

**Northern Ireland
Audit Office**
coverage of the
**Department of
Education**

This document provides a
brief outline of the work of the
Northern Ireland Audit Office on the
Department of Education (DE)

Northern Ireland Audit Office coverage of the Department of Education (DE)

The Northern Ireland Audit Office (NIAO) is a public sector body that is totally independent of government. Our role is to 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 supports public scrutiny that is fair, equal and open and that leads to more effective financial management and value for money. To do this, we carry out a number of functions: Financial Audit; Public Reporting, including Value for Money reports and Good Practice Guides; and Counter Fraud.

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

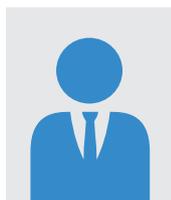
If you would like to know more about the NIAO work on the DE please contact:



Patrick Barr

**Director – Public Reporting and
Financial Audit**

Patrick.Barr@niauditoffice.gov.uk
028 9025 1063



Andrew Allen

**Audit Manager – Public Reporting
and Financial Audit**

andrew.allen@niauditoffice.gov.uk
028 9025 1019

Department of Education background

The Department of Education (DE) was established in May 2016, following the restructuring of the Northern Ireland departments¹. With the reduction from 12 to 9 government departments, the new DE has a wider remit than the former one, incorporating children's functions which previously fell within the remit of the Office of the First and Deputy First Ministers. This includes policy responsibility and a range of services for children and young people and policy responsibility for the Childcare Strategy.

The DE's primary statutory duty is to promote the education of the people of Northern Ireland and to ensure the effective implementation of education policy. The DE's main areas of responsibility are 0 to 4 years provision, primary and post-primary, special education (including Special Educational Needs) and the youth service.

The DE is accountable, through its Minister (Mr Peter Weir – appointed January 2020), 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 2020-21 Budget document², the 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.

The Department's activities focus on the outcomes contained in the draft Programme for Government, in particular Outcome 12: "We give our children and young people the best start in life". The Department had six corporate goals in 2020-21:

- 1. Ensuring continuity of learning for children and young people during the COVID-19 pandemic** - Supporting schools to ensure curriculum resources are available and that arrangements are in place to support pupils who do not have access to remote learning facilities. Ensuring that appropriate IT provision is made to maximise the uptake of the wide range of online resources which are available, with a focus on disadvantaged children. Supporting staff to put protective measures in place to reduce the risks associated with the COVID-19 pandemic as attendance at education settings increases. Ensuring that fair grades are awarded in qualifications entered within the 2019-20 academic year.
- 2. Improving the wellbeing of children and young people, including supporting those who are vulnerable or who have special educational needs** - Improving the wellbeing of children and young people and ensuring that support is available to vulnerable children and young people during the COVID-19 pandemic and beyond; implementing new frameworks for Special Educational Needs and Emotional Wellbeing; addressing barriers to attendance for vulnerable children; promoting the health and safety of children, parents and staff.
- 3. Increasing access and improving the learning environment for all** - Ensuring that our services are planned effectively on an area basis to provide children and young people with full access to high quality learning experiences, both in formal and non-formal education and out of school. Ensuring there are sufficient school places for vulnerable children and for key worker parents to continue to work when schools are closed for normal business. Making sure that strategic investment supports the delivery of the area plans; that the premises in which young people grow and learn are safe, fit for purpose and conducive to learning; and that the environment provides opportunities for sharing and for building a more cohesive society.
- 4. Raising standards and tackling under-achievement to ensure learners get the best possible education** - Ensuring that all young people enjoy and do well in their learning and that their achievements and attainment are appropriately recognised and celebrated. Addressing the under-achievement that can hold our children and young people back; ensuring that young people who face barriers or are at risk of social exclusion are supported to achieve their full potential; ensuring

1 The Department of Education (DE) is one of nine Northern Ireland departments constituted under the Departments Act (Northern Ireland) 2016 and the Departments (Transfer of Functions) Order (Northern Ireland) 2016.

