



Northern Ireland Audit Office

A large, vibrant abstract graphic on the left side of the page. It features a complex arrangement of overlapping, semi-transparent shapes in various colors including yellow, orange, red, blue, and green. The shapes include circles, teardrops, and elongated forms, some with internal patterns like dots or concentric lines. There are also several small, stylized symbols scattered throughout, such as blue and pink chevrons pointing right, and pink and orange plus signs. The overall effect is dynamic and energetic.

Overview of the Northern Ireland Audit Office

Introduction

This document provides a brief overview of the functions of the Northern Ireland Audit Office (NIAO) and its work for the Northern Ireland Assembly (the Assembly) and each department.

The NIAO is a public sector body that is totally independent of government. Our role is to help the Assembly hold the Northern Ireland 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.



Kieran Donnelly CB
Comptroller and Auditor General
for Northern Ireland



Rodney Allen
Chief Operating Officer



Colette Kane
Local Government Auditor

The head of the NIAO is the Comptroller and Auditor General (C&AG), **Kieran Donnelly CB**. The C&AG is an Officer of the Northern Ireland Assembly. His appointment by the Assembly means that he is not a civil servant and is totally independent of the Executive.

Rodney Allen, the NIAO's Chief Operating Officer, leads and manages operational business and supports the C&AG in the strategic leadership of the NIAO.

The Department for Communities designated NIAO Director **Colette Kane** as the Local Government Auditor (LGA) on an interim basis as of March 2021.

What is the role of the Comptroller and Auditor General (C&AG) for Northern Ireland?

The C&AG is responsible for auditing Northern Ireland's public sector organisations. The Northern Ireland Audit Office (NIAO) supports the C&AG in ensuring that our citizens have confidence in the provision of public services.

The C&AG helps the Northern Ireland Assembly (the Assembly) in its scrutiny of government, to ensure 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 C&AG has two main roles:

<p>As Comptroller he is responsible for authorising the issue of over £20 billion of public funds annually from the NI Consolidated Fund to enable government departments to meet their necessary expenditure, and for ensuring that there are adequate arrangements for the collection of revenue.</p>	<p>As Auditor General he is the external auditor of Northern Ireland departments, executive agencies and other central government bodies, including non-departmental public bodies (NDPBs) and health and social care bodies¹. He certifies the accounts of government departments and many other public bodies and has statutory authority to examine and report on whether government is delivering value for money on behalf of the public.</p>
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More information on the roles and responsibilities of the C&AG and the NIAO can be found on our [website](#).

What does the NIAO do?

The NIAO works with the public sector in overseeing and providing assurance to Northern Ireland's citizens and the Assembly that public money is spent properly. The NIAO employs around 120 staff.

The NIAO provides system-wide, integrated and independent public audit, supporting the Assembly, and in particular the Public Accounts Committee (PAC), in holding public bodies to account and improving public services by:

- providing the Assembly with independent objective information, advice and assurance on how public funds and resources have been used;
- identifying and encouraging good practice in financial management, good governance and propriety in the conduct of public business; and
- encouraging and suggesting ways in which public bodies could improve their performance in delivering services, achieving value for money and implementing policy.



¹ The C&AG also has access rights to certain bodies where he is not the appointed auditor. He uses these rights to bring any material matters to the attention of the Assembly. Such bodies include Housing Associations, Universities, Voluntary Grammar Schools, Grant Maintained Integrated Schools and other entities, such as Public Private Partnerships.

Functions of the NIAO

To support public scrutiny that is fair, equal and open and leads to more effective financial management and value for money, we carry out a number of core functions which are described in more detail throughout:

- Financial Audit;
- Public Reporting;
- advice and support to Committees for effective Assembly scrutiny;
- Performance Improvement Audit; and
- Counter Fraud Activity.

Financial Audit

Carrying out annual financial audits of government departments and arm's length bodies is 65 per cent of the NIAO's core business. Each year we conduct a programme of audits on some 150 public bodies across both central and local government.



The key objectives of these financial audits are to:

- provide reasonable assurance that the financial statements give a true and fair view, have been prepared in accordance with the relevant accounting and other requirements, and are in accordance with the authorities that govern them;
- identify, assess and examine risks to regularity, propriety and financial control in audited bodies and report on significant weaknesses; and
- provide audited bodies with constructive advice to help them improve their corporate governance and financial risk management.

The results of the C&AG's financial audit work are reported to the Assembly. His report on each set of accounts is published with the accounts by the audited body. From time to time, he may also produce stand-alone reports arising from his financial audit work that are published as Assembly documents.

The LGA gives a similar opinion on local government bodies' financial statements, however that opinion is reported to the members of each respective local government body.

