Department of Education

Annual Report and Accounts
For the year ended 31 March 2024

Department of Education

Annual Report and Accounts 2023-24
For the year ended 31 March 2024

Laid before the Northern Ireland Assembly under section 10(4) of the Government Resources and Accounts Act (Northern Ireland) 2001
by the Department of Finance
on 4 November 2024

This publication is available at www.education-ni.gov.uk.

Any enquiries regarding this document should be sent to us at accounts.branch@education-ni.gov.uk, telephone number 028 9127 9279.

Contents **Page**

	Abbreviations and terms used
ALBs	Arm's Length Bodies
AME	Annually Managed Expenditure
AMPS	Assembly Members’ Pension Scheme
ARAC	Audit and Risk Assurance Committee
ASB	Aggregated Schools Budget
BREEAM	Building Research Establishment Environmental Assessment Method
C&AG	Comptroller and Auditor General
CARE	Career Average Revalued Earnings
CCEA	Council for the Curriculum, Examinations and Assessment
CCM	Cost Cap Mechanism
CCMS	Council for Catholic Maintained Schools
CEO	Chief Executive Officer
CETV	Cash Equivalent Transfer Value
CFERs	Consolidated Fund Extra Receipts
CnaG	Comhairle na Gaelscolaíochta
CoA	Court of Appeal
CPD	Construction and Procurement Delivery
CPI	Consumer Prices Index
CPN	Competitive Procedure with Negotiation
CRR	Corporate Risk Register
CSP	Civil Service Pension
CYPS	Children and Young People’s Strategy
DAERA	Department of Agriculture, Environment and Rural Affairs
DE	Department of Education
DEL	Departmental Expenditure Limits
DfC	Department for Communities
DfE	Department for the Economy
DfI	Department for Infrastructure
DoF	Department of Finance
DoH	Department of Health
DoJ	Department of Justice
DP	Development Proposal
EA	Education Authority
EdIS	Education Information Solutions
EEI	Employee Engagement Index
ETI	Education and Training Inspectorate
EU	European Union
FReM	Financial Reporting Manual
FSM	Free School Meals
FTC	Financial Transactions Capital
GAD	Government Actuary’s Department
GAR	Governance and Accountability Review

	Abbreviations and terms used
GMI	Grant Maintained Integrated
HM	His Majesty’s
HR	Human Resources
IAS	International Accounting Standard
ICO	Information Commissioner’s Office
ICT	Information and Communication Technology
IFRIC	International Financial Reporting Interpretations Committee
IFRP	Independent Financial Review Panel
IFRS	International Financial Reporting Standards
InsPIRE	Inspection Planning, Insight and Reporting Environment
IT	Information Technology
LIT	Local Integrated Teams
LPS	Land and Property Services
MCA	Middletown Centre for Autism
NDPB	Non Departmental Public Bodies
NEBM	Non-Executive Board Members
NFI	National Fraud Initiative
NJC	National Joint Council
ONS	Office of National Statistics
PCSPS	Principal Civil Service Pension Scheme
PfG	Programme for Government
PFI	Private Finance Initiative
RAAC	Reinforced Autoclaved Aerated Concrete
RMF	Risk Management Framework
SAP	Strategic Area Plan
SCS	Senior Civil Servant(s)
SEN	Special Educational Needs
SEND	Special Educational Needs and Disability
SOAS	Statement of Outturn against Assembly Supply
SOCNE	Statement of Comprehensive Net Expenditure
SOFP	Statement of Financial Position
SSEC	Strule Shared Education Campus
UK	United Kingdom
UNCRC	United Nations Convention on the Rights of the Child
VAT	Value Added Tax
VG	Voluntary Grammar

PERFORMANCE REPORT

1. Overview

This section outlines the Department of Education's ("the Department's") purpose, key objectives and key risks, and how the Department performed during the year.

1.1 Statement from the Permanent Secretary

I am pleased to present the Department of Education's Annual Report and Accounts for the 2023-24 financial year, another demanding year for the Education sector in Northern Ireland.

There were significant challenges throughout the period, not least the continued absence of a Northern Ireland Assembly and Executive for most of the year. The ongoing political impasse compounded the significant pressures placed upon an Education budget which, until the HM Treasury financial package which accompanied the restoration of the Executive, fell far short of the level of investment required. Against this challenging backdrop, the Department attempted to align its budget to meet the growing and increasingly complex needs of our children and young people.

At the outset of 2023-24, the Department took several difficult decisions, namely to reduce funding for the Education Authority (EA) as well as the cessation of a number of educational support schemes, in response to education's extremely challenging financial position.

As a result of these decisions, and the additional funding subsequently provided as part of the financial settlement which accompanied the restoration of the Northern Ireland Executive, the Department was just able to stay within its budget for the 2023-24 period.

Throughout the year the Department remained focused on the importance of striving for the best for children and young people. To that end, this commitment was translated into the Department's new corporate plan, Every CHILD with the vision of "every child and young person is happy, learning and succeeding".

The delivery of high-quality education continued throughout the year against the backdrop of significant disruption caused by both strike action and action short of strike by teaching and support staff.

In February, the Department welcomed the return of the Executive and the appointment of Paul Givan MLA, as the Minister of Education.

The injection of much-needed funding which accompanied the restoration of the Executive addressed education's significant financial pressures in the short term. In particular, the late allocation in 2023-24 addressed the teachers' pay settlement for the three years September 2021 to September 2023. That said, going forward the education system requires significant additional investment and transformation in the longer term to place the sector on a sustainable footing.

I greatly appreciate how staff in the Department and across the education sector have responded to the challenges faced. I would like to put on record my thanks for the dedication and hard work of all staff across the Departmental Group in continuing to drive progress and deliver successful outcomes for our children and young people.

Mark Browne (Dr)
Accounting Officer
29 October 2024

1.2 Non-Executive Board Members' (NEBM) Report

Introduction

During the year, the Department continued to operate with the additional challenges around governance and direction arrangements in the absence of a Minister during the first ten months of the year, as well as the significant budgetary pressures faced.

The Board and the Audit and Risk Assurance Committee (ARAC) are grateful to all DE staff for their support in helping to address these challenges. In addition, the restoration of the Northern Ireland Assembly and Executive including the appointment of a Minister of Education in February 2024 is very much welcomed.

In November 2023, Joan McEwan NEBM came to the end of her term with the Department. We wish to record our thanks to Joan for her service to the Board and as Chair of the ARAC over the past six years.

Paul Corrigan as the remaining NEBM took over as Chair of ARAC, initially on an interim basis before being formally appointed in March 2024. Paul Corrigan was the sole NEBM on the Departmental Board from November 2023 until the appointment of Anna Carragher, who was appointed with effect from 1 May 2024.

Departmental Board

The Board met in person eight times in 2023-24. In addition to regular updates on Finance, Human Resources (HR), progress against the Business Plan and Non-Departmental Public Bodies (NDPBs), the Board also received briefings on Shared Education, Area Planning and, particularly, on the Strule Shared Education Campus (SSEC) Programme. The Board also continued to monitor progress on the Every CHILD Corporate Plan 2023-28 and was updated on both the Landscape Review of the EA and the Independent Review of Education during the year. In addition to regular risk management updates, the Board also carried out a review of its approach to risk management and a refresh of the Corporate Risk Register (CRR).

ARAC

The ARAC held four meetings during the year. In addition, ARAC members held separate meetings with Internal Audit. The NEBMs, Joan McEwan and Paul Corrigan, continued to be supported on the Committee by the Independent Members Gavin Patrick, Department for Communities (DfC), and Patrick Butler, Department of Justice (DoJ).

Throughout the year the Committee was regularly apprised of the status of the SSEC Programme, given the scale and significance of the Programme, both in terms of the financial risk involved and the work required on the anticipated benefits. The ARAC continues to seek assurance on the risks around programme governance and control.

The Committee continued to receive briefings on the General Teaching Council for Northern Ireland (GTCNI) at every meeting from Departmental officials, including seeking assurance around risk and performance management, in line with the alternative governance arrangements agreed with Internal Audit and the Northern Ireland Audit Office. The Committee is of the view that this arrangement continues to work effectively.

The ARAC concluded a satisfactory assessment of its own effectiveness during the year through the self-assessment process and undertook effective ARAC training on risk management and governance.

The Committee hosted a workshop with the ARAC Chairs of the Department's Arm's Length Bodies (ALBs) in Autumn 2023. This was well attended and well received.

The ARAC's substantial workload reflected the enhanced support provided to GTCNI along with the need to provide effective assurance to the Board on significant programmes in an increasingly uncertain environment.

The ARAC is grateful to both the Internal Audit team and Northern Ireland Audit Office which have continued to provide independent assurance throughout the year. The Committee would also record its appreciation for the support provided by DE's ARAC secretariat.

Looking Ahead

The focus of the Department for the year ahead will undoubtedly be on managing the significant financial pressures on the Department and its ALBs, and the difficult decisions that lie ahead around the funding of services and protecting those children and young people who are most vulnerable.

The Strule programme remains the Department's single biggest capital commitment and will require continued scrutiny to ensure effective governance supports and the promotion of effective decision-making.

The Board will be supported and challenged throughout by both NEBMs and the wider ARAC and a forward plan of work has been put in place for the ARAC which is aligned to the Department's key areas of focus and risk.

Paul Corrigan
Non-Executive Board Member

1.3 Purpose, objectives and strategy

The Department is responsible for setting policy, strategy and for the central administration of education and related services in Northern Ireland. Its vision is “every child and young person is happy, learning and succeeding”.

The Department, supported by its NDPBs, performs a wide and complex range of functions, affecting all aspects of a child’s education and wellbeing. The Department is responsible and accountable for the delivery of high-quality education across grant-aided schools, youth organisations and early years’ providers. The Department also has lead responsibility for oversight of the Executive’s Children and Young People’s Strategy (CYPS) and development of an Early Learning and Childcare Strategy.

The EA is the Department’s largest NDPB and is responsible for securing adequate provision for primary and secondary education; and for recreational, social, physical, cultural and youth service activities for grant-aided schools and other grant-aided educational establishments.

From April 2023 to the start of February 2024, Northern Ireland continued to be without an Assembly and Executive, meaning there were no Ministers in place to lead departments and make key decisions on policy and spending. The Northern Ireland (Executive Formation etc) Act 2022 provided for some decisions, normally taken by an Education Minister, to be taken by the Permanent Secretary, Dr Mark Browne, due to the absence of an Executive. The political institutions were restored on 3 February 2024, which resulted in the appointment of Paul Givan MLA as Minister of Education.

In normal circumstances a Programme for Government (PfG) would outline the Executive’s priorities and give clear strategic direction to the policies, programmes, services and actions of government departments and their NDPBs and provide a basis for allocating resources. A draft PfG was published for public consultation in September 2024.

In the absence of a PfG during 2023-24 there were a number of key Executive documents which set out a range of strategic issues being taken forward across government including Building Forward - Consolidated COVID-19 Recovery Plan. This plan, which aimed to deliver societal, economic and health recovery following the COVID-19 pandemic, concluded in August 2023. There was also A Fair Start – Final Report & Action Plan, compiled by an expert panel which examined the links between persistent educational underachievement and socio-economic background. The associated action plan for A Fair Start spans a number of departments and NDPBs, involving collaboration across the public sector to deliver actions spanning through to 2026-27 and beyond.

In the absence of a PfG during 2023-24 there were a number of key Executive documents which set out a range of strategic issues being taken forward across government. These included Building Forward - Consolidated COVID-19 Recovery Plan, which aimed to deliver societal, economic and health recovery following the COVID-19 pandemic (now expired) and A Fair Start – Final Report & Action Plan, compiled by an expert panel which examined the links between persistent educational underachievement and socio-economic background. The associated action plan for A Fair Start spans a number of departments and NDPBs, involving collaboration across the public sector to deliver actions spanning through to 2026-27 and beyond.

In October 2023, the Department published Every CHILD, its Corporate Plan for education for the period 2023-28. Every CHILD contains a fresh vision for education and is structured around five new Strategic Priorities for education, using the acronym, CHILD, as follows:

- **CHAMPIONING** the needs and aspirations of all children and young people and the positive impact of education;
- **HELPING** all children and young people by supporting their well-being and learning;
- **INSPIRING** all children and young people to make a positive contribution to society;
- Meeting the **LEARNING** needs of 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.

Every CHILD is underpinned by annual business plans across the Department and its NDPBs.

Further details on the Department of Education's 2023-24 Business Plan and performance is at Section 1.10 (Performance Summary).

1.4 Key Activities

The Department's main areas of responsibility relate to:

- The Executive Children and Young People's Strategy 2020-2030;
- Curriculum and learning;
- Pupils and parents;
- Teaching and non-teaching staff;
- Schools and infrastructure;
- Special Educational Needs (SEN);
- Area planning;
- Youth services;
- Early years' provision;
- The Executive Early Learning and Childcare Strategy;
- Statistics and research; and
- Good relations and social change.

The key activities of the Department, which enable it to address these responsibilities, are supported by a clearly defined structure which operates at every level of the Department.

The Department is ultimately accountable, through the Minister, to the Northern Ireland Assembly for the effective delivery of its commitments and goals and for the effective use of the public funds for which it is responsible. The Permanent Secretary is the Minister's principal adviser, the administrative head of the Department and the Accounting Officer.

The Permanent Secretary is supported by three Deputy Secretaries and the Chief Inspector of the Education and Training Inspectorate (ETI).

In addition to the ETI, the Department has thirteen Directorates. These fall under three Groups; Education and Children's Services; Resources, Governance and Early Years; and Sustainability and Infrastructure, each headed by a Deputy Secretary.

Education and Children's Services Group

- Curriculum, Assessment, Teacher Education and Professional Learning
- Inclusion
- Qualifications, 14-19 Strategy and Youth Work Policy
- Raising Aspirations, Supporting Learning, Empowering Improvement

Resources, Governance and Early Years Group

- Early Years, Childcare and Children and Young People's Strategy
- Corporate Services and Governance (includes Internal Audit)
- Education Workforce
- Finance
- Independent Review of Education

Sustainability and Infrastructure Group

- Transport and Food in Schools
- Investment and Infrastructure
- Collaboration and Climate Change
- Sustainable Schools Policy and Planning

The Departmental Board operates as a collegiate forum, under the leadership of the Permanent Secretary, to manage the running of the Department. It operates within a wider Corporate Governance Framework.

The Department's governance arrangements reflect the guidance set out by the Department of Finance (DoF) on Governance and Risk | Department of Finance (finance-ni.gov.uk) including the key principles in Corporate governance in central government departments: Code of good practice Northern Ireland (2013).

1.5 Key issues and risks

Overview of risk management in the Department

The Departmental group has adhered to The Orange Book: Management of Risk-Principles and Concepts (His Majesty's (HM) Treasury: February 2020). The Risk Management Framework (RMF) sets out the Department's approach to risk and the mechanisms through which potential risks to the achievement of

Departmental objectives are identified and evaluated. Risk management is applied in a consistent way in the Department, the EA and across the other NDPBs.

The Departmental Board oversees the development and management of the CRR. This is an ongoing process throughout the year but with a particular focus given to the Department's risk profile when agreeing the annual Business Plan, whereby any new or existing risks associated with delivery are identified and assessed and, if appropriate, are included in the CRR.

Throughout the year, any risks significant to the Department's delivery of its core business, including new risks arising, are considered and monitored by both the ARAC and the Departmental Board.

The risks contained in the CRR link to the Department's Strategic Priorities.

Overview of risk management in NDPBs

As the Department is dependent on its NDPBs (for the most part) for delivery of policy and services, and allocates the majority of its budget through them, there is a need for NDPBs to provide assurances that risk is being managed and escalated appropriately. The RMF sets out how the Department obtains these assurances, including through risk management being a standing item at formal Governance and Accountability Review (GAR) meetings.

1.6 Key risks in 2023-24

Work commenced in March 2023 to consider afresh the Department's risk profile, particularly in the context of the new strategic priorities for education around which Every CHILD is structured. The development of a fresh set of Corporate Risks also focused on the difficult challenges presented by the political and budgetary context at that time.

Following extensive engagement with senior management and others across the Department, a new set of six corporate risks was considered by the ARAC in May 2023 and approved by the Departmental Board in June 2023:

- **Risk 1 – Financial:** The Department's budget is insufficient, not aligned to delivering on the Department's Strategic Priorities and/or is managed ineffectively;
- **Risk 2 – Alignment and Delivery:** The development, design and delivery of strategies, policies, operations and systems do not contribute effectively to giving children and young people the best start in life;
- **Risk 3 – Relationships:** Ineffective partnerships with NDPBs, other Departments and stakeholders impact negatively on the delivery of education services;
- **Risk 4 – Safeguarding:** The Safeguarding and Child Protection framework fails to protect children and young people and particularly the most vulnerable;

- **Risk 5 – People:** Ineffective management of the education workforce inhibits the delivery of positive outcomes for children and young people; and
- **Risk 6 – Programme**: Infrastructure, including SSEC and Information and Communication Technology (ICT), is not adequately funded, planned, delivered and maintained to support delivery of education and provide a safe and secure environment for all.

These risks remained in place throughout the 2023-24 year and were subject to ongoing (quarterly) review and update. A comprehensive review in March 2024 confirmed that the existing risks still reflected the Department's risk profile but actions were updated, in particular to reflect the impact of the restoration of the political institutions in Northern Ireland. Further quarterly reviews in June and September have subsequently taken place.

The Department's CRR and RMF were shared with DE's NDPBs to promote a joined up understanding of risk across the Departmental Group. The Department also carried out an annual alignment exercise during 2023 which confirmed that there was good alignment between the key Departmental risks and those in the Risk Registers of all its NDPBs.

Details of key risks managed by NDPBs during 2023-24 are set out within their respective Governance Statements and can be located within each of their Annual Report and Accounts for 2023-24.

1.7 Key issues impacting on the Department in 2023-24

During 2023-24, the Department managed a number of significant issues which are detailed in the Governance Statement.

1.8 Future issues which may impact on performance

The Department's resource allocation in the year ahead is significantly less than what is required, leaving a considerable shortfall across the Education sector. This means that for the second year in a row demand-led, statutory pressures will go unfunded. This will have an extremely damaging impact on the education system, with children with special education needs facing the most significant impact.

Aside from the difficulty presented by working within a significantly constrained budget, the extent and impact of other key challenges in the coming year(s) will be highly dependent upon:

- the content and out-workings of a PfG; and
- the vision and direction of the Minister of Education.

1.9 Going concern

For the Core Department, the Statement of Financial Position at 31 March 2024 shows negative taxpayers' equity of £23m. This reflects the inclusion of liabilities falling due in future years which are to be financed mainly by drawings from the Northern Ireland Consolidated Fund. Such drawings will be from grants of Supply approved annually by the Northern Ireland Assembly to meet the Department's Net Cash Requirement. Under the Government Resources and Accounts Act (Northern Ireland) 2001, no money can be drawn from the Fund other than that required for the specified year or retained in excess of that need. All unspent monies, including those derived from the Department's income, must be surrendered to the Fund.

In common with other government Departments, it is considered appropriate to adopt a "going concern" basis for the preparation of the financial statements as the Department is Supply financed and draws its funding from the Consolidated Fund. There is, therefore, no liquidity risk in respect of the liabilities due in future years.

Each of the Department's NDPBs is required to consider the appropriateness of adopting a going concern basis in preparation of their annual accounts. The Department's operational NDPBs have prepared 2023-24 accounts on a going concern basis. However, several bodies have again highlighted their concerns with around the impact of reduced budget allocations.

1.10 Performance summary

The Department's 2023-24 Business Plan set out the 48 actions that it undertook to deliver on its Strategic Priorities. These included some of the educational attainment targets which are outlined in more detail in the Performance Analysis section of this report.

The table below sets out a summary of performance against 2023-24 Business Plan actions:

Department of Education Year-End Status of Business Plan Actions	**Number**	**%**
Achieved	31	64.6
Substantially achieved	5	10.4
Likely to be achieved but with some delay	12	25
Not achieved	-	-
Total	**48**	**100**

The table below sets out a summary of the EA's performance against 2023-24 Business Plan actions:

EA Year-End Status of Business Plan Actions	Number	%
Achieved	34	72.3
Substantially achieved	-	-
Likely to be achieved but with some delay	11	23.4
Not achieved	2	4.3
Total	**47**	**100**

There are some notable ongoing performance challenges, particularly in relation to the rollout of the Special Educational Needs and Disability (SEND) Transformation Programme. While some progress was made, the Management Information System to support SEND Transformation was not delivered as planned by the end of 2023-24. Also, delivery of a people-focused HR Programme Systems Integration Project was not achieved. In both cases the main cause for delay was the lack of resource availability. Other actions within the EA Business Plan were delayed due to the inability to fill staff vacancies or prepare strategic business cases for the approval of expenditure, all linked to resource constraints.