2 Budget 2020-21: Department of Finance; 05 May 2020.

that support is available to families who could experience hardship as a result of the disruption to education services caused by the Covid-19 pandemic.

5. **Developing the education workforce** - Recognising the particular professional role of early years providers, youth workers, teachers and school leaders/management committees in delivering an effective, age-appropriate curriculum and raising standards, and also the important role of other education professionals and those who support them.
6. **Transforming the education system to ensure high quality, sustainable education for the 21st century** - Establishing an external, independent review of education provision; implementing an agreed Transformation Programme³ to ensure that the arrangements for governing and managing education here are modern, accountable and child-centred, and that education services are delivered efficiently and effectively in support of schools.

The Minister is supported by the Permanent Secretary, three Deputy Secretaries, the Chief Inspector of the Education and Training Inspectorate (ETI)⁴, the Finance Director, an HR Business Partner and a Non-Executive Director.

3 The Education Minister suspended the Education Transformation Programme at the outset of the Covid-19 pandemic, in March 2020. Some elements have re-commenced but the work remains largely suspended.

4 The ETI is a unitary inspectorate and is part of the DE. It provides independent inspection services and policy advice to DE.

Department of Education funding

The DE was allocated over £2.4 billion - 17 per cent of the Executive's overall Resource and Capital Departmental Expenditure Limit (DEL) budget for 2020-21. **Figure 1** provides an overview of the Department's DEL funding relative to all departments and how this is allocated to various spending areas and objectives.

The majority of the DE's budget directly funds schools and pupils. The balance of funding is spent on supporting children and young people through providing early intervention initiatives e.g. pre-school education provision and Sure Start; supporting Childline and Young Enterprise; tackling educational under-achievement programmes; providing youth and other children's services e.g. statutory youth services, regional and local voluntary youth organisations and child protection; supporting the below-mentioned arm's length bodies in meeting their objectives; and meeting departmental running costs.

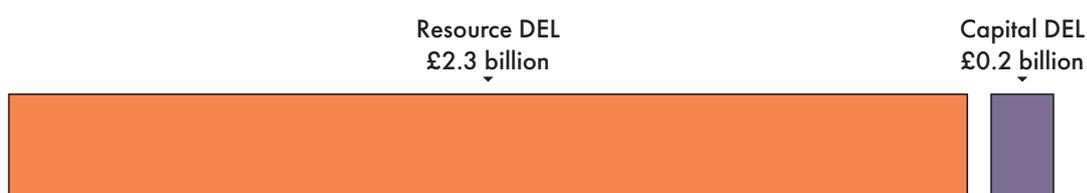
Budget allocations are based on the 2020-21 Budget published by the Department of Finance in May 2020. This set out the Executive's initial spending plans for the one year period from April 2020 to March 2021. Final allocations may differ as a result of changes to funding and the in-year monitoring process which provides a formal system for reviewing spending plans and priorities for the NI departments in the financial year.

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

The Department of Education is the second largest Department in terms of funding



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



The vast bulk of funding is used on schools

SPENDING AREA	RESOURCE DEL	CAPITAL DEL	TOTAL
Pre-school, Primary School and Post Primary Education	2,000	124	2,124
Activities to Support Education	241	23	264
Youth and other Children's Services	36	10	46
TOTAL	2,277	157	2,434

Source: NIAO and Budget 2020-21; Department of Finance, 05 May 2020

Bodies for which the Department of Education has responsibility for sponsorship and oversight

The DE is supported in delivering its functions by nine arm's length bodies, each of which is accountable to the Department.