Public Reporting

The NIAO does not question the merits of government policies but seeks to promote better value for money by highlighting and demonstrating to audited bodies ways in which they could make improvements to:

- realise financial savings or reduce costs;
- guard against the risk of fraud, irregularity and impropriety;
- provide a better quality of service;
- strengthen and enhance their management, administrative and organisational processes; and
- achieve their aims and objectives more cost-effectively.



The NIAO conducts independent, evidence-based examinations and produces reports to the Northern Ireland Assembly and local councils on economy, efficiency and effectiveness, performance improvement and issues arising from the audits of financial statements in central and local government and health.

The results of our work are reported to the Assembly. The Assembly's PAC takes evidence from senior departmental officials on the reports and, following consideration of evidence, reports its findings and recommendations to the Assembly. The Executive is required to respond to the PAC's recommendations, specifying the action the audited body intends to take in response. We monitor the action taken and may complete follow-up studies and reports where appropriate.

NIAO public reports take account of single and cross-cutting themes and Northern Ireland public sector priorities. They aim to respond rapidly to emerging issues in a changing environment and to concerns raised by third parties.

The main types of public reports produced by the NIAO are as follows:

- **Value for Money (VFM) studies** – investigations on central government bodies, which examine and report on whether economy, efficiency and effectiveness ('the three Es') have been achieved in the use of public funds providing public services and programmes, are known as value for money (VFM) audits. The primary objectives of VFM audit are to:
 - provide the Assembly with independent information and advice about how departments, agencies and other central government bodies have used their resources with particular regard to 'the three Es';
 - encourage audited bodies to improve their performance in achieving value for money and implementing policy; and
 - identify good practice and suggest ways in which public services could be improved.
- **Emerging issues and Investigations** – short, reactive reports on topical issues that establish facts to produce a timely, responsive and focused report to assist public accountability;
- **Impact reports** – previously published reports may be followed up to assess progress in implementing recommendations for improvement, together with impacts of all relevant actions considered and updates provided;
- **General reports** – on different sectors (health, central government and local government);
- **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 and implementing policy, and suggesting ways in which public services could be improved. Topics include: raising concerns in the public sector; risk management; making partnerships work; conflicts of interest; and managing the risk of bribery and corruption.

Copies of NIAO's public reports can be found on our [website](#).

The NIAO's Public Reporting Programme is planned over a three-year rolling time frame and designed to take a strategic, longer-term view of the most important issues and challenges facing the public sector in Northern Ireland. The programme includes significant work in the local government arena and addresses important cross-cutting issues that lie beyond the boundaries of any single government department. The Public Reporting Programme can be found on our [website](#).

Advice and support to the Northern Ireland Assembly



NIAO supports effective Assembly scrutiny by providing independent advice and support to help the Public Accounts Committee (PAC), other Select Committees and individual MLAs in their scrutiny of public spending and service delivery. The C&AG reports to the NI Assembly on the results of his financial audit and public reporting functions, including risks to regularity, propriety and the conduct of public business. This provides independent support to enable it to hold public bodies to account for their financial management and the value for money they provide to the taxpayer for the public funds they spend.

NIAO's main engagement is through the support provided to the PAC. PAC hearings, based on the C&AG's reports, will form the major part of the Committee's work which gives it an unusually wide remit as reports can arise from any area of the Executive's functions, including cross-border bodies.

The NIAO support to the Committee includes:

- providing evidence and briefings to help the Chair and Members of the Committee's examination of witnesses appearing before them. This will provide lines of enquiry which might be pursued on the basis of the C&AG's reports;
- providing an ongoing advisory role in the production of any subsequent report and the various correspondence the Committee receives from both government bodies and the general public.

The PAC takes oral evidence from senior Departmental officials including the Accounting Officer of the relevant Government department who is responsible for the revenue or expenditure under examination. Such evidence sessions are normally held in public. The PAC considers the evidence on each hearing and produces its own report, agreed by all members, of its findings and recommendations to the Assembly. The Finance Minister is then required to respond formally to these recommendations, in the form of a 'Department of Finance Memorandum'. This Memorandum is prepared by the Department of Finance in consultation with the body examined and sets out the action the body intends to take in response to the Committee's recommendations. The NIAO monitors the action taken and may revisit an issue where insufficient progress has been made.

Performance Improvement Audit



The LGA carries out their responsibilities, and exercises their professional judgment, independently of the Department for Communities and the C&AG. Each year the LGA undertakes performance improvement audit and assessment work on the 11 councils in Northern Ireland. They report on whether each council has discharged its duties in relation to improvement planning, and published the required improvement information (the improvement audit). They also assess whether each council is likely to comply with the statutory requirements to make arrangements to secure continuous improvement in the exercise of its functions (the improvement assessment).