Across DE's other six operational NDPBs, overall performance was positive, with Business Plan actions achieved, or substantially achieved during 2023-24 ranging from 83.5% to 100%.

1.11 Significant issues

During 2023-24, the Departmental Group managed a number of significant issues which are listed and detailed within the Governance Statement (Section 3.3) and the EA's Annual Report and Accounts for 2023-24 which can be accessed at EA's website.

At the commencement of the 2023-24 financial year the EA was facing an unprecedented funding gap in excess of c£200m. Given the scale of the financial challenge and the fact that over 80% of the education budget is spent on staffing in schools and services to schools, coupled with the policy and legislative change required to deliver spend reductions of this magnitude (and in the absence of a Minister of Education), the EA was facing a real risk of overspending against its 2023-24 budget allocation.

The EA considered every opportunity to realise efficiencies and savings and delivered in-year savings of c£18.3m. Were it not for the additional funding from the Northern Ireland Executive restoration package the EA would have significantly exceeded its budget allocation in 2023-24. However, the additional in-year funding enabled the EA to operate within its 2023-24 budget.

In addition, there are ongoing issues impacting the Department in respect of the EA pay and grading review for non-teaching staff, with the likelihood for further industrial action if current negotiations are unsuccessful.

Funding in the region of c£54.5m was allocated to the EA for the National Joint Council (NJC) 2023-24 non-teaching pay award. The 2023-24 NJC pay award of £1,925 on all NJC pay points significantly impacted upon the EA's financial position in 2023-24 as it equated to a c8.7% rise for the average non-teaching employee which is the second consecutive year of such an award. In addition, given that there is c24k non-teaching staff employed across the EA, the pay award has had a significant impact on the Department's budget, as approximately 80% of the overall Education Budget goes towards pay costs.

PERFORMANCE ANALYSIS

2. Overview

This section outlines the Departmental Group's performance against targets, corporate goals and commitments.

2.1 Performance management arrangements

The Department published Every CHILD, its Corporate Plan 2023-28, in October. Every CHILD sets out the Department's key priorities and provides a focus for everyone working within the education sector to deliver positive outcomes for children and young people. The five Strategic Priorities, which underpin Every CHILD are set out at Section 1.3.

A range of indicators are in development to gauge the Department's progress towards the achievement of the desired outcomes in Every CHILD and once finalised, these will be reported on in future reports.

Every CHILD is delivered through annual Business Plans. Throughout the year, Departmental officials monitored progress against Business Plan actions and reported quarterly to the Departmental Board. Mid- and end-year progress reports were published on the Department's website.

NDPBs prepared their Business Plans, which were subject to consideration and agreement by their respective Boards/Councils, and scrutiny and approval by the Department. In particular, the Department ensured that the Department and NDPB Plans were in full alignment and that all plans were delivering on the Strategic Priorities in Every CHILD.

The Department commissioned quarterly progress reports of NDPB Business Plans and once received, provided constructive feedback. This helped ensure that the Department and its NDPBs remained focused on delivering successful outcomes for all children and young people.

2.2 Analysis of educational performance against targets

The most recent statistical bulletin in respect of School Leavers can be accessed at School Leavers - 2022-23.

2.3 Analysis of 2023-24 performance against corporate goals and commitments

A summary of how the Department and the EA performed in relation to delivering on their 2023-24 Business Plan actions is provided at Section 1.10. This performance was underpinned by a range of activities delivered by the Department during the year:

- The Report of the Independent Review of Education was published on 13 December 2023. A period of internal consultation regarding next steps has been completed and a paper, setting out options for implementation of the recommendations in the report, was provided to the Minister in September 2024.

- End-to-End Reviews of (i) SEN and (ii) School Improvement have been progressed, involving close engagement with the EA and other stakeholders with a focus on improved outcomes and more cost-effective delivery and developing a new strategy and programme to support effective school improvement.

- Enhanced Health and Education collaboration and co-operation to maximise early assessment and provision of support to children and young people with SEN.

- Emotional Health and Wellbeing in Education Framework programmes were rolled out with the development and implementation of a monitoring and evaluation plan.

- A range of programmes were delivered to support children and young people from disadvantaged backgrounds in their learning and development, including, Targeting Social Need; the Extended Schools programme; Full-Service Programmes in North and West Belfast; actions relating to A Fair Start; and geographical interventions including Sharing the Learning and Greater Shankill Partnership in West Belfast and wrap around support provided to children and young people in East Belfast, South Belfast, Greater Shantallow, Derry/Londonderry and Rathcoole.

- Shared Education continued to be embedded in educational settings through implementation of the Mainstreaming Shared Education Strategy Phase One Delivery Plan; agreeing a Phase Two Delivery Plan; and developing and supporting the school relationships in Shared Education Campus Projects.

- The Department supported the delivery of key youth interventions and commenced a review of Priorities for Youth.

- Work continued with Comhairle na Gaelscolaíochta (CnaG) and other education partners to deliver actions to provide focused support for Irish-medium education in the form of educational resources, Initial Teacher Education, Teacher Professional Learning and leadership training.

- A consultation report on an Integrated Education Strategy Action Plan was published and progressed. An outcomes focused accountability framework, which is nearing completion, will form the basis of an updated Strategy.

- In relation to Inspections, 17 reports from pilot inspections were published, as well as an exploratory evaluation of the mutual understanding strand of the Personal Development and Mutual Understanding (PDMU). ETI continued to engage with education leaders on the development of inspection. Inspection activity across other phases continued (albeit constrained by Action Short of Strike) and Pilot inspections are underway in all phases to inform a new development of inspection.

- The Department placed or signposted every child who applied through the pre-school, primary or post-primary admissions process by 1 September 2023.

- Work continued with the Council for the Curriculum, Examinations and Assessment (CCEA) to ensure awarding of fair and robust qualification outcomes in August 2023 and clarity around the awarding arrangements for qualifications in the 2023-24 academic year.

- The Department supported effective development and implementation of the Northern Ireland Curriculum by developing and disseminating appropriate and timely guidance, including providing additional professional support and resources in curriculum areas of focus.

- Children's learning and development in Early Years was supported through the implementation of Fair Start Early Years actions.

- Learning and development support was provided to c.48,000 children aged 0-4 facing disadvantage, through targeted interventions and collaboration with the Department of Health (DoH) to ensure a holistic education and health approach.

- Implementation of the recommendations from the EA Landscape Review continued.

Some key actions were unable to be fully progressed during 2023-24 due to the lack of a Minister and Executive for a significant part of the year, or significant budget constraints:

- An Executive Early Learning and Childcare Strategy, which requires Executive agreement on significant policy decisions, including the scale and scope of any expanded provision and the allocation of budget, was unable to be published although this is a Ministerial priority for 2024-25.

- Legislation in the Northern Ireland Assembly to enable statutory guidance to be published on the costs of school uniforms could not be introduced. This is a priority for the Minister and legislation is due to be introduced by autumn 2024.

- A review of the eligibility criteria for Free School Meals (FSM) and uniform grants was delayed due to concerns over the potential affordability of many of the options in light of the current budget pressures. Subject to Ministerial agreement, the Department intends to launch a public consultation in 2024 on options for more pupils being able to access FSM and uniform grants.

- Publication and implementation of a revised Newcomer Policy was delayed. This policy, aimed at prioritising interventions and support to help newcomer pupils (pupils who do not originally come from the UK and who do not initially speak the same language) access learning, is now being taken forward building on the previous consultation and revisiting policy proposals to account for the current context.

- Progress of a review of arrangements for statutory assessment at Key Stages 1–3 and develop policy proposals was impacted.

- Development of a revised sixth form policy for consultation. The Department intends to publish a revised policy in 2024-25.

- Development of a Participation Network to improve engagement with children and young people. This work has been carried forward to 2024-25.

- Due to delays with the procurement process the Department was unable to award the contract for the SSEC Programme Main Works by March 2024. The Department has since awarded the construction contract for the SSEC on 7 August 2024 to Woodvale Lowry Joint Venture Limited.

- Commencement of legislative drafting of a Bill to replace the General Teaching Council for Northern Ireland and to ensure that a robust legal framework for teacher registration and regulation and other necessary functions will be put in place. Ministerial and Executive agreement will be sought later in 2024.

EA's Performance

In alignment with the EA's and the Department's strategic priorities, the EA developed an interim Corporate Plan for the period 2023-2025 and began preparatory work for a more comprehensive Corporate Plan for the period 2025-2029. The 2023-2025 Corporate Plan is structured around the following Strategic Themes:

- A positive environment and culture for learning;
- Quality learning experiences;
- Effective SEND services;
- Optimising the organisation;
- Communication, engagement and customer services; and
- A confident and skilled workforce.

As with the Department, the EA faced significant challenges during 2023-24. The key factors behind Business Plan activities not reported as 'Achieved' related most notably to:

- Budget constraints;
- A pause in staff recruitment for many posts (due to lack of budget);
- Delays in Business Case approvals (again due to lack of budget);
- Increased demand for some services, particularly relating to SEN; and
- Ongoing industrial action.

Successes included:

- Progress towards implementation of the EA Landscape Review workstreams;
- Delivery of the savings and sustainability programme;
- Delivery of sectoral support and shared education programmes; and
- Progress towards implementation of the Strategic Area Plan 2022-2027.

Further details are contained within the EA's Annual Report and Accounts for 2023-24 which can be accessed at EA's website.

2.4 Summary of financial performance

Consolidated Statement of Comprehensive Net Expenditure (SOCNE)

A summary of the Consolidated SOCNE for the year to 31 March 2024 is set out below:

	2023-24 £m	2022-23 £m	Variance £m	Variance %
Net expenditure including notional costs for the year ended 31 March	3,087	3,021	66	2.2

Income was mainly received for catering operations (£36.3m), recoupment of costs (£20.6m), Co-funded ALBs (£11.6m), European funds (£7.5m) and sale of property by NDPBs (£3.3m).

Total staff costs in 2023-24 amounted to £1,982m (£1,799m in 2022-23) of which £10.6m (£10.8m in 2022-23) was capitalised. Total staff costs have increased by £183m (10.2%) corresponding to increased staff numbers and pay awards/pay increases. Of this increase, £69.3m related to increases in teaching costs and £113.7m in non-teaching costs (a result of in-year pay awards and increased staff headcount in posts such as classroom assistants).

Purchase of goods and services amounted to £479m in 2023-24 compared to £598m in 2022-23, a decrease of £119m, due to significantly lower pension costs (due to the impact of inflationary factors on the pension valuation) and reductions in utility costs including rates, electricity and gas. These reductions were partially offset by increased expenditure in maintaining the school estate and other inflationary increases in areas such as cleaning, premises and ground costs and increased transport costs.

Depreciation, amortisation and impairment charges amounted to £127m in 2023-24 compared to £138m in 2022-23. A change in the EA's capitalisation threshold to £3k in 2023-24 resulted in fewer additions and therefore lower depreciation charges. In 2022-23 there were also significant impairments due to the quinquennial revaluation exercise. Impairment charges have reversed in 2023-24 because of positive indexation rates applied to land and buildings.

Other operating expenditure increased in line with increased grants payable to Voluntary Grammar (VG) schools and Grant Maintained Integrated (GMI) schools.

Consolidated Statement of Financial Position (SoFP)

A summary of the Consolidated SoFP for the year to 31 March 2024 is set out below.

	31 March 2024 £m	31 March 2023 £m	Variance £m	Variance %
Total assets less total liabilities	3,693	3,489	204	5.9

Property, plant and equipment increased by £148m from £3,772m at March 2023 to £3,920m at 31 March 2024 due to:

- additions of £215m including £120m for land and buildings, £1m for transport equipment, £6m for Information Technology, £11m for plant and machinery and £77m for assets under construction;
- an increase of £53m as a result indexation;
- less depreciation of £120m.

Intangible assets increased by £8m from £53m at 31 March 2023 to £61m at 31 March 2024 due to additions of £14m less depreciation of £6m.

Trade and other payables due within one year have increased by £215m from £358m at 31 March 2023 to £573m at 31 March 2024 because of the timing of payments at year-end.

The Group Pension Asset has increased by £264m from £24m at 31 March 2023 to £288m at 31 March 2024. The value has increased significantly over the past two financial years from a liability of £691m at 31 March 2022. Factors including the unprecedented inflationary rates over the past two years, increased membership and a funding surplus contributed to the increased value.

2.5 Commentary on significant variances between Estimates and Outturn

Budgeting Framework

DoF is responsible for management of the Northern Ireland Budget process in line with a budgetary framework set by HM Treasury.

The total amount a department spends is referred to as the Total Managed Expenditure; 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 Departments cannot control. The Department monitors AME forecasts closely and this facilitates reporting to DoF, who in turn report to HM Treasury.

As DEL budgets are controllable, HM Treasury sets firm limits for DEL budgets for Whitehall Departments and Devolved Administrations at each Spending Review. The Northern Ireland Executive, based on advice from the Finance Minister, will in turn agree a local Budget that will set DEL controls for Executive Departments.

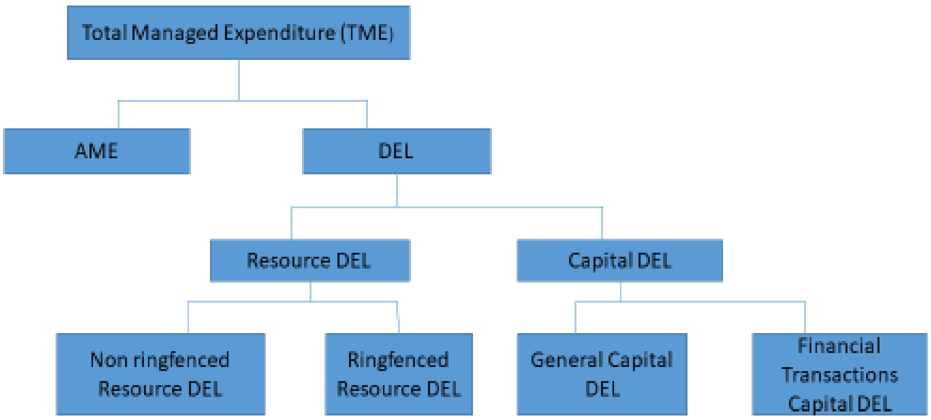
DEL budgets are classified into resource and capital.

- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs, and separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets.
- Capital DEL is split into 'Financial Transactions Capital (FTC)' which can only be used for loans or equity investments in private sector organisations; and 'general' Capital for spending on the purchase or acquisition of assets.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by HM Treasury: [Consolidated budgeting guidance 2023 to 2024 - GOV.UK (www.gov.uk)]

Previously the information contained within budgetary controls did not read directly to financial information presented in Financial Statements due to a number of misalignments. The Executive's Review of Financial Process, which was implemented in 2022-23, has helped to address these differences and improve transparency. Further information on the Executive's Review of Financial Process can be found on the Northern Ireland Assembly website.

Budget Structure



Budgetary Performance

Details of the Department's performance against Budgetary Control totals is set out in the table below.

	Final Plan* 2023-24 £000	Provisional Outturn 2023-24 £000	Underspend / (Overspend) £000
Resource DEL	**2,883,181**	**2,880,600**	**2,581**
including			
Non-ringfenced	2,880,123	2,877,567	2,556
Ringfenced D/I	3,058	3,033	25
Capital DEL	**276,881**	**276,357**	**524**
including			
General Capital	276,881	276,357	524
FTC	-	-	-
Total DEL	**3,160,062**	**3,156,957**	**3,105**
AME	**306,584**	**135,369**	**171,215**
including			
AME Resource	306,584	135,369	171,215
AME Capital	-	-	-
Total Managed Expenditure	**3,466,646**	**3,292,326**	**174,320**

*Final Plan is the final updated budget position for the year

Explanation of Variances

Resource DEL underspend

The Resource DEL underspend does not consist of any significant items but rather is made up of a number of small over/under spends netting to an underspend of £2.6m. This underspend is well within the 1% tolerance set out in the Departmental business plan.

Capital DEL underspend

The Capital DEL underspend does not consist of any significant items but rather is made up from a number of over/under spends netting to an overall underspend of £0.5m, which falls well within the Departmental target of achieving 98% of Capital Spend against budget.

AME Underspend

The AME underspend includes approximately £157m in relation to Northern Ireland Local Government Officers' Superannuation Committee Scheme pension adjustments in respect of actuarial valuations and decreasing service costs. The balance of approximately £14m relates to lower than anticipated depreciation and impairment charges for the period.

A detailed analysis of Outturn against Budgets/Estimate by function can be found in the Statement of Outturn against Assembly Supply (SOAS) and notes SOAS 1.1 and SOAS 1.2 within the Accountability Report.

A further key control is the net cash requirement (note SOAS 3 in the Accountability Report) which is summarised in the table below.

	2023-24 Estimate £000	2023-24 Outturn £000	Estimate vs Outturn, saving/ (excess) £000
Net Cash Requirement	3,121,269	2,944,885	176,384

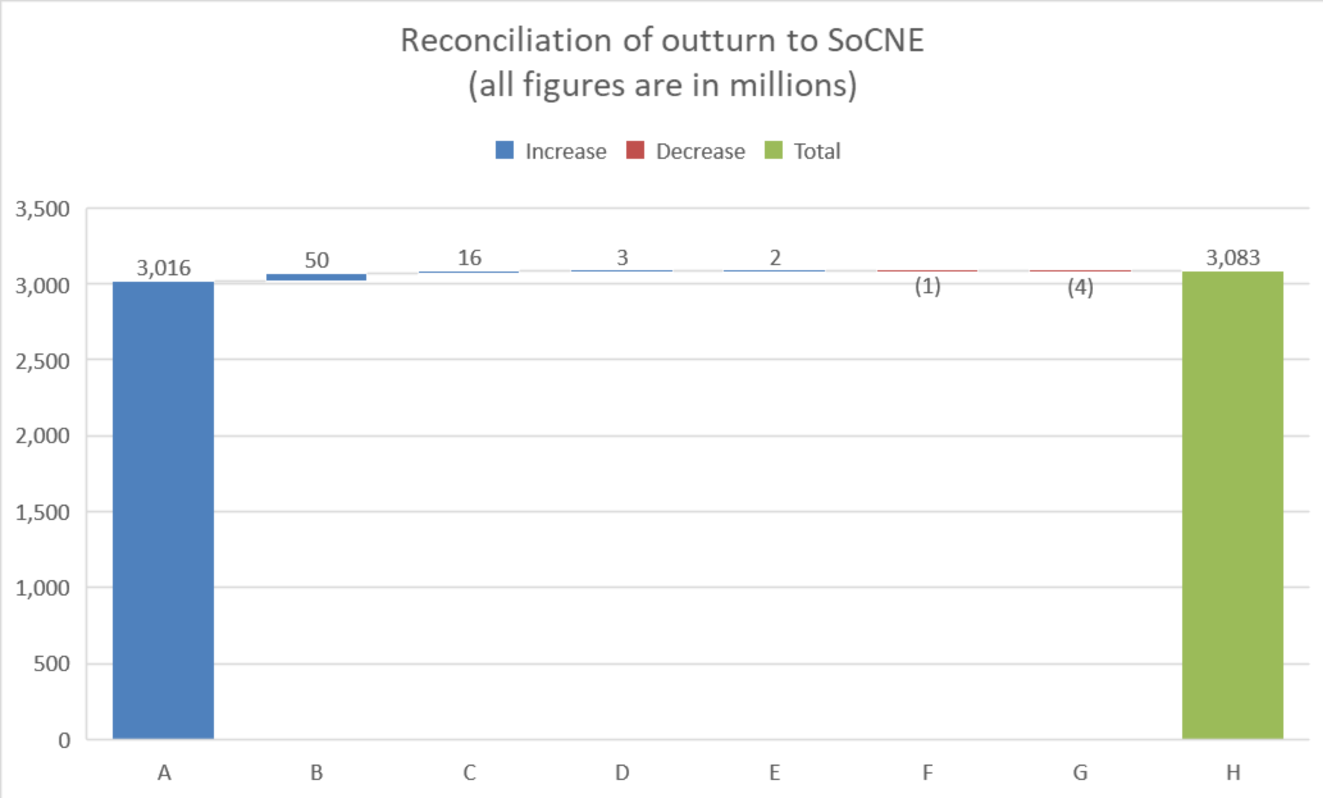
The Net Cash Requirement shows a variance of £176m (6%) against the Estimate for the year.

Cash grant-in-aid was £147m less than the Estimate. The Estimate figure each year includes the best forecast of grant-in-aid i.e. the cash required by the Department and its NDPBs, when the Estimates were prepared. As cash is only drawn down as required, this variance reflects the difference between the estimated cash requirement and the actual amount of cash required in-year. The variance between the Estimate and net cash requirement does not represent an under-spend against the Department’s budget.