Non-Departmental Public Bodies (NDPBs)

- Education Authority
- Council for Catholic Maintained Schools
- Northern Ireland Council for Integrated Education
- Northern Ireland Council for the Curriculum, Examinations and Assessment
- Youth Council for Northern Ireland⁵
- General Teaching Council for Northern Ireland
- Comhairle na Gaelscolaíochta
- Middletown Centre for Autism

Tribunals

- Exceptional Circumstances Body

Financial Audit

The NIAO conducts a programme of audits on the financial statements of the DE and its NDPBs. The C&AG is required, under the Government Resources and Accounts Act (Northern Ireland) 2001, to report his opinion as to whether the financial statements give a true and fair view. He is also required to satisfy himself 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 his financial audit work to the Northern Ireland Assembly. From time to time, he may also produce stand-alone reports that are published as Assembly documents.

Since 2016, the C&AG has issued unqualified audit opinions on the Department of Education's accounts and the following NDPBs of the Department: Education Authority (EA); Council for Catholic Maintained Schools; Northern Ireland Council for the Curriculum, Examinations and Assessment; Youth Council for Northern Ireland; and General Teaching Council for Northern Ireland⁶.

The C&AG issued a qualified audit opinion on the 2016-17 Department of Education Teachers' Superannuation Scheme Account as the Scheme expended more resources than the Assembly had authorised, resulting in an excess vote. The excess arose because the Assembly dissolved at the end of January 2017 and therefore the process of considering and approving the 2016-17 Spring Supplementary Estimates by way of a Budget Bill could not take place. The C&AG considered this excess vote to be technical in nature since the mechanism to regularise revised resource and cash requirements was not available to the Department in 2016-17.

C&AG reports on the Education Authority

The C&AG published reports attached to the EA's 2016-17, 2017-18 and 2018-19 accounts, detailing the EA's failure to contain expenditure within the accrued limits approved by the DE and the reasons for the overspends. The EA overspent by £19.9 million in 2016-17, £17.6 million in 2017-18 and £14.9 million in 2018-19 compared with the limits approved by the DE.

⁵ The Youth Council for Northern Ireland has been non-operational since April 2019 and is currently subject to the Minister's review on its future.

⁶ The Northern Ireland Council for Integrated Education, Comhairle na Gaelscolaíochta and Middletown Centre for Autism are not audited by the C&AG. Expenditure of the Exceptional Circumstances Body is included with the DE Annual Report and Accounts which is audited by the C&AG.

Public Reporting

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. Through its Public Reporting programme, the NIAO 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; improve quality of service; strengthen and enhance management, administrative and organisational processes; and achieve their aims and objectives more cost-effectively.

The main types of public reports produced by the NIAO are set out below:

- **Value for Money (VFM) studies** – investigations which examine and report on whether economy, efficiency and effectiveness ('the three E's') have been achieved in the use of public funds providing public services and programmes;
- **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; and
- **General reports** – on different sectors (health, central government and local government).

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

Public Reporting current and future work programme

In late 2019, the NIAO published its three year Public Reporting Programme for the period 2019-2022. The programme outlines the C&AG's planned publications for each of the three years.

In response to Covid-19, considering the pressures on public services and anticipating the need to focus on topic areas impacted by the pandemic, an assessment was undertaken to re-prioritise the Public Reporting Programme in June 2020. The C&AG has agreed a plan which identifies a realistic schedule of priority public reporting work to be progressed at this time. The Public Reporting Programme can be found on our [website](#).

In relation to the DE, the following Value for Money work is due for completion in 2020-21 and the findings presented to the Public Accounts Committee.

Closing the Gap – social deprivation and the links to educational attainment

A broad range of factors contribute to educational attainment including school leadership, classroom teaching, and parental and community involvement. However, research indicates that, at every stage of schooling, Northern Ireland's poorest children are likely to do worse and make less progress than their better-off classmates. For many years, the DE has targeted funding to address the gap in educational attainment, using a mix of Free School Meal Entitlement and Northern Ireland Multiple Deprivation Measures as measures of social deprivation.

