The Northern Ireland Audit Office (NIAO) is a public sector body that is totally independent of government. We help the Northern Ireland Assembly hold the Executive to account for the way it spends public money. We do this by auditing the finances of public bodies and scrutinising public spending to assess facts and value for the taxpayer, providing insights into how well public services are being delivered. More information on the roles and responsibilities of both the Comptroller and Auditor General (C&AG) and the NIAO can be found on our [website](#).

The NIAO carries out a number of functions:

Financial Audit: representing around 70 per cent of our core business, each year we conduct a programme of audits on some 150 public bodies.

Public Reporting: while the NIAO does not question the merits of government policies, we seek to promote better value for money through independent, evidence-based examinations. We then produce reports to the Assembly which highlight and demonstrate ways in which audited bodies can make improvements. These reports take account of single and cross-cutting themes and public sector priorities.

Good Practice: our Good Practice Guides highlight and encourage public bodies to improve their performance in achieving value for money and implementing policy.

Raising Concerns and Counter Fraud: we provide support and guidance to public sector organisations, and coordinate the National Fraud Initiative data matching exercise in Northern Ireland. We also process concerns raised by MLAs, public sector employees and citizens regarding the use of public money.

This document provides a brief outline of the recent work of the NIAO specific to the **Department of Education (DE)**.

If you would like to know more about the NIAO work on DE please contact:



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The Department of Education (DE) – background

The Department of Education (DE) was established in May 2016 as one of nine Northern Ireland (NI) departments constituted under the Departments Act (Northern Ireland) 2016 and the Departments (Transfer of Functions) Order (Northern Ireland) 2016, as part of the restructuring of the Northern Ireland departments. DE aims to provide a network of sustainable schools providing quality education for all children and young people. The DE is accountable, through its Minister (Mr Paul Givan MLA - appointed 3 February 2024), to the Assembly for the effective delivery of its statutory functions and for the effective use of the public funds for which it is responsible.

As outlined in the draft 2022-25 draft Budget document, DE's primary statutory duty is to promote the education of children and young people in NI and to ensure the effective implementation of education policy. This includes primary and post-primary education (including Special Educational Needs (SEN)), special schools and the youth service. DE aims to provide a network of sustainable schools providing quality education for all children and young people and has lead responsibility for the development and management of the Executive's Childcare Strategy and an Executive Strategy for Children and Young People. DE's activities focus on the outcomes contained in the draft Programme for Government (PfG), in particular draft outcome: *"we give our children and young people the best start in life"*.

DE developed a new five-year Corporate Plan, 'Every CHILD 2023-28', which is intended to provide a clear strategic focus on the medium-to-long term. DE's Strategic Priorities within this Plan are:

- Championing the needs and aspirations of all our children and young people and the positive impact of education;
- Helping all our children and young people by supporting their well-being and learning;
- Inspiring all our children and young people to make a positive contribution to society;
- Meeting the Learning needs of our children and young people and developing their knowledge and skills, enabling them to fulfil their potential; and
- Delivering an effective, child-first, collaborative and high-quality education system.

A key focus for 2023-24 was to continue with the transformation of SEN provision through operational and legislative improvements designed to deliver more efficient and effective SEN processes and improve outcomes for children with SEN. An 'End to End Review' of SEN is being taken forward by DE and the Education Authority allowing them to take an in depth look at the SEN system and make the changes necessary for more effective service delivery.

The Department has begun implementing the 'Integrated Education Act (NI) 2022' with the development of a Strategy for Integrated Education in Northern Ireland and an Action Plan, published in April 2023, with a public consultation on the Action Plan running from August 2023 to November 2023. In December 2023 the Independent Review of Education Final report was published and the findings and recommendations are being assessed by DE.