In certain circumstances, the LGA may decide, or be requested by the Department for Communities (the Department), to carry out a special inspection of a council's compliance with its duties for securing continuous improvement.

If the LGA considers it appropriate in the light of a performance improvement audit, assessment or special inspection, they may make recommendations to the Department to provide assistance to a council or give it a direction.

Given the challenges that Covid-19 has created for councils, the Department is in the process of amending the Performance Improvement framework for 2020-21 and 2021-22, and is also taking steps to consider what further changes may be required over the coming years. This will also impact on the work undertaken by the LGA in this area.

Copies of NIAO reports can be found on our [website](#).

Counter Fraud Activity



The NIAO promotes good practice in governance arrangements and helps to combat fraud. NIAO staff attend the audit committees of all the audited bodies, providing support, advice and guidance to both non-executives and senior staff. The NIAO provides training through programmes developed by the Chief Executives' Forum. The NIAO maintains a small counter fraud unit which provides support, advice and guidance on fraud related matters to public sector organisations. The key functions of this unit include local co-ordination of the biennial National Fraud Initiative (a UK-wide data matching exercise) and processing concerns raised by, among others, public sector employees, contractors and the wider public.

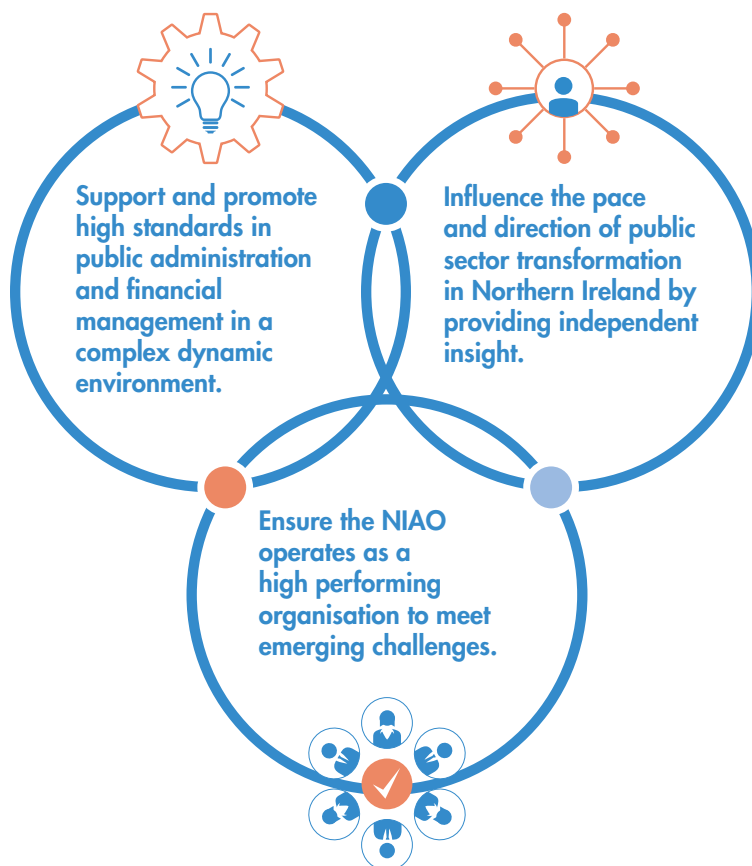
More information on the NIAO's counter fraud work, together with guidance on how to raise concerns, can be found on our [website](#).

Strategic Context and Priorities 2021-2024

We continue to operate in a dynamic environment which is continuously changing and evolving. Responding to the extraordinary circumstances of COVID-19, navigating the complex outworking of the UK's exit from the European Union and at the same time delivering a new Programme for Government will require strong leadership and good governance. In this context, high quality public audit has never been more important.

In March 2021, we launched our three-year Corporate Plan for 2021-24, following extensive consultation with stakeholders. It sets out the NIAO's three strategic priorities, designed to give clear direction and focus.