Our study will examine whether the DE ensures that the funding provided to improve the educational attainment of children from socially deprived backgrounds is being monitored and evaluated effectively to achieve the required outcomes across early years, primary and post primary education. The study will focus on Sure Start and Targeting Social Need funding, which account for over 73 per cent of the Department's targeted funding.



Good Practice Guide for School Governance

Every government funded or grant aided school is managed by a Board of Governors, working with the school Principal to provide the best possible education for all pupils. The role of a governor is voluntary and brings with it various statutory responsibilities. In the current climate, the effectiveness of the Board of Governors is of the utmost importance. Our guide is intended to offer advice to enhance and improve effectiveness of Boards of Governors, drawing on various sources of best practice.

The NIAO also plan to publish two cross-cutting reports on:

- Lessons arising from Judicial Reviews for NICS decision-making; and
- Planning in NI.

Previous Public Reporting coverage in the DE

An overview and main findings from a selection of NIAO reports on the DE and its arm's length bodies are outlined below. Copies of our reports can be found in the [Publications section](#) of our website.

Impact Review of Special Educational Needs

This 2020 report, which is a follow-up to our 2017 report on Special Educational Needs (SEN), found that an urgent overhaul of SEN policies and processes is needed to respond to rising costs and increasing demand. The main findings 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 is an urgent need for the DE and the EA to evaluate the support provided to children with SEN. This will enable resources to be focused on the types of support which have the best outcomes for children.
- It is over 13 years since the Department began a review of SEN at a cost of nearly £3.6 million. This review is still not complete.

The report found that, while some progress has since been made, none of the ten recommendations made in the 2017 report have been fully addressed. In some areas, performance was found to have deteriorated. Delays in assessing and providing for children have increased, with 85 per cent of new statements of SEN now 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 Financial Health of Schools

This 2018 report examined the extent to which schools had been able to manage within their delegated budget for the period 2012-13 to 2016-17, and whether schools' surpluses or deficits are within the limits set by the EA. The report also considered the actions and initiatives being taken by the DE and the EA to address the financial issues facing schools.

The main findings of this report include:

- The cash amount allocated to schools under the Common Funding Scheme increased between 2012-13 and 2016-17. However, in real terms, that is taking inflation into account, there was a 9.3 per cent reduction in the General Schools Budget during this period.
- Between 2013 and 2017, the number of Controlled and Maintained schools in Northern Ireland with a surplus fell from 856 to 711 whilst the number with a deficit increased from 197 to 315.
- Almost 46 per cent of Controlled and Maintained schools in Northern Ireland had accumulated surpluses in excess of the EA's prescribed thresholds at 31 March 2017.
- Sixteen per cent of Controlled and Maintained schools in Northern Ireland had accumulated deficits in excess of the EA's prescribed thresholds at 31 March 2017.
- Legislation empowers the EA to suspend the right to a delegated budget if it appears that a school's Board of Governors has been guilty of a substantial or persistent failure to comply with any requirement or conditions applicable under the Common Funding Scheme, or is not managing the resources put at its disposal in a satisfactory manner. Although a significant number of schools, within the Controlled sector and Catholic Maintained sector, have carried a deficit balance for more than three years, in breach of the EA's guidance, delegation has not been removed from any school to date.
- A report produced in 2015 by the NIAO and a subsequent report by the Public Accounts Committee in 2016 on the sustainability of schools included a number of recommendations aimed at addressing unsustainable schools. The Financial Health of Schools report advised that a number of these recommendations were still being progressed by the Department.

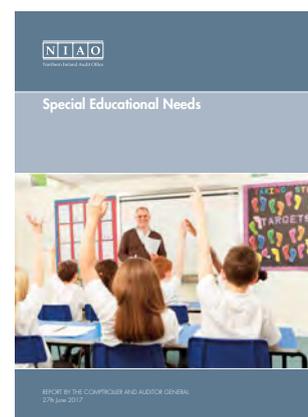
Reflecting on the findings within the report, the C&AG said *"The Department of Education and the Education Authority need to undertake a fundamental review of how schools are funded, as well as ensuring the implementation of recommendations made by the Public Accounts Committee in its report on the Sustainability of Schools."*

Special Educational Needs

This 2017 report focused on the provision for children with SEN in mainstream schools. The report looked at the process for identifying children with SEN, including the statutory assessment process; the costs of providing for children with SEN; and the processes in place to monitor and evaluate the impact of the SEN provision.