The key headlines from the Review are:

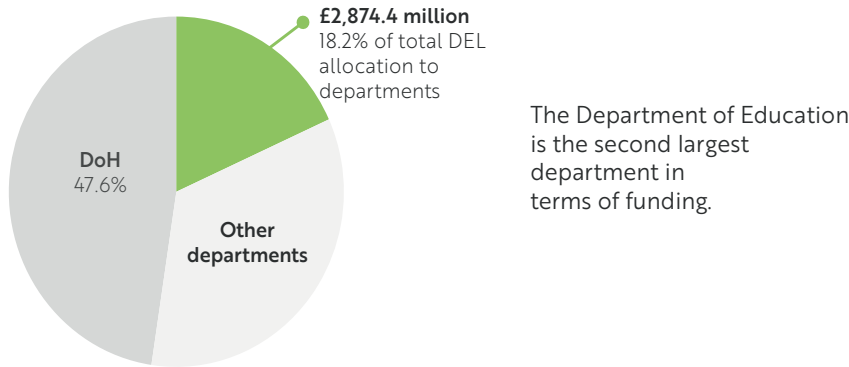
- Investment in education must be recognized as a social and economic imperative.
- Northern Ireland funding is unequitable and unsustainable.
- Restructuring of education governance and delivery is necessary to improve the educational experience and promote efficient and sharing. This would include a major reconfiguration of the network of schools.
- Reform of the curriculum is needed along with investment in its management; and
- Further education must play a fuller role in learner development and meeting the needs of the economy.

The Minister is supported by the Permanent Secretary, three Deputy Secretaries, and the Chief Inspector of the Education and Training Inspectorate (ETI). In addition to the ETI there are eight heads of division who each deal with a specific area of work, with each Division organised into a number of branches and teams. DE is supported in delivering its functions by several arm's length bodies (ALBs) (see below) each of which is accountable to the Minister.

The Department of Education funding

Figure 1 provides an overview of the Department’s Departmental Expenditure Limit (DEL) funding relative to all departments. It also shows the split between Resource and Capital DEL as well as how they are allocated to various spending areas and objectives.

Figure 1. Overview of the DEL funding allocation for the Department of Education



The vast majority of the Department’s funding relates to resource DEL.



Most of the Department’s funding is used on Delegated School Budgets and Education Authority grants.

SPENDING AREA	RESOURCE DEL	CAPITAL DEL	TOTAL
Delegated Schools Budgets	£1,637.4m	£-	£1,637.4m
Education Authority Grants	£990.9m	£-	£990.9m
Capital	£3.5m	£254.3m	£257.8m
Education Authority & Schools Specific Funds	£96.8m	£-	£96.8m
Other Education Services	£72.9m	£-	£72.9m
Youth & Community Relations	£38.5m	£-	£38.5m
Early Years Provision	£34.5m	£-	£34.5m
TOTAL	£2,874.5m	£254.3m	£3,128.8m

Source: 2024-25 Budget Document, Department of Finance

Bodies for which DE has responsibility for sponsorship and oversight

The Department is responsible for a number of ALB's.

Non-Departmental Public Bodies and other entities

- Education Authority;
- Northern Ireland Council for Integrated Education;
- Northern Ireland Council for the Curriculum, Examinations and Assessment;
- Comhairle na Gaelscolaíochta;
- Council for Catholic Maintained Schools;
- General Teaching Council for Northern Ireland (stood down by the previous Minister on 13 December 2021);
- Youth Council for Northern Ireland (Following expiry of the term of office for Board members, YCNI has not been operational since 1 April 2019);
- Middletown Centre for Autism;
- Voluntary Grammar Schools; and
- Grant Maintained Integrated Schools.

Tribunal Non-Departmental Public Bodies

- Exceptional Circumstances Body

DE also provides grant support to three third-party organisations which represent the interests of sectors within the education system:

- Controlled Schools' Support Council;
- Catholic Schools' Trustee Service; and
- Governing Bodies Association.

The Department is also responsible for the administration of the Teachers' Superannuation Scheme, the accounts of which are audited by NIAO.



Financial Audit Update

The Comptroller and Auditor General (C&AG) for Northern Ireland is the external auditor for DE. Each year the Northern Ireland Audit Office (NIAO) conducts a programme of audits on the financial statements of DE and its Non-Departmental Public Bodies (NDPBs). The C&AG is required, under the Government Resources and Accounts Act (Northern Ireland) 2001, to report her opinion as to whether the financial statements give a true and fair view. She is also required to satisfy herself that, in all material respects, expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and conform to the authorities which govern them; that is, they are 'regular'.

The C&AG reports the results of her financial audit work to the Northern Ireland Assembly. From time to time, she may also produce stand-alone reports that are published as Assembly documents.