Changes in working capital balances were less than the Estimate by £29m largely due to a lower than expected decrease in “trade payables” due to the timing of payments.

2.6 Reconciliation of outturn to net expenditure

The Accountability Report includes a reconciliation of outturn to net expenditure (SOAS 2). Below is a graphical representation of the reconciliation, the aim of which is to simplify the link between the financial statements and outturn.

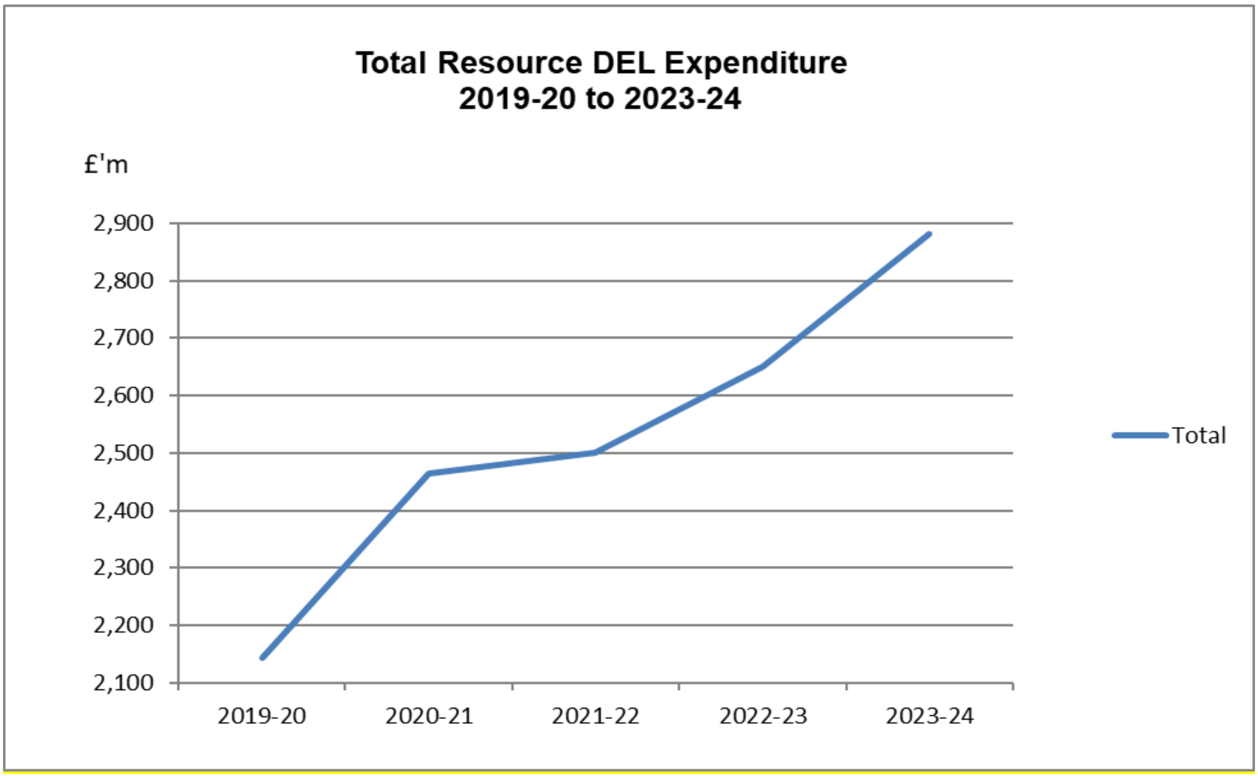


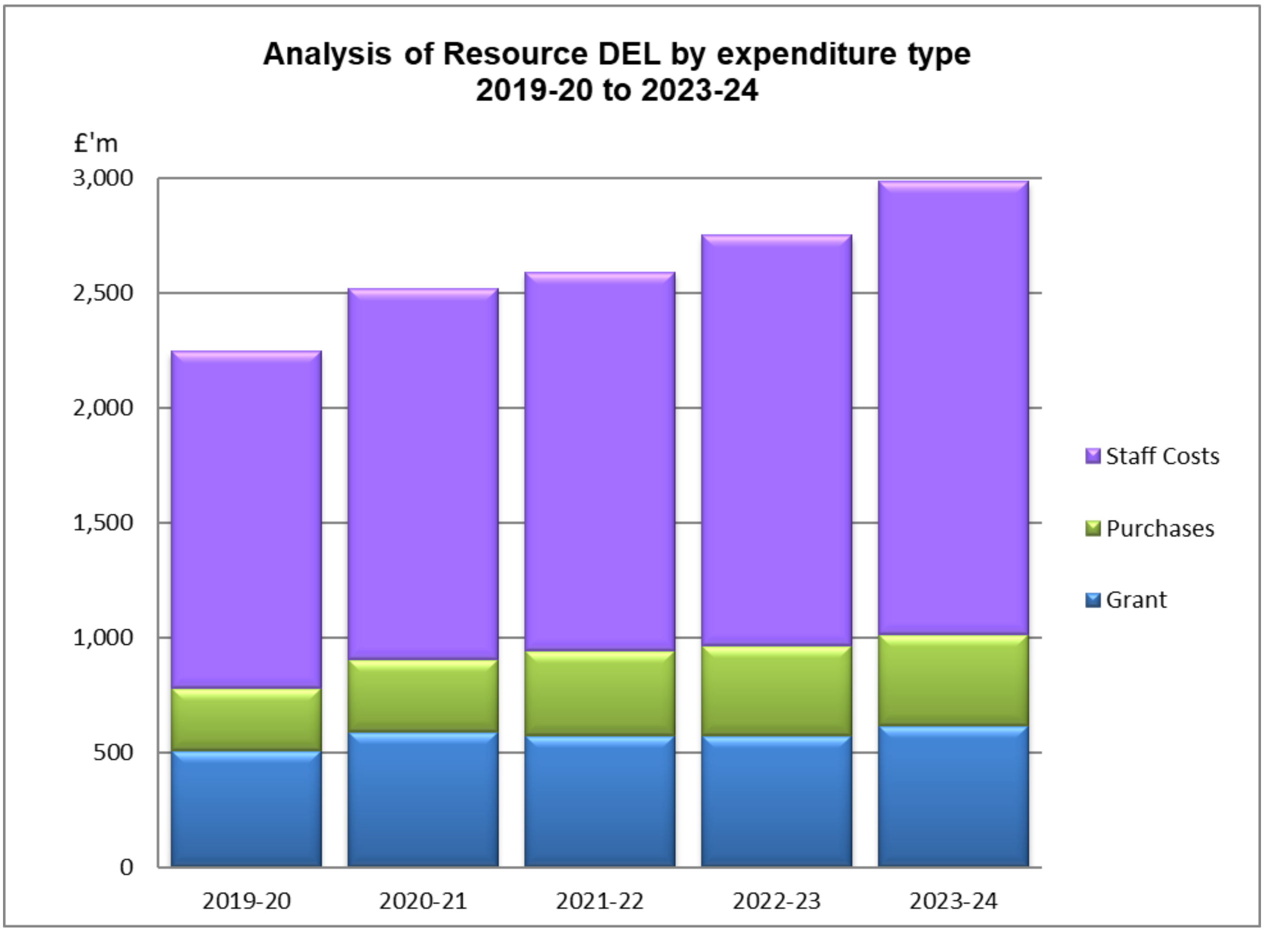
A = Total Resource Outturn
B = Capital Grants
C = Premature Retirement Costs
D = PFI dual reporting adjustment
E = Proceeds from sale of land and buildings paid by the EA to the Department
F = Other reconciling items
G = Income payable to the Consolidated Fund
H = Net Expenditure in Consolidated SOCNE

2.7 Long term expenditure trends

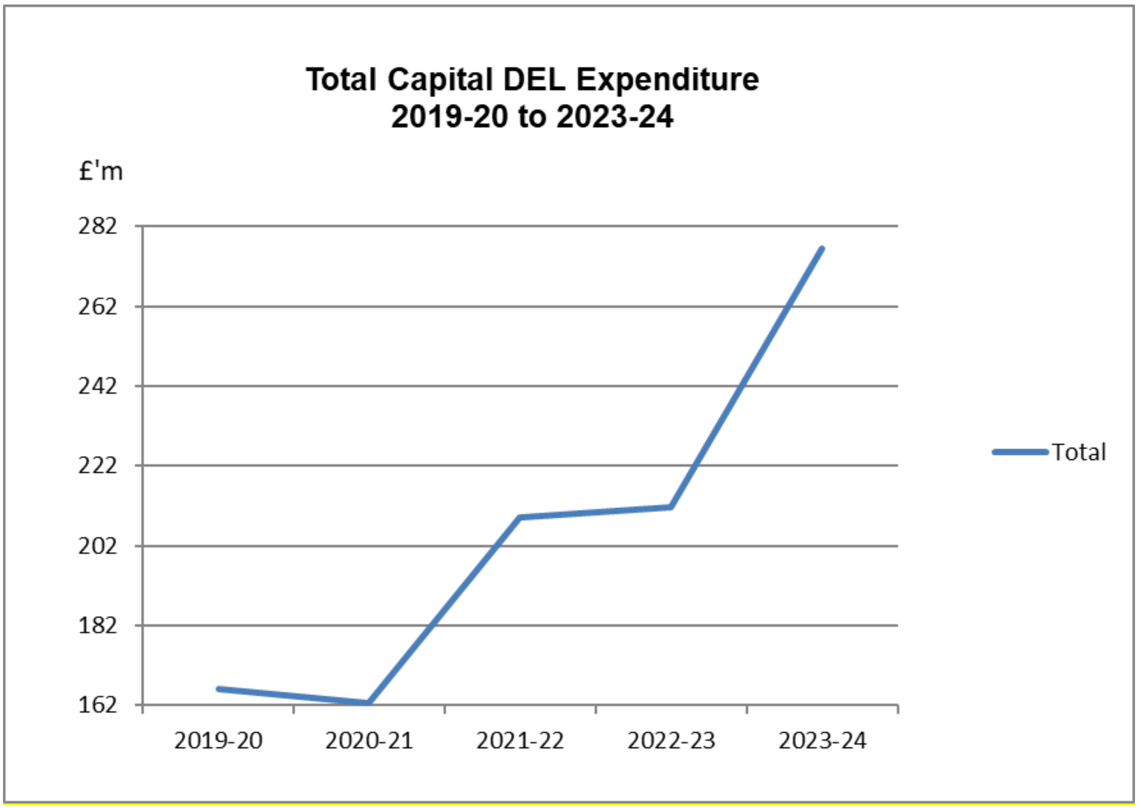
The graphs below show 5 years of outturn data in relation to the Group's spending. The detailed data is shown in the long term expenditure table at the end of this section.

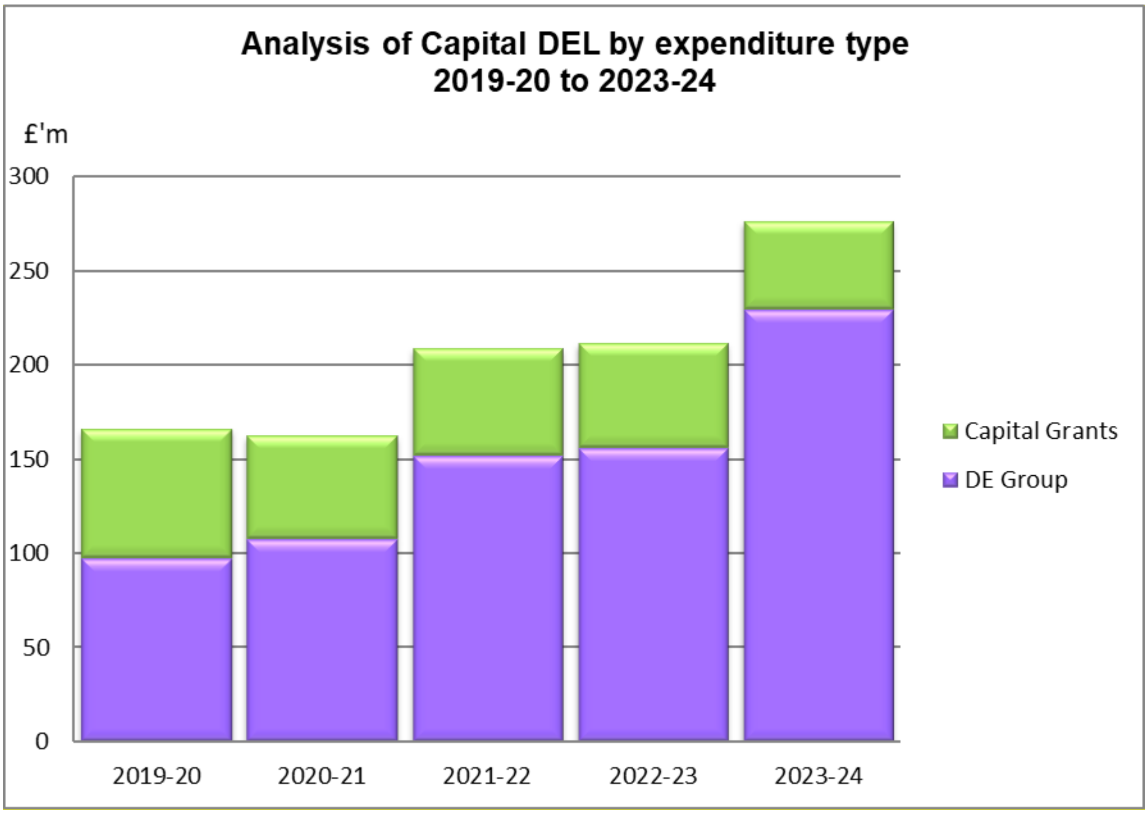
Resource DEL Expenditure





Capital DEL Expenditure





Long term expenditure tables

	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000
Total Resource DEL	**2,143,936**	**2,464,039**	**2,501,440**	**2,649,847**	**2,880,600**
Of which:					
Staff costs	1,463,785	1,616,945	1,649,545	1,788,030	1,971,898
Purchases	275,517	315,880	367,884	392,042	400,994
Depreciation	687	884	1,190	1,931	2,621
Grant	505,005	587,743	573,754	572,454	613,408
Income	(101,058)	(57,413)	(90,933)	(104,610)	(108,321)
Total Resource AME	**175,286**	**199,638**	**260,221**	**289,681**	**135,369**
Of which:					
Provisions	72,084	91,229	152,547	154,643	11,118
Depreciation & Impairments	103,202	108,473	108,304	135,792	124,502
Other AME	-	(64)	(630)	(754)	(251)
Total Resource DEL and AME	**2,319,222**	**2,663,677**	**2,761,661**	**2,939,528**	**3,015,969**
Of which:					
Staff costs	1,463,785	1,616,945	1,649,545	1,788,030	1,971,898
Purchases	275,517	315,880	367,884	392,042	400,994
Depreciation & Impairments	103,889	109,357	109,494	137,723	127,123
Grant	505,005	587,743	573,754	572,454	613,408
Income	(101,058)	(57,413)	(90,933)	(104,610)	(108,321)
Provisions	72,084	91,229	152,547	154,643	11,118
Other AME	-	(64)	(630)	(754)	(251)
Total Capital DEL	**166,181**	**162,621**	**209,166**	**211,804**	**276,357**
Of which:					
Departmental Group capital	97,505	107,614	151,611	155,965	229,570
Capital Grants	68,676	55,007	57,555	55,839	46,787
Total Capital AME	**-**	**-**	**-**	**-**	**-**
Total Capital DEL and AME	**166,181**	**162,621**	**209,166**	**211,804**	**276,357**

	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000
Total DEL and AME	**2,485,403**	**2,826,298**	**2,970,827**	**3,151,332**	**3,292,326**
Of which:					
Total DEL	2,310,117	2,626,660	2,710,606	2,861,651	3,156,957
Total AME	175,286	199,638	260,221	289,681	135,369

2.8 Future development and performance

Every CHILD provides a clear strategic focus for the Department and the wider education sector over the coming years. It outlines the Department's priorities and helps to focus efforts on making the best difference for children and young people in the context of finite resources.

Every CHILD sets out key, strategic actions which provide a clear line of sight to the forthcoming PfG and the CYPS. While it will be used to guide priorities, decisions and investments over the coming years, the vision and outcomes of the actions are long-term aspirations that extend beyond 2028. To achieve them, the Department and its delivery partners will work in partnership with schools, youth services and a wide range of others, most importantly of all children and young people.

NDPBs are also developing Strategic/Corporate Plans (or reviewing plans they may already have in place) to align with Every CHILD. These will be subject to consideration and approval by the Department.

Progress towards delivering on the Strategic priorities in Every CHILD will be monitored via annual Business Plans across the Department and its NDPBs.

2.9 Social, community and human rights

When preparing or revising policies/decisions, consideration is given to any impact on equality (in accordance with Section 75 of the Northern Ireland Act 1998) and human rights (the Human Rights Act 1998 and United Nations conventions).

The Department has responsibility for coordinating the United Nations Convention on the Rights of the Child (UNCRC) matters on behalf of the Northern Ireland Executive.

The Executive's CYPS 2020-2030, agreed on 10 December 2020, is the main strategic instrument through which all nine Departments will work together to improve the wellbeing of children and young people and it will ensure that due regard is given to the rights of children and young people.

Developed to align with the prior draft PfG and the Children's Services Co-operation Act (Northern Ireland) 2015, the Strategy outlines how the Executive will work collaboratively to improve the wellbeing of children and young people and the outcomes it seeks to achieve across eight key areas of physical and mental health; play and leisure; learning and achievement; safety and stability; economic and environmental wellbeing; positive contribution to society; respect for their rights; and good relations and equality of opportunity.

The Department has policy responsibility for the development of the Executive's Childcare Strategy which will promote children's rights and reflect the main guiding principles of the UNCRC.

Rural Needs Act (Northern Ireland) 2016

In line with obligations under Section 1 of the Rural Needs Act (Northern Ireland) 2016, four Rural Needs Impact Assessments were completed across the Department during the 2023-24 year. These assessments will be listed within the Rural Needs Annual Monitoring Report 2023-24, published by the Department for Agriculture, Environment and Rural Affairs (DAERA).

Further information on Rural Needs can be located within the EA Annual Report and Accounts for 2023-24 which can be accessed at EA's website.

2.10 Other matters

Environmental issues

Construction and Procurement Delivery (CPD) is responsible for managing the Northern Ireland Civil Service office estate which, for the Department, relates to Rathgael House and Waterside House.

The Department continues to work closely with colleagues in CPD to review accommodation requirements and is actively involved with CPD in an ongoing demolition project in Rathgael House and relocating staff in Waterside House to Orchard House. Both projects will reduce the Department's footprint within the office estate and the installation of modern efficient boilers and other energy saving technologies will help to further reduce consumption.

Hybrid working is fully embedded into the Department's plans, and the Connect2 agile office hubs and facilities are actively promoted to staff and ALBs helping to make more effective use of space available.

Sustainability

The Department is committed to the achievement of sustainability in construction procurement. This concerns the procurement and delivery of building, engineering and refurbishment projects that promote environmental, social and economic gains now and for the future. All school projects that receive capital funding from the Department are expected to comply with the requirements detailed in Guidance Notes on sustainability issued by CPD within DoF.

All school building contracts include overarching requirements in respect of energy, water and low carbon design to ensure the accommodation is sustainable and energy efficient. Cycle shelters may also be incorporated into school design to encourage active travel to school. The Department works with the Department for Infrastructure (DfI) and the Public Health Agency in support of their Active

School Travel Programme, which aims to encourage more pupils to walk, cycle, or scoot to school.

Building Research Establishment Environmental Assessment Method (BREEAM) is used to assess the environmental performance of new and existing buildings. Where possible, the Department requires all Major Works for schools to achieve a BREEAM rating of 'excellent' in new school builds and 'very good' for refurbishment projects. The Department's building handbooks are designed to support the achievement of the appropriate BREEAM rating, within the affordability envelope for each project. Where appropriate, renewable energy sources are employed for heating and power generation in schools.

The Department has previously undertaken a pilot project across five Major Capital Schemes. The project considered the costs and benefits realised from designing and constructing these new schools to enhanced energy efficiency standards. The Department announced the pilot schools in 2020 and as these are long-term projects, it may be up to six years before construction of the schools is completed, the benefits are realised and the pilot can be fully assessed.

An assessment of the impact of construction on ecology and biodiversity is undertaken as part of the BREEAM rating. The Schools' Building Handbook specifies that outside space should satisfy the Department's policy on biodiversity e.g. habitat replacement, bird boxes and bat boxes.