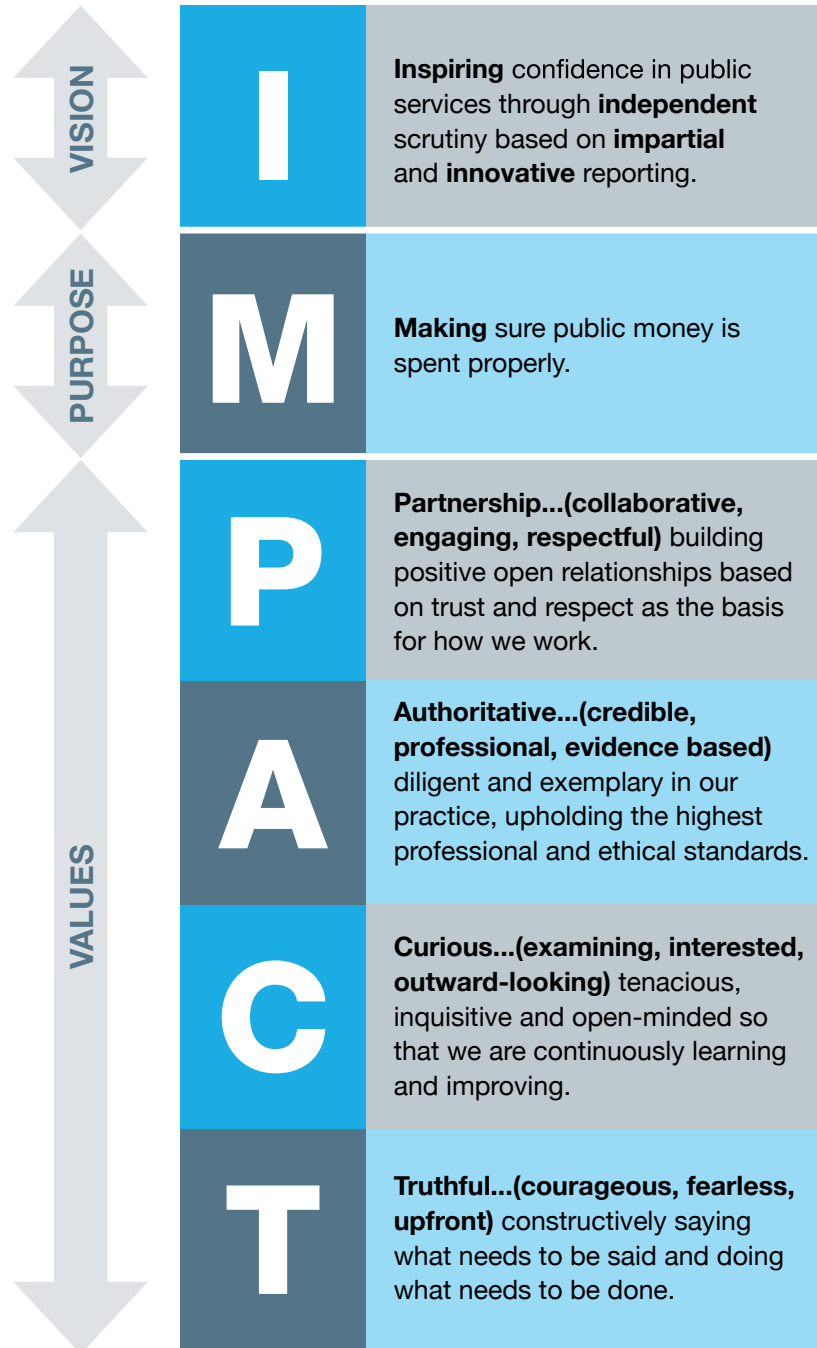
NIAO Strategic Priorities



The NIAO Corporate Plan is available to download from our [website](#).

Our vision, purpose and values

Our vision, purpose and values underpin everything that we do. At a time of change and uncertainty, the NIAO's vision is to provide assurance to the public on the integrity with which public money is spent and used for the maximum benefit. The NIAO core values underpin the way it works internally and externally. At one level the NIAO's purpose is very simple: to make sure that public money is spent properly. This is represented in the diagram below:



How is NIAO resourced?

The NIAO budget is subject to consideration and approval by the Assembly Audit Committee. The NIAO's proposed Resource Departmental Expenditure Limit (DEL) for 2021-24 is outlined below (**Table 1**). We continue to work hard to improve how we support our people, including re-organising the office and introducing new technology and processes enabling more flexible work patterns.

Table 1: Resource DEL² - Proposed 3 Year Budget

	2021-22	2022-23	2023-24
	£'000	£'000	£'000
TOTAL RESOURCE DEL	8,750	8,935	9,055

Find out more or contact us

More information on the NIAO, as well as copies of all our previous reports, can be found on our website www.niauditoffice.gov.uk

Follow the NIAO on  [@niauditoffice](https://twitter.com/niauditoffice) on  and on 

General enquiries can be sent to info@niauditoffice.gov.uk

If you wish to raise a concern, you can email raisingconcerns@niauditoffice.gov.uk

We have a dedicated Assembly Support Officer, **Kyle Bingham**, who can be contacted at kyle.bingham@niauditoffice.gov.uk or on **028 9025 4309** if you are interested in the NIAO's work and support for the Assembly.

Or you can write to us at our current premises at:

Northern Ireland Audit Office
1 Bradford Court
Galwally,
Belfast
BT8 6RB

² DEL – Departmental Expenditure Limit.