Since 2020, the C&AG has issued one qualified audit opinion on the DE Annual Report and Accounts. On this occasion, a published report was attached to the accounts on the reason for qualifying the audit opinion. A summary of the qualification reason is outlined below. The C&AG has not issued any qualified opinions on the accounts of DE ALBs she is responsible for auditing.

2022-2023

DE expended more resources than the Assembly had authorised resulting in an excess vote. The outturn for Annual Managed Expenditure of £289,681,000 was £7,380,000 in excess of the £282,301,000 limit authorised by the Assembly. The C&AG issued a qualified audit opinion on regularity.



Public Reporting

The NIAO produces a Public Reporting Programme, outlining the C&AG's priority public reporting work to be progressed. The Programme aims to provide elected representatives, decision makers and citizens with information and assurance about how well public services are run and how public money is spent. The [Public Reporting Programme](#) can be found on our website.

In relation to DE, the following public reporting work is due for completion in 2024-25 and the findings will be presented to the Public Accounts Committee:

Management of the Schools' Estate (Scheduled to publish in October 2024)

This study aims to assess the current state of Northern Ireland's schools' estate, scrutinise maintenance practices, and examine the allocation of resources for cost-effectiveness. The report will explore whether the estate management process ensures a fit-for-purpose estate, conducive to safe and effective teaching and learning.

Key issues under examination include estate and investment strategies, asset management plans, condition surveys, sufficiency of data, maintenance backlog, and any risks associated with both Reinforced Autoclaved Aerated Concrete (RAAC) and the Department's ability to meet Net Zero requirements for the estate.

Addressing these issues could lead to enhanced governance, improved maintenance, efficient data management, backlog reduction, risk mitigation, and a commitment to sustainability. The findings and recommendations of the study should improve the Department's ability to maintain a safe, efficient, and education-focused schools' estate in Northern Ireland.

Quality of Education

This report recently passed the feasibility stage, meaning the C&AG will prepare a report on this topic. It has now entered the planning stage, during which the report's scope will be further considered and refined.



Previous Public Reporting coverage in DE

An overview and main findings from a selection of NIAO reports on DE and its arm's length bodies since 2020 are outlined below.

Closing the Gap – Social Deprivation and links to Educational Attainment (Published May 2021)

Subject of a Public Accounts Committee Inquiry, report published in January 2022

This report focused on two DE interventions - Targeting Social Need (TSN) and Sure Start. Collectively, the two interventions accounted for £102 million of annual funding to schools in 2019- 20 (and 74 per cent of DE's £138 million of annual funding targeting children from socially deprived backgrounds).

The main findings of the report included:

Over £900 million of funding had not made any demonstrable difference in narrowing the educational attainment gap between disadvantaged pupils and their more affluent counterparts.

There was no requirement for schools to spend TSN funding solely on supporting pupils from socially deprived backgrounds.

In 2018-19, 50 per cent of Free School Meal Entitlement (FSME) school leavers achieved at least five GCSEs including English and Maths, against a Departmental target of 60 per cent for these pupils. In the same year, 79 per cent of non-FSME school leavers achieved at least five GCSEs including English and Maths.

There has been a persistent performance gap between FSME and non-FSME pupils in Key Stages 1, 2 and 3 in Communication, Using Mathematics and Using ICT.

Provision of Key Stage assessment data is a statutory requirement. However, due to the industrial action by teachers which ended on 28 April 2020, only 14 per cent of Primary schools and 15 per cent of Post-primary schools provided assessment data for the 2018-19 academic year.

Impact Review of Special Educational Needs (Published in September 2020)

Subject of a Public Accounts Committee Inquiry, report published February 2021

This report, which was a follow-up to our 2017 report on SEN, found that an urgent overhaul of SEN policies and processes is needed to respond to rising costs and increasing demand.

The main findings of the report include:

Annual expenditure on SEN reached £312 million in 2019-20, an increase from £233 million in 2015-16. Expenditure over the last five years has totalled over £1.3 billion.

There was an urgent need for DE and the EA to evaluate the support provided to children with SEN. This would enable resources to be focused on the types of support which have the best outcomes for children. It was over 13 years since the Department began a review of SEN at a cost of nearly £3.6 million and the review was still not complete when our report was published.