The Department has fully engaged and onboarded to CPD's waste management and recycling contracts. These services are delivered in accordance with the Sustainable Development Strategy for Northern Ireland. The Department is committed to diverting as much waste as possible from landfill.

The Department, in partnership with colleagues in DAERA and DoF, has removed all unnecessary single-use plastics from premises.

The Climate Change Act (Northern Ireland) 2022 places in law the requirement for Northern Ireland net greenhouse gas emissions to be at least 100% lower than the baseline i.e. a total net zero position by 2050.

DAERA is lead Department for the Act, coordinating input to the first Northern Ireland Climate Action Plan, which sets out the targets for emission reduction across areas of the economy, known as sectoral plans including energy, transport, waste etc.

The Department is represented on DAERA's governance structures including the Green Growth Strategic Oversight Group and the Technical Advisory Group. Working with the EA, the Department submitted an initial CAP return to DAERA on 16 December 2022, setting out the Department's contribution in terms of existing policies which contribute to carbon/greenhouse gas reduction, and continues to engage as the draft CAP is prepared for public consultation.

Further information on the EA's Sustainability can be found in the EA's Annual Report and Accounts 2023-24 which can be accessed at EA's website.

This Performance Report is approved and signed.

Mark Browne (Dr)
Accounting Officer
29 October 2024

ACCOUNTABILITY REPORT

3. CORPORATE GOVERNANCE REPORT

The purpose of the Corporate Governance Report is to explain the composition and organisation of the Departmental Group's governance structures and how they support the achievement of the Departmental Group's objectives.

3.1 Department Directors' report

Ministerial responsibility

Paul Givan MLA was appointed Minister with responsibility for Education from 3 February 2024 upon restoration of the Northern Ireland Executive.

Senior officers

The Department is headed by the Minister of Education, supported by the Permanent Secretary, three Deputy Secretaries, a Chief Inspector, the Finance Director, the Department's Strategic HR Business Partner and two independent NEBMs. The composition of the Departmental Board during the year was as follows:

Mark Browne	Permanent Secretary
Lianne Patterson (until 7 July 2023) Replaced by Ronnie Armour on 3 July 2023	Deputy Secretary
Linsey Farrell	Deputy Secretary
John Smith (until 3 July 2023) Replaced by Heather Cousins on 17 July 2023	Deputy Secretary
Faustina Graham	Chief Inspector, ETI
Gary Fair (until 2 January 2024) Replaced by Neil Palmer on Temporary Promotion basis on 2 January 2024	Finance Director
Marcella Phillips	Departmental Strategic HR Business Partner

Non-Executive Board Member(s)

Joan McEwan (until 30 November 2023)
Paul Corrigan
Anna Carragher (with effect from 1 May 2024)

Pension liabilities

Treatment of pension liabilities is disclosed in accounting policy note 1.13 and in the Remuneration and Staff Report.

Financial instruments

Financial instruments are not material for the assessment of the assets, liabilities, financial position and net expenditure of the Department and the Group (see note 9 in the Financial Statements section).

Company directorships

There are no company directorships or significant interests held by any of the senior management team members which conflict with their management responsibilities.

Joan McEwan took up a role as a non-executive board member for DoF in September 2023 and sought permission from the Permanent Secretaries of the Department of Education and DoF to perform both NEBM roles during the period September 2023 to November 2023. Joan was also a voluntary Board Member of Engage with Age, a charity that provides support to older people experiencing isolation and loneliness. She has confirmed that this role did not conflict with her position as an independent NEBM of the Department.

Lianne Patterson was a Non-Executive Director on the board of the Housing Finance Agency, Ireland and confirmed that this role did not conflict with her position as Deputy Secretary of the Department.

Linsey Farrell is Trustee of Child Evangelism Fellowship and confirmed that this role has not conflicted with her position as Deputy Secretary of the Department.

Auditor

The financial statements are audited by the Comptroller and Auditor General (C&AG) for Northern Ireland in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. The C&AG is the head of the Northern Ireland Audit Office and reports her findings to the Northern Ireland Assembly. Both the C&AG and her staff are wholly independent of the Department.

The audit of the financial statements for 2023-24 resulted in a notional audit fee of £105k for the Department and the Northern Ireland Teachers' Pension Scheme, which is included in the administration costs in the SOCNE and notional audit fees of £201k for the Department's NDPBs, which are included in the programme costs in the SOCNE.

Equality statement

The Department, in carrying out its functions, has a statutory responsibility to have due regard to the need to promote equality of opportunity:

- between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- between men and women generally;
- between persons with disability and persons without; and
- between persons with dependants and persons without.

In addition, without prejudice to the above obligation, in carrying out its functions, the Department is required to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

Complaints handling

Details of the Department's complaints procedure is available on the Department's website at Department of Education Complaints Procedure.

In 2023-24, 27 complaints were received under the procedure (however one was withdrawn by the complainant, and one was treated as a correspondence case), compared to 30 in the previous year. One of the remaining 25 complaints was an escalation of previous complaints.

All complaints are analysed and lessons learned compiled into a year-end report which is considered by the Departmental Board. Complaints are centrally monitored for any emerging trends. Any such issues identified are raised with senior management for consideration and resolution.

Further information on the EA's Complaints Handling can be found in the EA's Annual Report and Accounts 2023-24 which can be accessed at EA's website. Information on the number of complaints received by the Department's other NDPBs can be found in the respective Annual Report and Accounts for that organisation.

Personal data related incidents

In line with the requirements of the Data Protection Act 2018/United Kingdom (UK) General Data Protection Regulation (UK GDPR), the Department has a data breach, internal reporting and investigation policy and process in place, which is published on the Department's Intranet site for staff. The Department has a duty to report certain types of personal data breach to the Information Commissioner's Office (ICO) within 72 hours. In addition, if a breach is likely to result in a high risk of adversely affecting individuals' rights and freedoms, those individuals must be notified too.

In 2023-24, the Department did not have cause to report any personal data breaches to the ICO and data subjects.

During 2023-24, EA reported four personal data breaches to the ICO. Further information on the EA's Personal data related incidents can be found in the EA's Annual Report and Accounts 2023-24 which can be accessed at EA's website. There were no data breaches reported within the Department's other NDPBs.

Events occurring since the end of the financial year

Events after the reporting period relating to the 2023-24 financial year have been disclosed in note 25 in the Financial Statements.

Payment of suppliers

The Department is 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 of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

As part of the Northern Ireland Assembly's efforts to support businesses during the current economic circumstances, Accounting Officers were asked to support a commitment to paying invoices within 10 working days.

During 2023-24, 94.57% (97.58% at 2022-23) of the Department's invoices were paid within 10 days and 98.04% (99.55% at 2022-23) of invoices were paid within 30 days.

Further information on the Department's NDPB's Prompt Payment performance can be found at the following link: Prompt payment performance.

The Department's performance both in terms of paying invoices within 10 days and 30 days in comparison to other Departments can be viewed on the Account Northern Ireland website: Northern Ireland Civil Service Prompt Payment Table for 2023-2024.

No interest was paid by the Department under the Late Payment of Commercial Debts (Interest) Act 1998.

Disclosure of information to auditors

As far as the Accounting Officer is aware, there is no relevant audit information of which the Department's auditors are unaware, and the Accounting Officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Department's auditors are aware of that information.

EA Director's Report

A copy of the EA Director's report is provided in the EA Annual Report and Accounts for 2023-24 which can be accessed at EA's website.

3.2 Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts (Northern Ireland) Act 2001, the DoF has directed the Department to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the Department and its sponsored Non-Departmental and other arm's length public bodies designated by order made under the Government Resources and Accounts (Northern Ireland) Act 2001 by Statutory Rule 2023 No. 53, as amended by Statutory Rule 2024 No.7, (together known as the 'Departmental group', consisting of the Department and sponsored bodies listed at note 24 to the accounts). The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and the Departmental group and of the income and expenditure, Statement of Financial Position and cash flows of the Departmental group for the financial year.

In preparing the accounts, the Accounting Officer of the Department is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process;
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by Non-Departmental and other arm's length public bodies;
- 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.

The DoF has appointed the Permanent Head of the Department as Accounting Officer of the Department of Education.

The Accounting Officer of the Department has also appointed the Chief Executives or equivalents of its sponsored Non-Departmental and other arm's length public bodies as Accounting Officers of those bodies. The Accounting Officer of the Department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the Department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the Department or Non-Departmental or other arm's length public body for which the Accounting Officer is responsible, are set out in Managing Public Money Northern Ireland published by DoF.

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 Department'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.

3.3 GOVERNANCE STATEMENT

3.3.1 Introduction

This Governance Statement is a key feature of the Department's Annual Report and Accounts. It provides details of how I, as the Accounting Officer, have ensured effective management and control of resources during the 2023-24 year, and of the action taken to ensure effective risk management and a high standard of corporate governance.

The Head of Internal Audit has provided me with a report on internal audit activity within the Department during the year and a satisfactory opinion on the Department's governance, risk management and internal control system. However, there has been one unacceptable audit opinion in respect of the review of the Northern Ireland Teacher Pensions System upgrade due to the McCloud Ruling and four limited audit opinions awarded in respect of the reviews of the Use of Supply Teachers, Health and Safety: New Ways of Working, Records Management and Primary Children Looked After Service. In addition, four limited opinions remain after consideration of follow up reviews in respect of School Governance, School Estate Asset Management, Use of Consultants and SSEC.

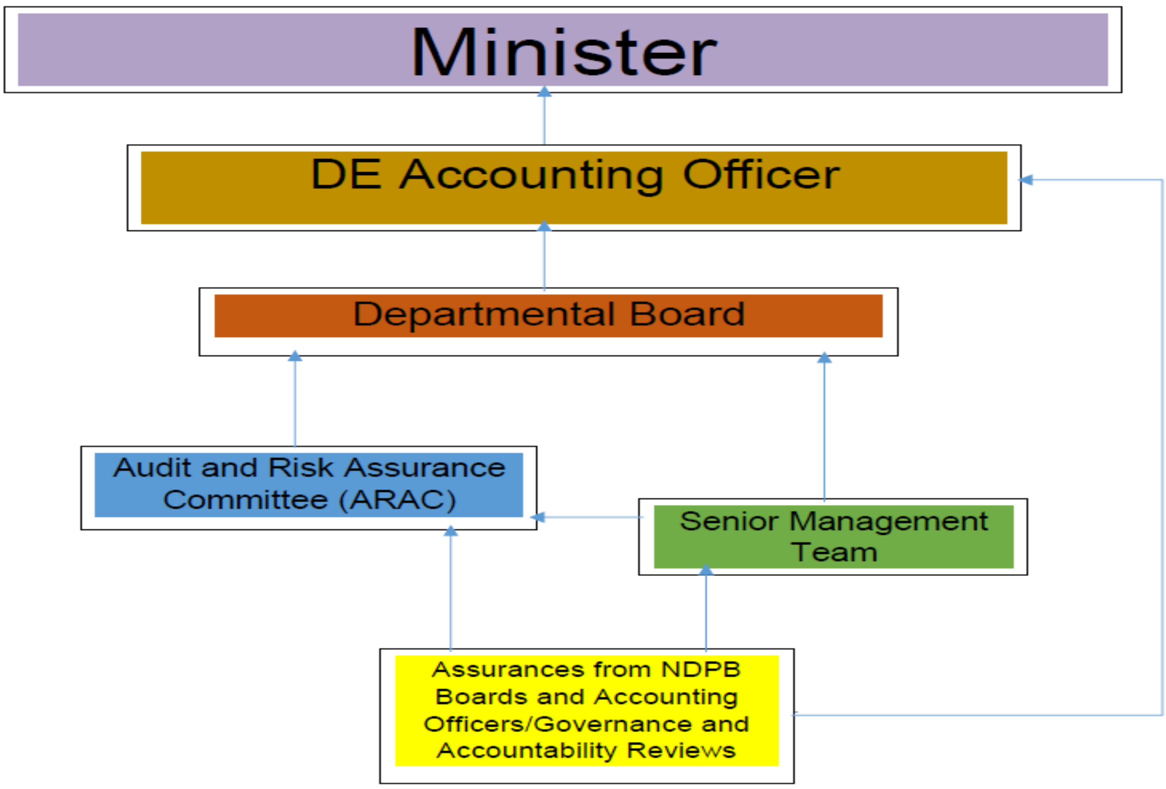
As per the requirements of a consolidated Annual Report and Accounts, the following statement represents the position of the Departmental Group during 2023-24 (the Department and its eight sponsored NDPBs). As the Permanent Secretary and Accounting Officer for the whole Group, I have responsibility for reviewing the effectiveness of the Group's systems of internal control. The review was informed by the senior management team (including Accounting Officers for NDPBs, who have responsibility for the development and maintenance of their internal control frameworks, and who provide an equivalent statement within its published report and accounts) and comments made by the Northern Ireland Audit Office in its management letter and other reports.

3.3.2 Department of Education's Governance framework

The Department operates under the direction and control of the Minister of Education who is the Head of the Department. The Minister leads the Department and is responsible and accountable to the Northern Ireland Assembly for the policies, programmes and actions of the Department. As a result of a Northern Ireland Assembly not being formed until 3 February 2024, the Department operated without a Minister for the majority of the accounting year, until this date. During this period, the Northern Ireland (Executive Formation etc) Act 2022 and associated guidance provided some scope for decision making in the absence of a Minister.

As Permanent Secretary, I am the Minister's principal adviser, the administrative head of the Department and the Accounting Officer. As the Accounting Officer, I am personally responsible and accountable to the Minister and to the Northern Ireland Assembly for the effective management and organisation of the Department, including the use of public money and the stewardship of its assets.

The Department operates a detailed governance and accountability framework designed to help it oversee and hold to account the NDPBs which it sponsors. This is described more fully in Section 3.3.9 below. In my role as the Accounting Officer, I function with the support of the Departmental Board, its ARAC and my Senior Management Team. This structure is outlined below:



The Departmental Board

The Department is managed by a Departmental Board which, within the strategic framework set by the Minister, supports me as Permanent Secretary in discharging my role.

The Departmental Board is chaired by me and comprises the three Deputy Secretaries; the Chief Inspector of ETI; the Finance Director; the Northern Ireland Civil Service HR, Departmental Strategic HR Business Partner; and two independent NEBMs. The role of the independent board members is to: provide an independent and external perspective on the work of the Departmental Board; bring some specific expertise to its discussions; and provide a constructive challenge across the Departmental Board's business. Other Departmental Directors have been invited to attend meetings where agenda items relevant to their business areas required their attendance to inform discussion. The Departmental Board's work is guided by a Corporate Governance Framework. During 2023-24, the Departmental Board met on 8 occasions.

Departmental Board Membership and Attendance 2023-24

A list of members is provided below along with details of their individual attendance records:

Board Member	Meetings Attended	Out of a possible
Dr Mark Browne (Chair)	8	8
Faustina Graham (Chief Inspector, ETI)	4	8
Linsey Farrell (Deputy Secretary)	8	8
John Smith (left the Department July 2023) (Deputy Secretary)	3	3
Lianne Patterson (left the Department July 2023) (Deputy Secretary)	1	3
Gary Fair (left the Department January 2024) (Finance Director)	5	6
Joan McEwan (term ended November 2023) Non-Executive Board Member and Chairperson of ARAC	5	6
Paul Corrigan Non-Executive Board Member	6	8
Marcella Phillips (Northern Ireland Civil Service HR Strategic Human Resource Business Partner)	7	8
Heather Cousins (Joined the Department July 2023) (Deputy Secretary)	4	6
Ronnie Armour (Joined the Department July **2023)** (Deputy Secretary)	6	6
Neil Palmer (Appointed January 2024) (Interim Finance Director)	2	2

Board Member	Meetings Attended	Out of a possible
James Hutchinson*	1	1

*Deputised for Heather Cousins (rotating TP)

The Departmental Board's role is set out in the Department's Corporate Governance Framework.

During 2023-24, there were five categories of routine Board business. These reflected the areas set out in the Corporate Governance Framework:

- financial matters and allocations;
- business planning;
- policy and strategy;
- management including HR; and
- risk management and internal controls.

Conflicts of Interest

Every six months, members of the Departmental Board are asked to sign a Declaration of Interest. Declarations are reviewed by the Accounting Officer and placed on the Department's website at Department of Education Register Interests. An explanation of how any actual or potential conflicts will be managed is included.

Annually, all staff are asked to read the Conflicts of Interest guidance and disclose any actual, perceived or potential conflicts of interest in line with the Guidance and record such interests on the Department's register of interests. Staff are reminded that the register of interests is a 'live' document, and as such, changes should be notified as and when they occur.

A signed Declaration of Interest was provided by the Special Adviser on 8 May 2024.

In compliance with Business Appointment rules, the Northern Ireland Civil Service (and by extension the Department), is transparent in the advice provided to individual applications for senior staff, including special advisers through the Northern Ireland Civil Service HR Policy. Advice regarding specific business appointments is available in the HR Handbook (6.01 Standards of Conduct); all former senior staff who have left the Northern Ireland Civil Service are required to complete a declaration, 'Application to accept an outside appointment after leaving the Northern Ireland Civil Service', which is held by HR Connect on the Department's behalf.

Departmental Board sub-committee

During 2023-24 the Departmental Board was supported by the ARAC.

ARAC

The ARAC is an independent advisory committee with no executive functions. Further information on its roles and responsibilities can be found at DAO (DoF) 03/18 ARAC handbook.

The Department's ARAC normally comprises of four independent members. Two members are NEBMs, one of whom serves as the ARAC Chairperson. During 2023-24, Mrs Joan McEwan served as NEBM and ARAC Chairperson until her term came to an end in November 2023. Mr Paul Corrigan accepted the role of ARAC Chairperson from March 2024 after acting as Interim Chairperson since December 2023. Mrs Anna Carragher was appointed NEBM and ARAC member from 1 May 2024. The remaining two members are serving Senior Civil Servants (SCS). During 2023-24, Gavin Patrick (Director of Finance, DfC) and Patrick Butler (Head of Legacy Inquest Unit/Senior Legal Advisor to Coroners, DoJ) supported the ARAC as independent members.

Throughout the year the Committee considered the findings from internal and external audit activity, including updates on whistleblowing and fraud cases along with the outcomes of key governance processes such as risk management, GAR meetings and the biannual NDPB governance statements. In addition, the Committee invited various risk owners (Directors) to attend and provide assurance on their areas of responsibility.

Attendance 2023-24

Name	Meetings Attended	Out of a possible
Joan McEwan (Chairperson)	3	3
Paul Corrigan	4	4
Gavin Patrick	4	4
Patrick Butler	4	4

3.3.3 Departmental Board Performance

I consider that the Departmental Board operated effectively during 2023-24, meeting regularly and considering relevant issues at the appropriate time. The Departmental Board fulfilled its role as set out at Section 3.3.2 above.

2022-23 Review of Board Effectiveness

Internal Audit published its Review of the Department's Corporate Governance and Risk Management Arrangements in April 2023. The purpose of the Review was to provide an independent professional opinion on the adequacy and effectiveness of risk management, control and governance. The Review included an investigation of the constitution, performance and outcomes of the operation of the Departmental Board and thus served as the Board’s tri-annual external effectiveness review.

The findings and recommendations of the Review with regard to the Board were accepted in the main and have been taken forward where appropriate.

2023-24 Review of Board Effectiveness

The annual evaluation of the Departmental Board’s effectiveness for 2023-24 has been initiated by utilising a questionnaire for members in May 2024. A report is expected to be provided to the Board later in the year.

3.3.4 Highlights of Board committee reports

This section provides information on key areas progressed by the Departmental Board’s ARAC.

The ARAC meet four times during the year, reporting at each subsequent Board meeting on the key issues discussed, and the full minutes were circulated to Departmental Board members when finalised.

The Chairperson met with the Head of Internal Audit in advance of each meeting to discuss current and emerging risks and issues. During ARAC meetings, the Committee received updates on priority Departmental issues including the SSEC Programme. The ARAC continued to seek to understand and keep abreast of the main challenges facing the Department’s NDPBs throughout the year and received regular high-level updates on significant risks. Additionally, the Department’s ARAC has continued to provide additional oversight and approval of the General Teaching Council for Northern Ireland’s improved governance arrangements and approval of the Annual Report and Accounts.

The ARAC Annual Report for 2023-24 was presented to the Departmental Board in August 2024. This report summarises the work of the committee and provides its opinion on the comprehensiveness and reliability of the assurances available to support the Departmental Board and, particularly, to support the Department’s Accounting Officer in his accountability obligations.

The independent ARAC members’ annual self-assessment for 2023-24 took place in April. It includes a review of the recommendations from the previous two years and the identification of the key areas on which to focus their attention in 2024-25.