The main findings of the report include:

- Neither the DE nor the EA can demonstrate value for money in the provision of support to children with SEN in mainstream schools.
- More than 10 years after it began in 2006, the DE had not yet completed a review to address a range of issues including the increase in the number of children with SEN, and the inconsistencies and delays in assessment and provision.



- The provision of a classroom assistant (at a total annual cost of £55 million) is often considered as a key form of support given to children with a statement of SEN yet their impact, or that of any other support provided, has not been evaluated at a strategic level. In the absence of any evaluation of the support provided, it is difficult to see how the DE or the EA are ensuring they achieve the best outcomes for children with SEN.
- In 2016-17, 22 per cent (just over 76,300 children) of the school population were reported as having SEN. This was higher than in England.
- In 2015-16, the EA completed 79 per cent of SEN statements outside the statutory time limit of 26 weeks. The EA told us that this is mostly due to valid exceptions permitted in legislation relating to delays in receiving advice from the health sector, but could not provide a detailed breakdown.

The C&AG concluded that *“It is crucial . . . that the Department and the Education Authority assess the quality of support provided, by formally evaluating it in terms of the progress made by children. This will allow resources to be focused on types of support which maximise progress and improve outcomes.”*

In addition to these more recent reports, the following reports related to areas overseen by the DE were published between 2011 and 2015:

2015 Sustainability of Schools

2014 Improving Pupil Attendance: A Follow-Up Report

2013 Improving Literacy and Numeracy Achievement in Schools

2011 Promoting Good Nutrition through Healthy School Meals

The NIAO has also published several cross-cutting reports since 2016, including:

- **Capacity and Capability in the Northern Ireland Civil Service (November 2020)**
- **Overview of the Northern Ireland Executive’s response to the COVID-19 pandemic (September 2020)**
- **Major Capital Projects (December 2019)**
- **Management of the NI Direct Strategic Partner Project – helping to deliver Digital Transformation (June 2019)**
- **The UK Border: how prepared is Northern Ireland for exiting the EU? (October 2018)**
- **Managing the Central Government Office Estate (November 2017)**
- **Northern Ireland Public Sector Voluntary Exit Schemes (October 2016)**

Copies of 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 website⁷.

Good practice guides planned for the future include:

- Asset management;
- Innovation; and
- Changing organisational culture



⁷ *Records matter: a view from regulation and oversight bodies on the importance of good record keeping* published 29 January 2020 is the joint work of the NIAO, the Northern Ireland Public Services Ombudsman's Office, and the UK Information Commissioner's Office.

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

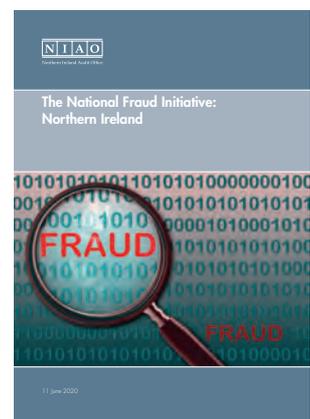
Managing Public Money Northern Ireland requires all NICS departments to report immediately to the C&AG (and to the Department of Finance) all proven, suspected and attempted frauds affecting them or the ALBs sponsored by them⁸. The NIAO monitors these returns and liaises with the audited bodies to ensure 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 £40 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 (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](#).



8 Annex A.4.7 Managing Public Money NI (<https://www.finance-ni.gov.uk/articles/managing-public-money-ni-mpmni>)