The report also found that, while some progress had since been made, none of the ten recommendations made in the 2017 report had been fully addressed. In some areas, performance was found to have deteriorated. Delays in assessing and providing for children had increased, with 85 per cent of new statements of SEN then issued outside of the statutory 26 week limit, compared with 79 per cent in 2015-16.

The C&AG commented that *"there remains evidence of an inconsistent and delayed approach to assessing pupils and getting them access to the help they need. It is also disappointing that despite growing expenditure, the Department and the Education Authority are still unable to clearly demonstrate value for money..... As we move forward, it is clear that proper evaluation of these services is needed to ensure support is sustainable and produces the best outcomes for pupils."*

The NIAO has also published several cross-cutting reports, including:

- [Budgeting and Accountability \(May 2024\)](#)
- [Major Capital Projects \(February 2024\)](#)
- [Comptroller and Auditor General's Report on Financial Audit Findings 2023 \(December 2023\)](#)
- [Approaches to achieving net zero across the UK \(September 2023\)](#)
- [Ministerial Directions in Northern Ireland \(April 2023\)](#)
- [The NI Budget Process \(June 2021\)](#)
- [Broadband Investment in Northern Ireland \(June 2021\)](#)
- [Managing Attendance in Central and Local Government \(November 2020\)](#)
- [Capacity and Capability in the Northern Ireland Civil Service \(November 2020\)](#)
- Overview of the Northern Ireland Executive's response to the COVID-19 pandemic ([July 2023](#), [June 2021](#) and [September 2020](#))

Copies of all our reports can be found in the [Publications section](#) of our website.



Good Practice guides

We have compiled a number of good practice guides over recent years covering a range of topics highlighting and encouraging public bodies to improve their performance in achieving value for money, implementing policy and suggesting ways in which public services could be improved.

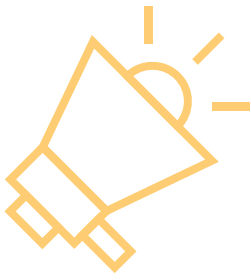
Copies of our good practice guides can be found in the [Publications section](#) of our website.

Recent NIAO Good Practice Guides have covered topics including:

 Board Effectiveness	 Grant Fraud
 Local Government Asset Management Financial Reporting	 School Governance
 Risk Management	 Planning Fraud

Topics planned for future good practice guides include:

 Audit Committee Effectiveness	 Cyber Security
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Counter Fraud Activity

The C&AG maintains a small Counter Fraud Unit which records and monitors notified frauds, and provides fraud-related advice and guidance, both internally and to the wider public sector, to help organisations strengthen their controls and minimise fraud risks. The Unit also co-ordinates the National Fraud Initiative (NFI) in Northern Ireland and is the first point of contact for third parties wishing to raise public interest concerns with the C&AG or Local Government Auditor.

Reporting Fraud

Managing Public Money Northern Ireland requires all NICS departments to report immediately to the C&AG (and to the Department of Finance) all proven, suspected and attempted frauds affecting them or the ALBs sponsored by them. The NIAO monitors these returns and liaises with the audited bodies to ensure that any fraud risks identified are properly addressed, for example through the introduction of additional controls.

National Fraud Initiative (NFI)

All NICS departments participate in the NFI, a UK-wide data matching exercise run every two years. To date, NFI exercises in Northern Ireland have resulted in actual and estimated savings of almost £48 million.

The overall results for NI are published every two years in the regional NFI reports which are available on our [website](#).

The NFI is not reported at organisational level, but by type of outcome (e.g. pensions/rates/payroll etc.) for NI as a whole.

Raising Concerns

Raising concerns (also known as whistleblowing) plays a vital role in securing and maintaining standards in public life. Concerns should be raised in the first instance with the relevant department or arm's length body, as they are best placed to address the issue raised.

The C&AG and the Local Government Auditor are "prescribed persons" to whom protected disclosures can be made under Public Interest Disclosure legislation. Public sector employees, members of the public, contractors, councillors and other third parties can raise concerns with them about the proper conduct of public business, value for money and fraud and corruption. Details of how this can be done, and how such concerns will be considered, are on our [website](#).