3.3.5 Corporate Governance

As noted above, the Department has in place a Corporate Governance Framework which aligns with the Corporate Governance in Central Government Departments: Code of Practice Northern Ireland 2013.

Subsidiary Governance Statements were prepared and signed by all Directors and have been used to prepare the Governance Statement. Directorates were asked to confirm that no significant lapses of security took place during 2023-24. No significant lapses of security were reported.

3.3.6 Quality of the data used by the Departmental Board

The Departmental Board relies on four main sources of data to inform its deliberations. These are:

- statistical information (for example, data related to enrolments, attainment, absence, workforce);
- financial information (including monitoring reports on capital and resource expenditure);
- HR information, mainly data on absence management; and
- inspection evidence, mainly data used to compile the Chief Inspector's report and the annual report to the Departmental Board.

All statistics produced by the Department are designated as 'Official Statistics' and some are designated as 'National Statistics'. As such, they are produced in line with the eight principles and three supporting protocols set out in the UK Statistics Authority's Code of Practice for Official Statistics. Accordingly, the Departmental Board and its NDPBs consider that it can take assurance regarding the quality of the statistical data it uses to monitor performance and inform decision-making.

The finance data presented to the Departmental Board is prepared from internal and external finance systems, which are supported by internal control frameworks. These are subject to both internal and external audit scrutiny across the education sector.

Information on attendance management is sourced from official reports provided by the Northern Ireland Statistics and Research Agency.

ETI's Management and Recording System is currently being replaced by a more fit-for-purpose recording and reporting system called Inspection Planning, Insight and Reporting Environment (InsPIRE). The InsPIRE capital project is at the final stage of the current development phase. InSPIRE will enable ETI to access and use critical inspection data and information more effectively and efficiently. The core workforce management and planning tool (the Scheduling module), hosted on the Information Technology (IT) Assist server, has been in use since February 2022. During 2023-24, an adapted version of the InsPIRE inspection module has been trialled to facilitate a range of pilot inspections. The pilot inspections followed extensive consultation with stakeholders to develop inspection for the future. Further design work is required to reflect the new inspection model and a project business case addendum to enable further development work during 2024-25 is being prepared.

3.3.7 Ministerial Directions

Arrangements exist to respond to a situation where an Accounting Officer believes that he/she is being asked by a Minister to take a course of action that could potentially result in irregular expenditure, impropriety, or poor value for money. In such circumstances, the Accounting Officer may seek a formal Ministerial Direction to proceed. There were no Ministerial Directions issued during 2023-24.

3.3.8 Risk Assessment

The Departmental Board has responsibility for ensuring that an effective risk management process is in place and is regularly reviewed. In discharging this responsibility, it is supported by the ARAC and the Department's Internal Audit Team. NEBMs participate in discussions in relation to Departmental risk at Departmental Board meetings. This arrangement, in conjunction with written and oral updates provided at each ARAC meeting, ensures that the ARAC is kept fully informed of the Department's risk profile to enable it to undertake its responsibilities effectively.

The Departmental RMF sets out the Department's approach to risk and the mechanisms through which potential risks to the achievement of the Departmental objectives are identified and evaluated. The RMF is subject to annual review and approval by the Departmental Board. It was updated and approved by the Board in April 2023 and again in April 2024.

Risk Management

The Departmental Board agrees the risks to be included in the Department's CRR and agrees ownership of each risk. The risk management process is integrated with normal management processes and informs the annual business planning cycle in order to link risk management and internal control with the Department's ability to fulfil its business objectives. Risk is managed in the Department by way of an on-line Risk Management Application, which hosts all risk registers at Corporate, Directorate, Programme/Project and Team levels.

At the start of 2023-24 the CRR comprised 14 risks carried forward from 2022-23. Work commenced in March 2023 to consider afresh the Department's risk profile, particularly in the context of the new Strategic Priorities for education around which Every CHILD is structured. The development of a fresh set of Corporate Risks also focused on the difficult challenges on the political and budgetary front which the Department was facing at that time.

Following extensive engagement with senior management and others across the Department, an updated and streamlined set of six corporate risks was considered by the ARAC in May 2023 and approved by the Departmental Board in June 2023. This refreshed set of strategic risks was in effect a reworking of the previous corporate risks rather than the identification and documentation of any new emerging risks. The refreshed risk profile was considered to better reflect the breadth of key risks facing the Department, presented in a more streamlined and manageable way. Previous corporate risks relating to the arrangements for managing major incidents or emergencies and handling of Departmental information and personal data were also considered to be sufficiently well managed to be de-escalated to the Corporate Services and Governance Directorate Risk Register at this stage.

The six new risks comprising the new CRR remained in place for the remainder of the 2023-24 year but were subject to ongoing (quarterly) review and update. The CRR opening review for 2024-25 continued with the extant risks, subject to a full review to take particular account of the impact on the risk profile and risk actions resulting from the restoration of the political institutions in Northern Ireland.

Each Directorate/business area was required by the Departmental Board to have in place appropriate arrangements for managing risk at a lower level.

The Department is dependent on its ALBs for the delivery of policies and services. The Department needs to be assured that risk is being managed effectively by all of its ALBs, and they must in turn provide assurance to the Department on risk management, governance and internal control.

With this in mind, all ALB and a sample of Directorate Risk Registers were examined during 2023-24 and reports were provided on the findings in relation to:

a) the alignment of risks to those in the Department's Risk Register; and

b) the standard of risk registers and their adherence to the principles of risk management contained in the Department's RMF.

Reports were provided to the Departmental Board and ARAC throughout 2023-24.

Significant issues arising during 2023-24

During 2023-24 the Department managed a number of significant issues in relation to:

- Political Uncertainty
- 2023-24 Budget
- EA 2023-24 Financial Position
- Industrial action by Teacher Unions
- Industrial Relations – Non-Teaching staff
- Independent Review of Education
- UK COVID Public Inquiry
- SSEC Programme
- EA Landscape Review Action Plan
- Oversight of EA's Special Educational Needs and Disability (SEND) Transformation Programme and End-to-End (E2E) Review of SEN
- End-to-End Review of School Improvement
- Major EA IT Projects
- CCEA Personnel and Governance Issues
- Continuing operational oversight of General Teaching Council for Northern Ireland
- Safeguarding and Child Protection
- ETI inspections and Evaluations
- Strategic Area Plans (SAPs) and Development Proposal (DP) activity
- Northern Ireland Teachers' Pay and Pensions Statements delays and McCloud Remedy
- Fraud Prevention and Whistleblowing
- Department of Education staff vacancies and absences

- Youth Council for Northern Ireland
- Irregular Expenditure
- Data Breach

Political Uncertainty

Until 3 February 2024, the Department operated in the absence of an Executive and Education Minister. The Department followed the provisions of the Northern Ireland (Executive Formation etc) Act 2022 and the associated Guidance on Decision Making provided by the Secretary of State for Northern Ireland, during the period of operating without a Minister.

2023-24 Budget

In the absence of Executive Ministers, the 2023-24 Resource Budget for Education was set at £2,576.5m in the Secretary of State for Northern Ireland's Written Ministerial Statement on 27 April 2023.

The Northern Ireland Budget (No. 2) Act 2023, which received Royal Assent on 18 September 2023, provided the statutory authority for the 2023-24 Northern Ireland Budget which the Secretary of State for Northern Ireland set in his Written Ministerial Statement on 27 April 2023.

The Budget Act (Northern Ireland) 2024, which received Royal Assent on 14 March 2024, together with the Northern Ireland Spring Supplementary Estimates 2023-24 which were agreed by the Northern Ireland Assembly on 9 April 2024, provided the statutory authority for the Executive's final 2023-24 expenditure plans. The Budget Act (Northern Ireland) 2024 also provides a Vote on Account to authorise expenditure by Departments and other bodies into the early months of the 2024-25 financial year.

Prior to the agreement of the financial package from HM Treasury, the Department's Resource DEL Budget was £2,582m which was c.£60m less than the budget set by the Secretary of State in 2022-23. Based on this budget allocation there remained an estimated funding gap for the Department in 2023-24 in the region of £300m.

Faced with this extremely challenging financial position, the Department took a number of significant budget decisions including cessation of the Engage, Healthy Happy Minds and School Holiday Food Grant schemes from 31 March 2023, reductions to the ASB and EA Block Grant, further reductions to a range of Earmarked Funds and significant Departmental staff vacancy control. In addition, significant reductions were made to funding allocations to third party organisations.

Following the agreement of the financial package from HM Treasury on the restoration of the Northern Ireland Assembly, the Department was allocated additional funding of £296.8m to address the funding gap for 2023-24; however, no funding was provided in respect of the estimated cost of the EA Pay and Grading Review for non-teaching staff.

As a result of the above, the Department was able to deliver a balanced budget for 2023-24, reporting a small Resource underspend of £1.219m (0.04%) at Provisional Outturn, a significant portion of which largely related to unexpected Consolidated Fund Extra Receipts (CFER) and ring-fenced funds which cannot be diverted to fund other activities. Due to the unique situation where there was no budget exchange scheme in place for 2023-24 it is understood that DoF was able to utilise this underspend against over-commitments elsewhere.

The Department's opening Resource Budget of £2,874.4m for 2024-25 was agreed by the Executive on 29 April 2024. The budget outcome is significantly less than what is required and will leave a considerable shortfall across the Education sector. In the absence of significant additional funding in-year, given the scale of pressures facing the sector, there is a real danger the Department will not be able to deliver basic statutory services or in doing so may overspend against the current budget allocation.

The Executive has also indicated its support for a Childcare Strategy and has set aside £25m in 2024-25, to be held centrally, pending the Executive's approval of proposals brought forward by the task and finish group.

The Department also faced unprecedented pressures on capital funding in 2023-24, partly as a result of escalating price inflation but also due to the need to create large numbers of additional Special Educational Needs (SEN) places. The capital spend on SEN placement projects (both in Special Schools and specialist provision in mainstream schools) in 2023-24 was c.£47m. The high level of pre-existing contractual commitments at the beginning of the financial year also limited flexibility.

The Department's capital budget strategy for 2023-24 was based on three fundamental elements: (i) to meet existing contractual requirements; (ii) to ensure schools remain open and safe; and (iii) to ensure that the required adaptations and additional places were provided for children with SEN.

Due to the shortfall in the initial capital budget allocation against capital needs in 2023-24, the Permanent Secretary agreed a number of extremely difficult decisions at the beginning of the financial year in order to control expenditure. These included stopping new major works and school enhancement contracts; land purchases; procurement of integrated consultancy teams for 28 major works projects; large numbers of curriculum related minor works; new youth capital projects; EA bus replacement; integrated consultancy teams requirements; and a range of miscellaneous smaller projects.

These measures did not include other critical areas where investment was simply not possible such as PE and sports provision, Education Other Than At School facilities, the development of a SEN Capital Investment Programme and measures to address carbon reduction across the estate. These reductions in expenditure had a significant negative impact with many thousands of children remaining in unfit accommodation and schools being unable to purchase essential equipment to support learning and teaching.

A further significant issue arising in-year was the risk of Reinforced Autoclaved Aerated Concrete (RAAC) in school buildings. To date only one school has been identified with RAAC and is being dealt with, but any further cases will place considerable pressure on an already overstretched capital budget.

Despite taking these difficult steps, the Department still faced significant capital pressures entering the last quarter of 2023-24. However, following the formation of the Executive, the Department received an additional £45.229m capital budget to fund these capital pressures.

EA's 2023-24 Financial Position

The EA's financial position poses a significant financial risk to the overall Department's budget due to the quantum of the EA's budget. Therefore, the Department continues to constructively and robustly engage with the EA throughout the year in assessing its financial position.

In the absence of an agreed Executive Budget for 2023-24 at the outset of the financial year, priority was initially given to maintaining the Age Weighted Pupil Unit Cash values at 2022-23 levels with an additional c.£5.9m provided in this regard. However, given the constrained financial position at the time it was not possible to include the funding allocated in 2022-23 to mitigate pay and energy increases. Therefore, the interim allocation represented a 1.6% reduction in comparison with the 2022-23 Aggregated Schools' Budget (ASB) closing position. Schools were notified of their interim opening budgets in March 2023.

In addition, the EA's block grant allocation was essentially a roll forward of the 2022-23 Final Budget position. This provided the EA with a total opening interim Block Grant allocation of c.£832m.

Following the Secretary of State's 2023-24 Budget announcement on 27 April 2023 and after decisions were taken by the Department in relation to the EA's Final opening Resource Budget allocation, neither the EA nor schools were allocated any additional funding. As a result, without access to additional funding the EA and schools were forecasting a significant overspend in excess of £200m.

As part of the allocation of the opening budget, the Department tasked the EA with producing a Savings Delivery Plan for 2023-24 to attempt to operate within budget. The EA Board approved savings proposals for 2023-24 of c.£13.7m, which involved decisions that did not require a Minister-led policy change or a change in legislation. Clearly, these proposals fell far short of the quantum required to deliver a balanced budget (i.e. over £200m). The EA's ability to deliver significant savings is limited, given that the majority of its proposals would require legislative and/or policy change, alongside investment in long-term transformation. Many of the EA's services are statutory in nature (e.g. SEN, school meals and Home-to-School Transport) and thereby would require the direction of the Minister of Education to take forward any significant changes in policy.

The EA and schools were allocated additional funding in-year, in the region of £80m, to mitigate the effect of teachers' incremental pay and the 2023-24 NJC pay award. Notwithstanding, this was insufficient to bridge the funding gap and the EA was still forecasting a significant overspend.

Following the financial package provided by HM Treasury attached to the restoration of the Northern Ireland Assembly and the Executive in February 2024, the EA was allocated significant additional funding to offset its 2023-24 financial pressures, as well as funding to address a three-year teachers' pay settlement (i.e. September 2021 to September 2023 – see following section). This additional investment enabled the EA to operate within Budget in 2023-24.

It is of note that, in recent years, the EA has been heavily reliant on securing additional funding via in-year monitoring rounds in order to live within budget. Apart from the absence of monitoring rounds, 2023-24 has proved no different, in that the EA was ultimately reliant upon a financial package which accompanied the restoration of the Northern Ireland Executive. Operating against a backdrop of this uncertainty, from both the EA and the Department's perspective, does hinder the EA's effectiveness and ability to plan ahead and operate in a more strategic and less reactive manner.

Looking ahead to the 2024-25 financial year, the Department will continue to challenge the EA in relation to the robustness of its assessed forecast pressures. In relation to schools spend, the Department fully expects that the current, constrained budgetary environment will continue to present a significant challenge to school communities.

The Department continues to make the case each year for additional funding based on an analysis of the financial pressures facing the sector. However, the Department does not determine what the final outcome will be each year as Education pressures are considered alongside other competing pressures across all Departments. Instead, overall budget allocations to Departments must be funded from available resources and are decided by a political process led by the Northern Ireland Executive.

Industrial Action by Teacher Unions

The Northern Ireland Teachers' Council submitted pay claims totalling around 30% for 2021-22, 2022-23 and 2023-24.

Engagement had been ongoing between Management Side and the Northern Ireland Teachers' Council considering options for a multi-year pay deal. However, this was dependent on funding availability. Given the cost-of-living increases and the expectations of a significant increase in pay, it was difficult to see how a resolution could be achieved without a corresponding increase in the education budget. Notwithstanding this difficulty, both Management and Unions continued to engage in the pay discussions in the hope of identifying a potential resolution.

Under the Public Sector Pay Policy guidance, any pay settlements to be submitted to DoF for consideration must be accompanied by an assurance and confirmation from the relevant Departmental Accounting Officer that they are content that the pay award proposed is affordable within their Department's budget settlement. In the context of the Department's budget position, and the significant cost of a teachers' pay increase, it was not possible to provide the necessary assurance that this increase would be affordable.

All five teachers' unions commenced industrial action during 2022 and took part in a number of full and half day strikes during 2023 and early 2024.

Affordability was the key stumbling block to agreement and following intensive engagement with Finance colleagues and a political settlement to restore the Northern Ireland Assembly a funding package was secured for teachers' pay.

Negotiations on a teachers' pay award for 2021-22, 2022-23 and 2023-24 continued with the Northern Ireland Teachers' Council via the Teacher Negotiating Committee, concluding with the ratification of a three year pay deal agreement on 9 April 2024. All industrial action by teachers ceased on 10 April 2024.

Industrial Relations – Non-Teaching Staff

The EA submitted a Pay and Grading Review to the Department in February 2023 for support staff on NJC terms and conditions. This review aims to address issues with the current grading structure for non-teaching staff and improve the recruitment and retention of EA employees.

The review is separate to the annual pay award for non-teaching staff. The vast majority of non-teaching staff (over 95%) have a contractual entitlement to national pay awards as agreed by the NJC. Failure to implement these pay awards would lead to legal claims and industrial action. The NJC pay award for 2023-24 was £1,925 per Full Time Equivalent pay point or a minimum of 3.88%.

The Department believes there is a need to implement the changes proposed in the Pay and Grading business case to address key issues with the pay of support staff i.e. the current pay scale structure is at risk of legal challenge as some scales are longer than recommended; the supervisor differential has been eroded by National Living Wage increases to lower scale points; and there are significant recruitment and retention issues, with pay considered the main factor.

Non-teaching unions have initiated industrial action over the delay in implementing the review and this has led to school closures and difficult working conditions. This is having a significant detrimental impact on schools and on the education and wellbeing of children and young people.

Following a recent EA review of its staffing assumptions and costs, the business case was resubmitted to the DoF in March 2024 and business case approval was confirmed on 4 April 2024. However, significant additional funding will be required to enable the preferred option to be implemented.

The Minister of Education has indicated that he will bid for additional funding in the 2024-25 budget round to enable implementation of the Pay and Grading Review recommendations.

Independent Review of Education

The final report of the Independent Review of Education was published on 13 December 2023. Its title, “Investing in a better future”, reflects the Panel’s view that spending on education is the greatest investment any society makes in its own future. The Panel sought to set out a series of deliverable recommendations that will change the landscape of education in Northern Ireland – building on its strengths but also tackling weaknesses. Key recommendations include the need to prioritise investment in education, promote learners learning together, expand early years education, reconfigure the network of schools, simplify the management of education, reform the curriculum and increase the age of educational participation to 18.

The Department initially considered 49 aspects of the report and carried out internal consultation to inform a way forward – this included discussion with other relevant Departments and ALBs. A paper was subsequently provided to the Minister in September 2024 setting out options for implementation of the recommendations in the report, given the financial and resource constraints under which the Department is currently operating.

UK COVID Public Inquiry

The commencement of the UK COVID Public Inquiry (the Inquiry) places a legislative duty on the Department and its ALBs to provide written and/or oral evidence to the Public Inquiry upon receipt of a Rule 9 request by the Chair. The Inquiry launched on 21 July 2022 and is chaired by Baroness Hallett, with public hearings due to conclude by summer 2026.

The Inquiry has been set up to examine the UK’s preparedness and response to the COVID pandemic, and to learn lessons for the future. The Inquiry began gathering evidence in August 2022 and commenced formal hearings in July 2023.

To date the Inquiry has launched nine of the eleven proposed Modules:

Module 1 - Resilience and preparedness

Module 2 - Core UK decision-making and political governance

Module 2C - (Northern Ireland specific)

Module 3 - Impact of COVID pandemic on healthcare systems in the four nations of the UK

Module 4 - Vaccines and therapeutics

Module 5 - Procurement

Module 6 - Care sector

Module 7 – Test, Trace and Isolate

Module 8 – Children and Young People

Module 9 – Economic response

Since November 2022, the Department and its ALBs have been involved in two modules – Module 2C receiving a Section 9 request for the provision of information in relation to decisions made by the Northern Ireland Executive. The hearing for this Module was held from Tuesday 30 April 2024 – Thursday 16 May 2024.

Following the initial Rule 9 request a subsequent request was received in relation to potential loss of data from mobile devices from former Ministers and officials. The Department provided the requested information within the Inquiry's deadlines and has received additional correspondence in relation to clarification of the draft Corporate Statement which has been agreed.

The Department is working closely with the Departmental Solicitors Office and has representatives on a cross departmental working group advising all Departments on the requests received and works in collaboration to ensure that the Northern Ireland Civil Service is providing consistent approaches. The Department has established a liaison group consisting of the Department's ALBs.

Former Ministers have been served with Rule 9 requests and have been called to provide witness statements and/or attend hearings to provide evidence. The Department has measures in place to meet any request in line with the Inquiry's directions and is supporting the former Ministers with provision of documents and financial support as per direction by the Head of the Civil Service and in line with current guidance. It is expected that there will be some criticism of the Northern Ireland Civil Service and the Department for allowing disposal of mobile devices which could have been relevant to the Inquiry.

Module 8 Children and Young People was opened on 21 May 2024 with the Department applying and attaining Core Participant Status. The preliminary hearing took place on 6 September and the full hearing will commence on 29 September 2025 lasting for four weeks.

The Department received a Rule 9 request for information on 29 August which has a much broader scope than the previous one and will require additional resources and significant input from Directorates. Junior Counsel has been instructed and officials continue to meet with the Inquiry legal team to discuss the extent of the request.

SSEC Programme

Following Executive endorsement, a Ministerial Direction was issued to the Permanent Secretary in July 2021 which enabled the programme to progress to the next phase of construction.

The Department formally commenced a fresh Main Works procurement competition with the release of the Invitation to Tender on 13 December 2021. The competition concluded on 26 September 2022 with one tender received. A Main Works Competitive Procedure with Negotiation (CPN) with the bidder commenced on 5 January 2023 and closed on 15 September 2023 following significant communication with the bidder. A new tender was submitted by the bidder on 12 October 2023 and has undergone assessment by CPD and the Integrated Consultant Team.

Value for Money could not be determined definitively in regard to the main works procurement due to the lack of competitive tension in the CPN process and the lack of a directly comparable benchmark project in the schools' estate. As Strule proceeded to procurement under the forementioned 2021 Ministerial Direction which was endorsed by the then Executive, on 18 July 2024, the Northern Ireland Executive reviewed the completed Full Business Case and up-to-date programme position and costs and in light of the position regarding VFM as set out above, agreed it should immediately proceed to contract award.

On the current programme timetable, following the pre-construction design period, campus construction is due to begin on site in spring 2025 with full campus opening planned for September 2028. A full programme Gateway Review took place during week commencing 27 May 2024, prior to contract award.

EA Landscape Review Action Plan

The EA Landscape Review, published in June 2022, found that although progress had been made in recent years (enhancements to governance; an improved approach to strategic planning and performance; strong alignment with the draft PfG and Departmental priorities), key issues highlighted in the report included the need for the EA to improve communications and responsiveness; to better meet the expectations of the EA's many stakeholders; and the importance of making education services more child-centric.

Since the publication of the report, Departmental and EA officials have jointly developed an Action Plan to collaboratively address the recommendations, which was agreed in February 2023. The Action Plan, prioritised to take account of the financial context, provides the basis for moving forward with the highest priority areas that will make the greatest difference, including defining the role/function of the EA; an EA People Strategy and Plan; organisational development and communications; a new Partnership Agreement; and end-to-end reviews of major services provided by the EA. Other recommendations are to be taken forward in a second phase of the programme.

These actions are progressed through seven project workstreams, progress on which is overseen by the Department and EA senior officials, governed by an oversight group chaired by the Permanent Secretary that meets quarterly. As of 31 March 2024, progress has been made across all workstreams, including the conclusion of Workstream One (Defining Role and Function of EA) in September 2023; the publication of an interim EA People Plan in July 2023 and a final "We are EA - People Plan 2024-2029" published in July 2024; the progression of End-to-End Reviews of SEN and School Improvement (see below) and HR services, and an EA Customer Excellence programme.

Oversight of the EA Special Educational Needs and Disability (SEND) Transformation Programme and End-to-End (E2E) Review of SEN

A number of independent reviews, including by the Northern Ireland Audit Office, Public Accounts Committee and Northern Ireland Commissioner for Children and Young People, have been completed on support provided for children with SEN. A total of over 150 recommendations have subsequently informed a comprehensive transformation agenda and most recommendations are being taken forward through the SEND Transformation Programme, with oversight provided by the Department's Governance Group which is chaired by the Permanent Secretary.

Thirteen priority projects were initially identified under the SEND Transformation Programme in terms of being child friendly and family-centred, the impact they will have and potential efficiencies. Seven are led by the EA and six led by the Department. All six Departmental led projects have been fully funded either through mainstream budgets or other previously approved business cases.

Given difficulties with securing funding and the recruitment of project team members, the EA was subsequently asked to reflect on the Programme and bring forward new proposals on how existing projects could be expedited, or an alternative means of taking forward key areas in a more cost-effective and efficient way. In light of budgetary challenges, the EA has reconfigured its Programme to focus on the delivery of Local Integrated Teams (LITs) by September 2024 and the LIT will focus on Stage 2 pupil support services provided to children and young people with SEN.

Due to the current financial pressures, numerous recommendations and findings in relation to SEN, recruitment challenges within the EA Transformation Programme and the need to demonstrate change, there is a pressing need to explore how improvements can be achieved in a cost effective and efficient way. This is being delivered through an End-to-End (E2E) review of SEN and forms part of the Landscape Review Action Plan (see above). The E2E review is the overarching piece that brings together the work being taken forward under the EA Transformation Programme and a number of the Department led workstreams that focus on areas not captured (or fully captured) in Wave one of the EA Programme. The review consists of 12 workstreams which, in totality, will be taken forward over a 12–18 month period.

In the meantime, children continue to be identified as requiring either a new or change of placement at key transition stages or as a result of an Annual Review of their statements, or as they undergo the Statutory Assessment Process to determine appropriate provision and placement.

The Department's Inclusion Directorate leads a workstream under the E2E Review on the placement of children with Statements of SEN in special schools and specialist provisions in mainstream settings. This was, and remains, a priority for both the Department and the EA. All children with a Statement were placed in an educational setting appropriate to their needs in time for September 2022, and there were less than five children who were without a confirmed placement by September 2023. The Department is working in partnership with the EA to identify suitable placements for September 2024.

End-to-End (E2E) Review of School Improvement

The E2E Review of School Improvement was launched in April 2023 with a core purpose to review and refresh the Department's school improvement policy 'Every School a Good School' which was published in 2009. Whilst many of the underlying principles within the current policy are considered to remain relevant, the review will take account of wider policy developments and changing contexts, such as pupil diversity and need, since that time.

The review is overseen by a Board jointly chaired by the Department and the EA and is being progressed in a highly collaborative manner with key delivery partners, school leaders, academics and other stakeholders. Phase one to map out the current service delivery model is complete and emerging issues and challenges have been identified.

Phase two is underway, involving nine workstreams to consider areas that are integral to school improvement such as curriculum development and professional development, universal support for schools and tailored support following inspection, school development planning and use of school development days, pupil supports to remove barriers to learning, alignment between inspection and school improvement policies and data that informs self-evaluation and system evaluation. This work will inform phase three to develop the draft new policy for consultation and a roadmap for implementation and longer-term change.

Major EA IT Projects

The Department has a particular interest in these EA programmes and projects given the scale, strategic importance and the estimated costs involved.

On 28 September 2023, DoF approval was secured to commit c.£743m of expenditure to deliver the Education Information Solutions (EdIS) programme. EdIS is a replacement ICT service to provide critical systems infrastructure and applications to deliver modernised and integrated ICT services to schools. All subsequent project strands under the EdIS programme will still be subject to the normal internal Departmental approval process. This represents approval for the Department to commit (subject to available budget cover) £259m capital investment and £484m resource expenditure.

The business case for the Strategic Partner and Schools Management Systems as part of the EdIS Programme was approved on 19 December and the contract awarded on 22 December 2023. There is particular interest in the awarding of this contract to Fujitsu, however, the procurement was undertaken strictly in accordance with the Northern Ireland Public Procurement Policy and The Public Contract Regulations (2015) Competitive Procedure with Negotiation.

Implementation across the schools' estate presents significant risks and challenges that the Department continues to monitor closely. The Department continues to work closely with the EA to mitigate risks where possible.

Due to ongoing delays to the implementation of the EdIS programme, the EA submitted an addendum business case to seek approval for a further extension via modification to the Education Network (Northern Ireland) contract (also known as the C2k service). A business case for a further extension to the Education Network (Northern Ireland) is required up to March 2025 and is currently going through the approvals process. A draft Exit Strategy has been developed and discussions are ongoing between the supplier and the EA to flesh out the specific exit activities required for a smooth exit and transition to the new service provision.

CCEA Personnel and Governance Issues

The Department continues to have oversight of personnel issues in CCEA, with five new Council members being appointed in 2023-24. Departmental oversight has enhanced governance and accountability within the organisation. Following previous HR difficulties between senior members of staff the Department continues to challenge, support and enhance the oversight of CCEA.

Following the Minister's appointment of two Assessors to the Council in 2022, the Department is overseeing the implementation of their recommendations to further enhance the capacity and resilience of CCEA's Senior Management Team and Council.

In addition to the scheduled GAR meetings, additional measures continue. These include:

- the introduction of regular oversight/business meetings, normally chaired by the Department's Deputy Secretary, Linsey Farrell, currently involving the Chief Executive Officer (CEO), Directors and heads of business areas across the Department and CCEA;
- attendance of an official at Council meetings since April 2022;
- the introduction of stocktake meetings between senior officials and the Chairperson since June 2022; and
- formal written assurances sought in relation to qualifications and awarding, regulation, contingency planning, governance, and accountability.

The current CEO was appointed in March 2023. Recruitment is currently underway for a substantive Finance and Corporate Services Director. The Department is progressing a revised senior management structure and, once approved, the remaining Director posts will be able to be recruited on a substantive basis.

Continuing Operational oversight of General Teaching Council for Northern Ireland

A recent internal audit of the General Teaching Council for Northern Ireland interim governance arrangements has been completed and the report has concluded that the arrangements which have been followed during the year have proved sufficiently robust to warrant a rating of ‘Satisfactory’. Recent progress in operational and staffing issues, alongside progress in successfully addressing many long-standing audit concerns, have demonstrated that effective governance controls and Departmental oversight are in place. This strong progress allowed Departmental ARAC, in September 2023, to decide that it was appropriate to relax some of the more onerous governance and oversight arrangements in place since the General Teaching Council for Northern Ireland’s Council was stood down in December 2021.

These new arrangements continue to include: four Oversight Meetings per year; two Governance Assurance Meetings per year; weekly meetings between the Head of Sponsor Branch and Interim CEO; and monthly position tables submitted by the General Teaching Council for Northern Ireland to the Sponsor Branch. These arrangements continue to prove effective, as are the General Teaching Council for Northern Ireland’s internal controls.

Further preparatory work has also been undertaken on legislating to dissolve and replace the General Teaching Council for Northern Ireland. The Department recently carried out an engagement exercise to provide an update on the consultation to date and its draft proposals. This exercise, which was circulated to all Northern Ireland teachers, closed on 3 March 2024, and responses are currently being analysed and will help to inform the legislation going forward.

Safeguarding and Child Protection

The Department continued to engage with the EA, and other managing authorities as required, throughout the year on child safeguarding and protection issues, including an updated process on ETI follow-up inspection findings due to Action Short of Strike and internal audit reports. Officials continue to work with the EA on options to mitigate the risk of recurrence of previous incidents in relation to the safeguarding of pupils on buses. The EA is developing a business case to digitise key transport functions which may enhance safeguarding of pupils on buses through the ability to track the progress of EA bus journeys in real time and enhanced assurance that pupils have exited the vehicle.

An internal audit of the Northern Ireland Supply Teacher Register was undertaken with some concerns around individuals’ ability to change data on the system included within the scope of the audit. The audit report has been finalised with actions relating to the changing of data flagged with the EA for a system update and other recommendations to be taken forward by the Department.

The Department is aware that biennial vetting checks of supply teachers registered on the Northern Ireland Supply Teacher Register have not been actively progressed by the EA in line with Circular 2013/01 due to resourcing constraints. The Department has commenced work with all the employing authorities to review the Circular in consultation with the relevant authorities to consider the ongoing need for repeat vetting checks over defined periods taking into account any new developments in information sharing around disclosures over the last ten years.

The iNEQE Safeguarding Group continues to provide the Safer Schools App to schools to promote safeguarding, including online aspects. The Safeguarding Board for Northern Ireland have been working to deliver on the Executive's Online Safety Strategy and have developed an Online Safety Hub providing access to free support and resources. The Safeguarding Board for Northern Ireland has worked with the Department to update the Safeguarding guidance for schools to include the latest information on Online Safety including a link to the Online Safety Hub.

ETI was commissioned to undertake an evaluation of the Preventative Curriculum within Northern Ireland schools and the Department has established a task and finish group to consider the appropriate response for this jurisdiction and a draft action plan has been developed and approved. This will remain under review. Departmental officials are members of cross-Departmental groups agreeing and addressing action plans in relation to The Gillen Review, Domestic Violence and Sexual Abuse, Online Safety Substance Use, and ProtectLife2 Suicide Prevention as well as membership of the Child Protection Senior Officials Group, overseeing these issues.

ETI inspections and Evaluations

Inspection work in Early Years (voluntary/private), Work Based Learning and Youth is largely unaffected by the industrial action and continues across these phases. District inspectors, across all phases, continued to visit and engage with the schools/organisations in their districts, and inspectors' visits provided robust evidence for a range of system-level evaluations on contemporary themes impacting on the education of children and young people.

ETI has engaged in an extensive process of consultation and co-design work with a wide range of stakeholders to inform the development of a new inspection process. An analysis of the responses to the consultation on the development of inspection was published by ETI in August 2023. The development of inspection has been broadly welcomed by stakeholders.

Prototype inspections were undertaken across Early Years, Work Based Learning and Youth. In addition, pilot inspections, with published reports, were completed in these phases and this work is ongoing. Due to industrial action, no pilot inspections were possible in primary and post-primary schools. Northern Ireland is the only jurisdiction in the UK without legislation to support and protect the inspection process in such circumstances.

ETI will continue to review the feedback from the organisations participating in the pilot inspections, in addition to its ongoing engagement with the wider education system to communicate the changes to the inspection process.

Strategic Area Plans (SAP) and Development Proposal (DP) activity

(i) Publication of the second SAP and first Special Education SAP

On 29 June 2022, with the endorsement of the previous Minister of Education, the EA published “Planning for Sustainable Provision: Strategic Area Plan 2022-27”, which sets out the strategic direction for how the future educational needs of children and young people in primary and post-primary schools will be addressed through area solutions, consistent with relevant policies and Ministerial priorities in the 5-year period 1 September 2022 to 31 August 2027. In tandem, the EA also published “Planning for Special Education Provision: Strategic Area Plan 2022-27”, the first strategic area plan for Special Schools and Specialist Provision in Mainstream Primary.

Both strategic plans are underpinned by Operational Plan 1 (2022-2024) which was published on 1 September 2022. Operational Plan 1 outlines the Area Planning activity to be taken forward in the first two years, 2022-24, with all Area Planning partners in agreement that there should be a single Operational Plan to cover both Strategies.

(ii) DP activity

From a “business as usual perspective”, work continued throughout the 2023-24 year in the consideration of published DPs. In the 2023-24 year 28 DPs were published. Decisions were taken on 34 proposals; of the decisions taken, 31 were approved (18 of which were approved with a modification to implementation date), and three were not approved. There was one proposal withdrawn at the request of the proposer.

The decisions included closures of unsustainable rural and urban primary schools and amalgamation of schools at primary and post-primary phases; changes to approved admissions/enrolment numbers; and the establishment of a new special school and expansion of provision at an existing special school. Decisions were also taken on a range of integrated and Irish medium proposals in line with the Department’s respective statutory duties.

Northern Ireland Teachers’ Pay and Pensions Statements delays and McCloud Remedy

(i) Northern Ireland Teacher’s Pension Scheme

The Northern Ireland Teachers’ Pension Scheme Statements for 2021-22 were laid in the Northern Ireland Assembly on the 7 February 2024. It should be noted that the accounts were qualified on the basis of an excess vote (i.e. a breach of legislatively voted expenditure control limits).

The Department continues to make progress in addressing the backlogs in processing the Northern Ireland Teacher's Pension Scheme Annual Statements. Based on current planning assumptions all outstanding annual reports and accounts will be brought up to date by the end of 2024.

(ii) McCloud Remedy

Regulations to introduce the first (prospective) part of the McCloud remedy for the Northern Ireland Teachers' Pension Scheme came into operation on 1 April 2022 and ensured the closure of the legacy scheme (final salary) to future accrual from this date. All active members currently in the legacy scheme were moved into the reformed (Career Average Revalued Earnings or CARE) scheme from that date.

Regulations to introduce the second (retrospective) part of the remedy for Northern Ireland Teachers' Pension Scheme came into operation on 1 October 2023. The regulations address the difference in treatment that occurred between 1 April 2015 to 31 March 2022. Affected members will have the option to take pension built up during this "remedy period" on either a final salary or career average benefits basis.

The McCloud Team, based in Waterside House, has been set up to implement the remedy in two phases for eligible members. Phase one (implementation for deferred choice members) was introduced in April 2024, with phase two (implementation for immediate choice members) later in the year.

Fraud Prevention and Whistleblowing

The Department's fraud and whistleblowing arrangements were reviewed as part of the Internal Audit Plan and it was concluded that they are compliant with current best practice.

Fraud monitoring and reporting arrangements have been effectively maintained throughout the year. During 2023-24, the Department continued to work closely with the EA on their investigation of a serious fraud relating to a number of schools' compliance with the Voluntary Exit Scheme criteria. The Department has sought regular updates and assurances on wider issues and continues to review the relevant policy and guidance.

There were no other significant areas of fraud and whistleblowing identified from the ALB 2023-24 Governance Statements.

Appropriate action has been taken by management to mitigate the risk of recurrence of mandate fraud, including roll-out of mandatory fraud training to all staff. The investigation by the Police Service of Northern Ireland into the mandate fraud reported in the 2021-22 Annual Report and Accounts identified the account holders of two bank accounts into which monies were paid; one in Italy, which is outside the jurisdiction therefore no further action could be taken; and one in Wales. The case was passed to the Welsh Police in June 2023 but has since been closed as the individual identified as a suspect was confirmed to be an unwilling victim who had not benefited from the fraud. No further action can be taken.

Department of Education staff vacancies and absences

As of 31 August 2024, the Department's headcount was 503 full time equivalent staff who play an important role in the delivery of services to the Minister, education sector and citizens. However, the Department is also carrying a number of vacancies (80 approved as of 31 August 2024) the impact of which is being felt across a number of Directorates. Top Management Group are completing a review of their business areas to assess where staffing resources can be allocated to remain within budget whilst delivering on key priorities and providing essential services. Significant resource constraints, both on staffing levels and more generally, present a growing concern for the advancement of the Department's vision and objectives going forward into 2024-25. As a result, the Department is undertaking a review of resources which will help to rationalise staffing across the Department.

The most recently validated information from Northern Ireland Statistics and Research Agency indicated that the Department recorded 11.6 days lost per full time equivalent member of staff for 2023-24, which is an increase from 10.2 days lost in 2022-23. The sickness absence for Northern Ireland Civil Service overall in 2023-24 was 13.8 days lost per full time equivalent member of staff.

While the Department has seen an increase in staff absence, the results of the 2023 Northern Ireland Civil Service People Survey indicate improvements across all areas within the Department. A key indicator of staff satisfaction is the Engagement Index, currently 59% for the Department. Although there has been no percentage change from 2020, the score preserves the Department's upward trend from previous years (59% in 2021, 59% in 2020, 55% in 2019, 52% in 2018, 50% in 2017 and 48% in 2015) and indicates that incremental improvements are being made.

Youth Council for Northern Ireland

Since the restoration of the Northern Ireland Executive and the appointment of a Minister of Education, the Department has been working on the development of options regarding the future of Youth Council for Northern Ireland. A survey of the youth sector was completed and options developed for Ministerial consideration. A submission is currently being drafted for consideration by the Minister.

Irregular Expenditure

<u>ResourceLink Contract (Zellis)</u>

In February/ March 2022, the EA negotiated a three-year extension and awarded this contract extension via a Direct Award Contract (DAC) in April 2022. This was taken forward without DoF approval given the essential need for the continued provision of service and the tight timescales involved. The EA was able, through negotiation, to reduce the cost of the extension from the supplier's initial offer of £3.7m for a minimum five-year extension, to £1.6m for a three-year extension. The EA is itself classed as a Centre of Procurement Expertise, and its Accounting Officer approved the use of a DAC.

The Department recognised the essential need for continuity of service. Within this context, DE was content for the EA to proceed on the understanding the supporting business case would be completed as a matter of urgency in recognition of the fact that the proposed solution involved the EA entering into the contract in the absence of DoF approval, which would be sought retrospectively, on the basis that it did represent value for money.

The Department engaged with the EA in various fora throughout the intervening period requesting that it address the issue of a retrospective business case.

In August 2024 the Department of Finance informed the Department that it was not willing to grant retrospective approval for the extension of the EA's ResourceLink contract (Zellis) citing the excessive delay in submitting the business case to DoF for approval and subsequently notified the Northern Ireland Audit Office of this irregular spend.

Middletown Centre for Autism (MCA) Commercial Insurance

A business case seeking approval to purchase commercial insurance was submitted by MCA to the Department in March 2023. There were subsequent delays to the finalisation of the business case which is now being updated to include insurance cover throughout 2024-25.

MCA purchased commercial insurance to the value of approximately £23,000 in June 2023 without DoF approval of the business case being in place.

Retrospective approval will be sought from DoF, however at this stage the expenditure remains irregular.

Clann Eireann Youth Club Capital Build

DoF approved expenditure of £2,047,038 on 30 December 2015. This original business case outlined the proposal to construct a new facility on the existing car park site.

However, there were several changes to the project compared to the original business case for which revised approval from DoF should have been sought.

On 26 January 2022, an addendum was submitted to DoF, seeking revised expenditure approval. From an initial review, DoF determined that the conditions of approval had been breached. DoF has advised that due to these breaches, 100% of the costs incurred to date are classified as irregular expenditure.

DoF has also advised that it may consider retrospective approval if it would have approved the spend had it been approached at the correct time, and if appropriate steps have been taken to prevent recurrence of irregular spend. Work is ongoing by the EA and the Department on the development of a revised business case with the aim of regularising this expenditure.

St Columbanus' College Capital Project

On 21 January 2019, the Department's Permanent Secretary announced St Columbanus' College as one of a number of schools to progress to the Business Case stage of the second call of the School Enhancement Programme (SEP2).

The project was progressed to Stage 2, before appropriate business case approvals were in place for the Stage 2 costs to keep momentum and deliver on the timescales. Due to the value of the project, DoF approval was required. Therefore, expenditure to progress the project from Stage 1 to Stage 2, which totals £14,863 or 0.15% of total costs, remains irregular until the revised business case including the Stage 2 costs is approved.

Data Breaches

On 17 June 2024 the Department reported a data breach to the Information Commissioner's Office (ICO), resulting from information identifying 52 individuals being included in an answer provided by the Department to a written Assembly Question (AQ) from May 2021. A combination of names/initials and youth centres included in the information could potentially identify the individuals in question.

The information included in the answer to the AQ had been obtained from the EA but was not checked for personal information by either the EA or the Department before it was used and published by the NI Assembly Library.

When this was brought to the Department's attention by an individual identified in the answer in June, it was reported to the ICO. The ICO's investigation decided not to pursue the matter further but in line with the ICO's recommendations, both the Department and the EA have advised staff to review their pre-publication checks to mitigate a similar breach reoccurring.

On 1 August 2024, a spreadsheet containing information relating to 392 individuals who had expressed interest in attending the End-to-End Review of SEN workshops was attached in error to email correspondence issued by the Department to 174 recipients.

Following the data breach, the Department has completed an investigation to identify lessons that could be learned and potential changes to practice that will reduce the risk of a breach reoccurring.

The Department is implementing the recommendations raised by the Department's Internal Audit investigation and has issued a range of guidance documents aimed at raising data protection awareness among all staff.

The breach was reported to the ICO on 2 August and following an investigation, the ICO decided not to pursue the matter further, with the remedial steps taken by the Department in light of this incident, noted in its report.

Update on prior-year significant issues

The following issues identified within the 2022-23 Governance Statement were resolved and therefore closed off during 2023-24:

- **Return to Public Examinations** - The first full examination series since 2019 was successfully delivered in 2023 and outcomes reflected the first stage in the journey back to pre-pandemic standards (expected to be completed in 2024) had also been achieved;
- **Climate Change Act (Northern Ireland) 2022** - Departmental officials have engaged closely with colleagues in DAERA leading on the Climate

Change Act ensuring the Department has met its statutory obligations. The Department intends to develop a Sustainability Strategy which will provide direction for the education system;
- **Implementation of the Integrated Education Act 2022** - In April 2023, the Department published a Strategy for Integrated Education, setting the strategic direction for integrated education in compliance with the Integrated Education Act. Implementation work has continued during this financial year and is no longer deemed a significant issue or risk;
- **Every CHILD: the Department's Corporate Plan** for 2023-2028, was approved in September 2023 and published in October 2023. This plan sets out the strategic direction for the Department and its ALBs in the medium to long term. However, subsequent to the appointment of a Minister in February 2024, a new Education Strategy for the period 2024-2027 is currently under development. This will set out the Minister's agenda for the remainder of the current Assembly mandate;
- **EA One Project** - The Project has now successfully cutover the HR and Payroll solution to all 10 legacy EA payrolls, with 57k employees now being paid through the new Oracle solution. Cutover of the M1 Teachers permanent payroll took place in November 2023 and the M2 temporary payroll in February 2024. The EA One Business Case Addendum was approved in November 2023. A separate Business Case to allow continued access to the archived data held by the legacy payroll provider is currently going through the approvals process;
- **Excess Vote** - In 2022-23 the Departmental Group expended more resources (£7,380k) than was authorised by the Northern Ireland Assembly. The Department sought Northern Ireland Assembly approval of the Excess Vote; this request was ratified by the Public Accounts Committee on 21 March 2024.

3.3.9 NDPB Governance Framework

The Chief Executive of each of the Department's NDPBs is designated by the Departmental Accounting Officer as the Accounting Officer for his or her organisation. The allocation of accounting officer responsibilities is set out at Section 3.2 above.

During 2023-24, the Department adopted a robust framework for ensuring effective governance within its existing NDPBs and to provide the Accounting Officer with assurance that designated accounting officers were fulfilling their responsibilities. Key features of this framework included:

- a requirement to ensure compliance with statute and with the body's Management Statement and Financial Memorandum or Partnership Agreement (as appropriate);
- arrangements to ensure that NDPB business plans reflected and supported the delivery of the Minister of Education's strategic priorities, particularly those related to raising standards and closing the attainment gap;
- monitoring of progress in delivering agreed business plan targets;

- regular, formal Governance and Accountability Review meetings chaired by the Permanent Secretary and attended by the respective chief executives and chairs;
- the completion of mid-year governance statements which provided confirmation (and, where necessary, evidence) that required processes were being followed;
- regular engagement between Directors and senior NDPB counterparts; and
- the regular attendance of a senior member of staff as an observer at meetings of each NDPB's audit committee, and routine and timely feedback from these meetings.

In adherence to the NIAO's review of ALB oversight arrangements, the Department's Sponsorship Manual 'Governance and Accountability Arrangements for the Oversight of ALBs' is reviewed on an annual basis. This was reviewed in December 2023 to reflect organisational changes within the Department and to reflect the updated interim governance arrangements for General Teaching Council for Northern Ireland (see "Operational Oversight of General Teaching Council for Northern Ireland" above).

The governance arrangements for each NDPB are set out within their respective Governance Statements (see below).

NDPB Governance Statements

The Departmental Governance Statement reflects, and is informed by, the content of the Governance Statements of the NDPBs for which the Department is accountable. Accordingly, the Department requested sight of the draft Governance Statements from all of its executive NDPBs by March 2024. All draft Governance Statements were received by March. These have been reviewed by the Department, taking into account guidance on compliance and content contained in Annex 3.1 of Managing Public Money Northern Ireland, the related fact sheet provided by the Northern Ireland Audit Office, and previous feedback provided by the Department.

Bodies were asked to submit their final statements by 25 April. Finalised Governance Statements were received from the majority of the ALB's by this date with the General Teaching Council for Northern Ireland's Statement being received on 30 April. Following a discussion with the EA it was agreed to extend the deadline for return until 17 May as this would not affect completion of the Departmental Governance Statement. Due to a delay in completing the 2023-24 Internal Audit plan, Comhairle na Gaelscolaíochta's final Governance Statement was not received until 7 July. A subsequent analysis indicated that the feedback provided had largely been taken account of by the bodies prior to submitting the final Statements. The Department also used its analysis of the draft Governance Statements to ensure that its own statement captures all relevant significant issues, with key/significant issues within NDPBs that impacted upon the wider Departmental Group detailed at Section 3.3.8 above.

Details of NDPB Final Governance Statements can be accessed on their respective websites as published.

3.3.10 Conclusion

In conclusion, it is my assessment that the Department operates an appropriately rigorous system of governance and accountability which I can rely on as the Accounting Officer to provide assurance that the public funds and other resources for which I am accountable are deployed effectively and appropriately. Where significant issues have arisen that could affect the principles of regularity, propriety or value for money I am satisfied that appropriate action is being taken to address these.

4. REMUNERATION AND STAFF REPORT

The Remuneration and Staff Report sets out the Department's remuneration policy for Ministers and the Departmental Board, reports on how that policy has been implemented and sets out the amounts awarded to them and, where relevant, the link between performance and remuneration. In addition, the report provides details on remuneration and staff that the Northern Ireland Assembly and other users see as key to accountability.

Remuneration Report

Remuneration policy

The pay remit for the Northern Ireland Civil Service, including SCS, is normally approved by the Minister of Finance. Following the Secretary of State for Northern Ireland's 27 April 2023 Written Ministerial Statement on the budget, the Northern Ireland public sector pay policy guidance was published on 31 May 2023 in FD (DoF) 05/23. This was subsequently updated on 12 March 2024 in FD (DoF) 04/24 to reflect the return of Executive Ministers and revised departmental budgets.

Annual Northern Ireland Civil Service pay awards are made in the context of the wider public sector pay policy. The pay award for Northern Ireland Civil Service non-industrial staff, including SCS, for 2023-24 has been finalised and is due to be paid in June 2024. The 2023-24 pay award for Northern Ireland Civil Service industrial staff has also been finalised and was paid in May 2024.

The pay of Northern Ireland Civil Service staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance.

Service contracts

The Civil Service Commissioners (Northern Ireland) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made by exception to merit.

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation as set out in the Civil Service Compensation Scheme (Civil Service Commissioners for Northern Ireland (nicscommissioners.org).

Remuneration and pension entitlements

The following sections provide details of the remuneration and pension interests of the Minister and most senior management (i.e. Board Members) of the Department.

Remuneration and pension entitlements (Audited)

Remuneration and pension entitlements – Ministers (Audited)

Minister	Salary (£)		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1,000)		Total (to nearest £1,000)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Paul Givan MLA (from 4 February 2024)	6,006	-	-	-	8,000	-	14,000	-
Michelle McIlveen MLA (to 27 October 2022)	-	28,419	-	-	-	6,000	-	34,419

* *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.*

Remuneration and pension entitlements – Officials (Audited)

Officials	Salary (£000)		Pension Benefits* (to nearest £1,000)		Total (£000)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Dr Mark Browne *Permanent Secretary*	125-130	120-125	(27)**	(79)**	100-105	40-45
Mrs Linsey Farrell *Deputy Secretary*	95-100	95-100	3	37	100-105	130-135
Mrs Faustina Graham *Chief Inspector*	100-105	95-100	(25)**	(59)**	75-80	35-40
Mr Gary Fair *Finance Director* *To 2 January 2024*	60-65 (80-85 full year equivalent)	80-85	(12)**	(45)**	50-55	35-40
Mr John Smith *Deputy Secretary* *To 3 July 2023*	25-30 (105-110 full year equivalent)	100-105	45	8	70-75	110-115
Mrs Lianne Patterson *Deputy Secretary* *To 7 July 2023*	25-30 (100-105 full year equivalent)	100-105	(116)**	14	(85-90)	115-120
Mr Ronnie Armour *Deputy Secretary* *From 3 July 2023*	75-80 (105-110 full year equivalent)	-	(26)**	-	50-55	-
Ms Heather Cousins *Deputy Secretary* *From 17 July 2023*	75-80 (105-110 full year equivalent)	-	(4)**	-	70-75	-
Mr Neil Palmer *Finance Director* *From 2 January 2024*	15-20 (75-80 full year equivalent)	-	20	-	35-40	-

Officials	Salary (£000)		Pension Benefits* (to nearest £1,000)		Total (£000)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Mr James Hutchinson *Deputy Secretary From 1 February to 29 February 2024*	5-10 (95-100 full year equivalent)	-	9	-	15-20	-
Dr Suzanne Kingon *Deputy Secretary From 1 March to 31 March 2024*	5-10 (95-100 full year equivalent)	-	10	-	15-20	-
Mrs Joan McEwan*** *Non-executive Director To 30 November 2023*	5-10 (5-10 full year equivalent)	5-10	-	-	5-10 (5-10 full year equivalent)	5-10
Mr Paul Corrigan*** *Non-executive Director From 1 May 2022*	5-10	5-10 (5-10 full year equivalent)	-	-	5-10	5-10 (full year equivalent 5-10)

**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.*

***The decrease in pension benefits is the result of the rollback of the pension system in light of the McCloud remedy. This can impact members in different ways dependent on their individual circumstances. In 2022-23 the decrease in pension benefits was the result of CPI running at 10.1% and the members' legacy pension only increasing marginally therefore in real terms a fall.*

****The Department and non-executive directors may terminate the appointment by giving three months' notice in writing.*

As per the Accountability Report, Marcella Phillips is listed as a Senior Officer within the Department. However, details of her remuneration have not been disclosed as it was paid by another Department.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by the Department and thus recorded in these accounts.

The Northern Ireland Assembly was dissolved from 28 March 2022 with an election taking place on 5 May 2022. An Executive was not initially formed following the 5 May 2022 election. Consequently, the former Ministers retained their roles in a caretaker capacity until 28 October 2022. The Executive was subsequently restored on 3 February 2024, on which dates new Ministers were appointed. As such, the Department was under the direction and control of Paul Givan MLA from this date. His salary and allowances were paid by the Department and have been included in these accounts. These amounts do not include costs relating to the Minister's role as MLA which are disclosed in the Northern Ireland Assembly Commission accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. There were no such benefits in kind made in 2023-24 or 2022-23.

Fair Pay Disclosures

Pay Ratios (Audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation’s workforce.

The banded remuneration of the highest-paid Director in the Department in the financial year 2023-24 was £125,000 - £130,000 (2022-23: £120,000 - £125,000). The relationship between the mid-point of this band and the remuneration of the organisation’s workforce is disclosed below.

2023-24	25th percentile	Median	75th percentile
Total remuneration (£)	26,847	34,011	43,191
Pay ratio	4.8:1	3.8:1	3.0:1

2022-23	25th percentile	Median	75th percentile
Total remuneration (£)	26,295	32,894	42,639
Pay ratio	4.7:1	3.7:1	2.9:1

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the Cash Equivalent Transfer Value (CETV) of pensions.

For 2023-24 and 2022-23, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2023-24 and 2022-23 no employees received remuneration in excess of the highest paid director.

Remuneration ranged from £10,000 to £127,500 (2022-23: £10,000 to £122,500).

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

a) salary and allowances, and
b) performance pay and bonuses

of the highest paid Director and of their employees as a whole.

The percentage changes in respect of the Department are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2023-24 v 2022-23	2022-23 v 2021-22
Average employee salary and allowances	2.2%	-2.7%
Highest paid director's salary and allowances	4.1%	0%

No performance pay or bonuses were payable to any employees or the highest paid Director in the current or previous years.

Pension Entitlements (Audited)

Pension Entitlements – Ministers (Audited)

	Accrued pension at pension age as at 31/3/24 £000	Real increase in pension at pension age £000	CETV at 31/3/24 £000	CETV at 31/3/23 £000	Real increase in CETV £000
Paul Givan MLA (from 4 February 2024)	0-5	0-2.5	43	38	4
Michelle McIlveen MLA (to 28 October 2022)	-	-	-	64	-

Ministerial pensions

Pension benefits for Ministers are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2016 (AMPS). In 2011, the Northern Ireland Assembly passed the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 establishing a panel to make determinations in relation to the salaries, allowances and pensions payable to members of the Northern Ireland Assembly. The tenure of the first Panel ended in July 2016. As a consequence of the Northern Ireland Assembly Commission's desire to consider a reform of the Panel and the political situation between March 2017 and January 2020, a new Panel was not appointed. Legislation to reform the Panel, although started, was not completed before the dissolution of the Northern Ireland Assembly on 28 March 2022. Following the election in May 2022, full Northern Ireland Assembly business did not commence, as no Speaker was elected and therefore progress on the legislation and the appointment of a new Panel was further delayed. This matter will be taken forward by the Assembly Commission as soon as practicable now that full Northern Ireland Assembly business has recommenced.

In April 2016 the Independent Financial Review Panel (IFRP) issued The Assembly Members (Pensions) Determination (Northern Ireland) 2016 which introduced a Career

Average Revalued Earnings scheme for new and existing members. The scheme is named Assembly Members' Pension Scheme (Northern Ireland) 2016.

MLAs or "Members" aged 55 or over on 1 April 2015 and in continuous service between 1 April 2015 and 6 May 2016 retained their Final Salary pension arrangements under transitional protection until 6 May 2021. The McCloud judgement found that the transitional protection offered to members of the Judiciary and Firefighters Schemes, when their schemes were reformed, was discriminatory on grounds of age. In light of this decision, the government agreed to provide remedy to eligible members across the main public sector schemes. This judgement could have an impact on MLAs who missed out on the Transitional Protection policy in the AMPS because of their age. However, the applicability of, and approach to, the McCloud judgement in relation to this scheme is not a matter for the Assembly Commission, instead it is a matter for IFRP. Therefore, this matter will be given further consideration once a new Panel is appointed.

As Ministers are MLAs, they also accrue an MLA's pension under the AMPS (details of which are not included in this report). Pension benefits for Ministers under transitional protection arrangements are provided on a "contribution factor" basis, taking account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as an MLA for each year of service as a Minister. Pension benefits as a Minister are based on the accrual rate (1/50th or 1/40th) multiplied by the cumulative contribution factors and the relevant final salary as an MLA. Pension benefits for all other Ministers are provided on a career average (CARE) basis.

Benefits for Ministers are payable at the same time as MLA's benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index (CPI). Up to the 6 May 2021 those Ministers under the transitional protection arrangements paid contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate. The contribution paid by Ministers in the CARE Scheme is 9% of the Ministerial salary. There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose representing the balance of cost. Following the publication of the triennial valuation of the AMPS by the Government Actuary's Department (GAD), this was increased from 14.4% to 17.1% of Ministerial salary, effective from 1 April 2021. The accrued pension quoted is the pension the Minister is entitled to receive when they reach normal pension age for their section of the Scheme. Ministers under transitional protection arrangements may retire at age 65. Ministers in the CARE scheme have a pension age aligned to the State Pension Age.

The Cash Equivalent Transfer Value (CETV)

This 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. It 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 pension benefits, they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This is the increase in accrued pension due to the Assembly Commission's contributions to the AMPS and excludes increases due to inflation and contributions paid by the Minister and is calculated using valuation factors for the start and end of the period.

Pension Entitlements – Officials (Audited)

	Accrued pension at pension age as at 31/3/24 and related lump sum £000	Real increase/ (decrease) in pension and related lump sum at pension age £000	CETV at 31/3/24* £000	CETV at 31/3/23** £000	Real increase/ (decrease) in CETV £000	Employer contribution to partnership pension account (nearest £100)
Dr Mark Browne *Permanent Secretary*	60-65 plus a lump sum of 175-180	0 plus a lump sum of 0	1,210	1,144	(40)	-
Mrs Linsey Farrell *Deputy Secretary*	35-40	0-2.5	573	531	(11)	-
Mrs Faustina Graham *Chief Inspector*	50-55 plus a lump sum of 140-145	0 plus a lump sum of 0	1,164	1,138	(29)	-
Mr Gary Fair *Finance Director* *To 2 January 2024*	40-45 plus a lump sum of 110-115	0 plus a lump sum of 0	959	948	(18)	-
Mr John Smith *Deputy Secretary* *To 3 July 2023*	35-40	0-2.5	731	671	42	-
Mrs Lianne Patterson *Deputy Secretary* *To 7 July 2023*	30-35	0	679	672	(9)	-
Mr Ronnie Armour *Deputy Secretary* *From 3 July 2023*	55-60 plus a lump sum of 155-160	0 plus a lump sum of 0	1,356	1,303	(39)	-
Ms Heather Cousins *Deputy Secretary* *From 17 July 2023*	35-40 plus a lump sum of 90-95	0-2.5 plus a lump sum of 0	824	820	(19)	-
Mr Neil Palmer *Finance Director* *From 2 January 2024*	20-25	0-2.5	366	345	15	-
Mr James Hutchinson *Deputy Secretary* *From 1 February to 29 February 2024*	30-35 plus a lump sum of 75-80	0-2.5 plus a lump sum of 0-2.5	641	630	8	-
Dr Suzanne Kingon *Deputy Secretary* *From 1 March to 31 March 2024*	20-25	0-2.5	377	368	7	-

	Accrued pension at pension age as at 31/3/24 and related lump sum £000	Real increase/ (decrease) in pension and related lump sum at pension age £000	CETV at 31/3/24* £000	CETV at 31/3/23** £000	Real increase/ (decrease) in CETV £000	Employer contribution to partnership pension account (nearest £100)
Mrs Joan McEwan *Non-executive director*	-	-	-	-	-	-
Mr Paul Corrigan *Non-executive director From 1 May 2022*	-	-	-	-	-	-

Note: Any members affected by the Public Service Pensions Remedy may have been reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23, but are reported in the legacy scheme for the same period in 2023-24.

** CETV at 31 March 2024 or date of leaving the board, if earlier.*
*** CETV at 31 March 2023 or date of joining the board, if later. CETV values at 31 March have been restated a result of the rollback of the pension system in light of the McCloud remedy (see below).*

Northern Ireland Civil Service 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).

<u>McCloud Judgment</u>

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 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 old (pre-reform) legacy rules which existed before 2015.

This means that all active Northern Ireland Civil Service Pension Scheme members are in the same pension scheme, alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards 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. For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice which will be issued by 31 March 2025.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the Northern Ireland Civil Service pension scheme accounts which, once published, are available at Northern Ireland Civil Service Pension Scheme Accounts.

As part of the remedy involves rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits may change for affected members and some figures previously reported may change. The 2023-24 pension disclosures above are calculated based on HM Treasury guidance using;

a. Rolled back opening balance
b. Rolled back closing balance
c. CETV calculated by CSP on the rolled back basis
d. No restatement of prior year figures where disclosed.

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 Northern Ireland Civil Service 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 accrue 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 accrue 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).

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 Northern Ireland Civil Service pension schemes can be found at the website DoF Civil Service Pensions Northern Ireland.

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 CPI figure for the preceding September. The CPI in September 2023 was 6.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2024.

Employee contribution rates for all members for the period covering 1 April 2024 – 31 March 2025 are as follows:

Scheme Year 1 April 2024 to 31 March 2025

Annualised Rate of Pensionable Earnings (Salary Bands)		**Contribution rates – All members**
From	**To**	**From 01 April 2024 to 31 March 2025**
£0	£26,302.49	4.6%
£26,302.50	£59,849.99	5.45%
£59,850	£160,964.99	7.35%
£160,965 and above		8.05%

Cash Equivalent Transfer Values

A 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 Northern Ireland Civil Service 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) and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may have been due when pension benefits are taken. The Lifetime Allowance will end in April 2024 and will be replaced by the Lump Sum Allowance and The Lump Sum And Death Benefit Allowance.

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 (HMT) Guidance of 27 April 2023 can be found at (HMT Guidance).

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 (Audited)

The Department incurred no compensation for loss of office in 2023-24 or 2022-23.

Staff Report

Staff costs (Audited)

Staff costs comprise:

	Permanently employed staff* £000	Others £000	Ministers £000	2023-24 Departmental Group Total £000	2022-23 Departmental Group Total £000
Wages and salaries	1,177,509	372,772	6	1,550,287	1,372,513
Social security costs	105,057	26,722	1	131,780	131,215
Other pension costs	231,972	68,813	1	300,786	295,536
Sub-total	**1,514,538**	**468,307**	**8**	**1,982,853**	**1,799,264**
Less: recoveries in respect of outward secondments	(369)	-	-	(369)	(419)
Total net costs**	**1,514,169**	**468,307**	**8**	**1,982,484**	**1,798,845**

Of which:

Analysed as:	Charged to Administration £000	Charged to Programme £000	Capitalised £000	2023-24 Total £000	2022-23 Total £000
Core department	18,697	13,943	909	33,549	32,278
Other designated bodies	-	1,939,258	9,677	1,948,935	1,766,567
Total net costs**	**18,697**	**1,953,201**	**10,586**	**1,982,484**	**1,798,845**

* Permanently employed staff includes the cost of the Department's Special Adviser who was paid in the pay band £73,185 - £84,674 (2022-23: £56,105 to £71,406). The 2022-23 figures included the cost of the Department's Special Adviser who was in post from 1 April 2022 to 28 October 2023.

***Of the total, £10,586k has been charged to capital.*

Employees of entities included in these accounts benefit from a range of pension scheme arrangements. The key schemes for the Departmental Group are disclosed below. Further information about the Group's pension schemes can be found in the accounts of the consolidated entities.

Civil Service pension schemes

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes and therefore the Department is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (Northern Ireland) 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 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 Northern Ireland Civil Service) 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 Northern Ireland Civil Service pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for the DoF to consult on changes to the scheme. Further information can be found on the DoF website Northern Ireland Civil Service Pension Scheme Valuations.

For 2023-24, employers' contributions of £6,313,120.17 were payable to the Northern Ireland Civil Service pension arrangements (2022-23: £6,188,015.83) at one of three rates in the range 28.7% to 34.2% (2022-23: 28.7% to 34.2%) of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £3,396.91 (2022-23: £596.07) were paid to one or more of the panels of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2022-23, 8% to 14.75%) of pensionable pay.

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.

Employer contributions of £nil, 0% (2022-23: £119.61, 0.5%) of pensionable pay, were payable to the Northern Ireland Civil Service 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. Contributions due to the partnership pension providers at the reporting period date were £nil. Contributions prepaid at that date were £nil.

No-one (2022-23: one person) retired early on ill-health grounds; the total additional accrued pension liabilities in 2023-24 and 2022-23 amounted to £nil.

Other pension schemes

Staff employed by the Group’s NDPBs benefit from the Northern Ireland Teachers’ Pension Scheme, the Northern Ireland Local Government Officers’ Superannuation Committee Scheme and The National Employment Savings Trust . The Northern Ireland Teachers’ Pension Scheme is used by the EA, CCEA, Council for Catholic Maintained Schools (CCMS) and Middletown Centre for Autism (MCA). The Northern Ireland Local Government Officers’ Superannuation Committee Scheme is used by all of the Group’s NDPBs and NEST is used by CCEA.

The Northern Ireland Teachers’ Pension Scheme

The Northern Ireland Teachers’ Pension Scheme is an unfunded contributory scheme administered by the Department. The current regulations under which the scheme operates are the Teachers Superannuation Regulations (Northern Ireland) 1998 (as amended), and the Teachers’ Pension Scheme regulations (Northern Ireland) 2014.

A separate set of Annual Scheme Statements are prepared for the Northern Ireland Teachers’ Pension Scheme.

Employee contributions for 2023-24 are variable, depending on salary, ranging from 7.4% to 11.7% (2022-23: 7.4% to 11.7%) of pensionable earnings.

The rate of the employer’s contribution is determined by the Government actuary. For 2023-24, employer’s contributions of £184,599k (2022-23: £188,690k) were payable to the Northern Ireland Teachers’ Pension Scheme at a rate of 25.1% (2022-23: 25.1%) of pensionable pay.

Northern Ireland Local Government Officers’ Superannuation Committee Scheme

The Northern Ireland Local Government Officers’ Superannuation Committee Scheme is a ‘multi-employer’, defined benefit scheme, which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The scheme is funded by employers participating in the Northern Ireland Local Government Officers’ Superannuation Committee Scheme who pay contributions at rates determined by an independent, professionally qualified actuary on the basis of regular valuations using the projected unit method. The most recent valuation was conducted at 31 March 2022. The next valuation will take place as at 31 March 2025 with the results expected a year later.

For 2023-24, employer's contributions of £109,641k (2022-23: £98,059k) were payable to the Northern Ireland Local Government Officers' Superannuation Committee Scheme at a rate of 19.7% (2022-23: 19.5%) of pensionable pay.

NEST

NEST is a defined contribution pension scheme established by law to support the introduction of auto enrolment, which meets the criteria for a 'qualifying' scheme as set out in the Pensions Act 2008.

In 2023-24 the employee contribution rate was 5% (2022-23: 5%) of pensionable pay, and the employer contribution rate was 3% (2022-23: 3%).

For 2023-24, employer's contributions of £33k (2022-23: £20k) were payable to the NEST scheme.

Average number of persons employed (Audited)

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the Department as well as in other bodies included within the consolidated Departmental accounts.

Activity	Permanently employed staff Number	Others Number	Ministers Number	Special advisers Number	2023-24 Departmental Group Total Number	2022-23 Departmental Group Total Number
Core Department	498	72	1	1	572	571
Other designated bodies (NDPBs)	28,790	16,567	-	-	45,357	44,301
Staff engaged on capital projects	210	-	-	-	210	215
Total	**29,498**	**16,639**	**1**	**1**	**46,139**	**45,087**

Number of Senior Civil Service (SCS) staff by grade (Audited)

The number of SCS staff employed by the Core Department as at 31 March 2024 was as follows:

Grade (including Analogous Grades)	Number
Grade 2	1
Grade 3	4
Grade 5	13

The breakdown of SCS staff by pay band (based on a full year equivalent) is as follows:

Pay band (£)	Number
70,000 - 75,000	-
75,000 - 80,000	5
80,000 - 85,000	8
85,000 - 90,000	-
90,000 - 95,000	-
95,000 - 100,000	1
100,000 - 105,000	1
105,000 - 110,000	2
110,000 - 115,000	-
115,000 - 120,000	-
120,000 – 125,000	-
125,000 – 130,000	1

Staff composition - breakdown of employees by gender (Audited)

The analysis of the Core Department's employees by gender at 31 March 2024 was as follows:

	Male	Male %	Female	Female %	Total	Total %
Executive Directors	2	40	3	60	5	100
Non-executive Directors	1	100	-	-	1	100
Total Directors*	3	50	3	50	6	100
Senior Managers**	5	38.5	8	61.5	13	100
Other employees	197	38.5	315	61.5	512	100
Total ***	**205**	**38.6**	**326**	**61.4**	**531**	**100**

**Directors include members of the DE Board as at 31 March 2024.*

***Senior managers include members of staff at SCS level.*

Note: this table is based on the number of staff in post rather than full time equivalents, and excludes 6 staff on career break.

******* *The paragraph on the Average Number of Persons Employed shows the average number of staff employed by the Group (on a whole time equivalents basis) during the financial year. The table above reports the actual number of staff employed by the Core Department at 31 March 2024.*

Staff turnover percentage

The Staff Turnover percentage for the Core Department (the number of people that have left the Department but have moved within the Northern Ireland Civil Service) for 2023-24 is 8.0% (2022-23: 6.9%), and the general turnover percentage (the people who have left the Department and have not gone elsewhere in the Northern Ireland Civil Service) is 4.9% (2022-23: 4.9%). This has been calculated by Northern Ireland Civil Service Human Resources based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

Reporting of compensation and exit packages for all staff (Audited)

Core Department

Exit package cost band	2023-24 Number of compulsory redundancies	2022-23 Number of compulsory redundancies	2023-24 Number of other departures agreed	2022-23 Number of other departures agreed	2023-24 Total number of exit packages by cost band	2022-23 Total number of exit packages by cost band
Less than £10,000	-	-	1	-	1	-
£10,000 - £25,000	-	-	-	1	-	1
Total number of exit packages	**-**	**-**	**1**	**1**	**1**	**1**
Total cost/£000	**-**	**-**	*****	**20**	*****	**20**

*The cost has not been disclosed as publication could result in identification of the individual.

In 2022-23, the Special Advisor received an exit package in accordance with the Code Governing the Appointment of Special Advisors issued under the Civil Service (Special Advisors) Act (Northern Ireland) 2013.

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland) (CSCS (NI)), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. No such exit costs were paid in 2023-24, the year of departure (2022-23: £nil). Where the Department has agreed early retirements, the additional costs are met by the Department and not by the CSP scheme. Ill-health retirement costs would be met by the pension scheme.

Departmental Group

Exit package cost band	2023-24 Number of compulsory redundancies	2022-23 Number of compulsory redundancies	2023-24 Number of other departures agreed	2022-23 Number of other departures agreed	2023-24 Total number of exit packages by cost band	2022-23 Total number of exit packages by cost band
Less than £10,000	-	-	24	30	24	30
£10,000 - £25,000	-	-	13	17	13	17
£25,000-£50,000	-	-	18	4	18	4
£50,000-£100,000	-	-	3	4	3	4
Total number of exit packages	**-**	**-**	**58**	**55**	**58**	**55**
Total cost/£000	**-**	**-**	**1,145***	**776**	**1,145***	**776**

*The cost for the Core Department has not been disclosed as publication could result in identification of the individual.

Redundancy and other departure costs have been paid in accordance with the provisions of the following:

- the CSCS (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972;
- The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007 as amended; and
- the Teachers Premature Retirement Compensation Scheme relevant for 2023-24.

The table above shows the total cost of exit packages agreed and accounted for in 2023-24 and 2022-23. £742k (2022-23: £669k) exit costs were paid in 2023-24, the year of departure.

Where the Group has agreed early retirements, the additional costs are met by the Group and not by the pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Sickness absence

The Core Department had an overall sickness absence rate of 11.6 days lost per employee in 2023-24 (2022-23: 10.2 days). Annual sickness absence figures can be found in the “Sickness Absence in the Northern Ireland Civil Service 2023-24” report at Sickness Absence in the Northern Ireland Civil Service 2023-24 | Northern Ireland Statistics and Research Agency (nisra.gov.uk).

Staff policies

At 31 March 2024, the Core Department has 511 full time equivalent staff (which includes 2 Non Executive Board Members) who play an important role in the development of policy and delivery of services to support the draft PfG outcome: ‘We give our children and young people the best start in life.’

In 2021, a Staff Engagement Forum, comprising staff from across the Core Department at all grades, was established. It has been given a remit for a three year period from 2021 until 2024. Using the results of the 2020 Core Department People Survey and Northern Ireland Civil Service COVID-19 Survey, the Forum identified the priorities of:

- New Ways of Working and Accommodation;
- Health and Wellbeing; and
- Developing and Communication.

The Core Department People Plan 2021-24, and associated Action Plan, based on the three priority areas, taking account of the results of the 2021 Northern Ireland Civil Service People Survey, was approved by the Core Department Board at its meeting in August 2022.

Staff engagement scores

When launching the 2023 Northern Ireland Civil Service People Survey in April 2023, the Head of the Civil Service issued a message that the frequency of the Survey was changing from yearly to every other year to allow for proper targeting of actions, and so a People Survey is not due to take place in 2024.

The 2023 Northern Ireland Civil Service People Survey is therefore the most recent survey and was conducted by the Northern Ireland Statistics and Research Agency across the nine Northern Ireland Civil Service ministerial Departments as well as the Public Prosecution Service and the Health and Safety Executive for Northern Ireland. All staff working in these organisations were invited to take part in the survey. For the Core Department there were 577 (2021: 579) permanent staff invited to complete the survey, of which 336 (2021: 344) participated, a response rate of 56.7% (2021: 59.4%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. The Core Department responses indicated an EEI Index of 59% (2021: 59%), compared to the Northern Ireland Civil Service average of 54% (2021: 57%). The full survey can be accessed at DoF Northern Ireland Civil Service People Survey Results.

Equal opportunities

The Core Department is an Equal Opportunity employer and fully endorses the Northern Ireland Civil Service Equal Opportunities Policy Statement.

The policy statement is that all eligible persons shall have equal opportunity for employment and advancement in the Northern Ireland Civil Service on the basis of their ability, qualifications and aptitude for the work. Everyone has a right to equality of opportunity and to a good and harmonious working environment and atmosphere in which all workers are encouraged to apply their diverse talents and in which no worker feels under threat or intimidated. This right is protected in many instances by legislation.

The Department aims to foster a culture that encourages every member of staff to develop their full potential and which rewards achievement. Creating a working environment where individual differences are valued and respected enables all staff to give of their best and helps us to respond more effectively to the needs of the people.

Employment, training and advancement of disabled persons

The Northern Ireland Civil Service is a lead partner of Employers for Disability Northern Ireland and in 2023 was accredited as a Disability Positive employer.

The Northern Ireland Civil Service delivers an annual programme of communications and training on disability awareness and understanding and has policies in place to support inclusive workplaces. A review of the Northern Ireland Civil Service reasonable adjustment process for in-work support commenced in 2023 and a new reasonable adjustment policy and supporting resources is anticipated to launch during 2024. The Northern Ireland Civil Service Disability Working Group, which includes representatives from the disability sector and colleagues with lived experience is a key stakeholder in the reasonable adjustment policy review.

The Northern Ireland Civil Service is committed to the employment of disabled people and offers work experience for disabled people through the Northern Ireland Civil Service Work Experience Scheme for Disabled People and annual participation in International Job Shadow Day .

To encourage job applications from disabled people, positive action advertising and targeted advertising alongside a programme of outreach are used. The Northern Ireland Civil Service operates a Guaranteed Interview Scheme which ensures a guaranteed number of disabled applicants, who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. Further information can be found on the "Information for disabled applicants" section of the Northern Ireland Civil Service recruit website.

All selection panel members complete mandatory recruitment and selection training, and appointments to the Northern Ireland Civil Service are made on merit on the basis of fair and open competition, adhering to the

Health and safety

To comply with the Health and Safety at Work (Northern Ireland) Order 1978, the Core Department has a duty to ensure the health, safety and welfare of its employees. The Department is fully committed to the pursuit of its obligations in this area.

Other Employee Matters

Equality, Diversity and Inclusion

The Northern Ireland Civil Service values and welcomes diversity and is committed to creating a truly inclusive workplace for all.

The Northern Ireland Civil Service Diversity Champions Network includes senior colleagues as designated Diversity Champions for each of the nine Northern Ireland Civil Service Departments, as well as four thematic leads for gender, race and ethnicity, disability and LGBTQ+. The network alongside the Northern Ireland Civil Service corporate HR function, People and Organisational Development, develops and delivers an annual Northern Ireland Civil Service Diversity Action Plan, which sets out priorities for action by diversity and inclusion theme and cross-cutting priorities.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. Further information on the Northern Ireland Civil Service commitment to equality of opportunity is available at Department of Finance Equal Opportunities - Information for Candidates.

As part of the Northern Ireland Civil Service' efforts to ensure equality of opportunity, the Northern Ireland Civil Service continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of data. The statistics are available on the Northern Ireland Statistics and Research Agency's website

The Northern Ireland Civil Service continues to meet its statutory obligations under the Fair Employment & Treatment (Northern Ireland) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for Northern Ireland , both of which assess the composition of the Northern Ireland Civil Service workforce and the composition of applicants and appointees. Although not a statutory requirement, the Northern Ireland Civil Service also conducts a similar formal review of the gender profile of its workforce. The findings from both tri-annual reviews are published in the Northern Ireland Civil Service Workforce Reviews.

The Northern Ireland Civil Service uses the findings of all the equality monitoring and analysis to inform its programme of targeted outreach activity to address any areas of under-representation.

As a public authority, the Northern Ireland Civil Service has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the department's equality scheme is available on its website: Equality | Department of Education (education-ni.gov.uk)

Learning and Development

The Northern Ireland Civil Service recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

Development and delivery of generic staff training is centralised in Northern Ireland Civil Service HR. Training is delivered using a variety of learning delivery channels (including classroom delivery, on-line and virtual classrooms), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the Northern Ireland Civil Service Competency Framework.

Talent management is a key theme and highlights the importance of the development conversation between managers and staff, with a number of resources available within a talent management toolkit.

The Northern Ireland Civil Service offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

Application of Business Appointment Rules (BARs)

The Northern Ireland Civil Service Standards of Conduct Policy, (Section 8 and Annexes 4) sets out the rules on the acceptance of outside business appointments, employment or self-employment for staff after they leave the Northern Ireland Civil Service, including procedures to make staff aware of these rules and provides that the Permanent Secretary of the Department is responsible for the effective operation of the Business Appointment Rules within their Department. Further detail is available in the HR Policy 6.01 Standards of Conduct

No applications were received regarding specific business appointments in respect of applications from SCS Grade 5 and above, including equivalent grades, and Special Advisors during 2023-24.

Employee Consultation and Trade Union Relationships

DoF is responsible for the Northern Ireland Civil Service Industrial Relations Policy. People and Organisational Development consults on HR policy with all recognised Trade Unions and local Departmental arrangements are in place to enable consultation on matters specific to a Department or individual business area.

Expenditure on consultancy

Consultancy is the provision of objective advice relating to strategy, structure, management or operations of an organisation in pursuit of its purposes and objectives. Such advice is provided outside the 'business-as-usual' environment when in-house skills are not available and will be time-limited. Consultancy may include the identification of options with recommendations, or assistance with (but not the delivery of) the implementation of solutions.

	2023-24 £000	2022-23 £000
Core Department	107	417
NDPBs	-	-
	107	**417**

Temporary staff

Temporary staff costs are incurred when staff are brought in to supplement the existing workforce, this could be due to a surge in demand, to address a short-term resourcing need or in a temporary capacity for specialist skills.

	2023-24 £000	2022-23 £000
Core Department	2,666	3,172
NDPBs	460,755	440,865
	463,421	**444,037**

Off-payroll engagements

Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater

	Core Department	NDPBs	Departmental Group
Number of existing engagements as of 31 March 2024	-	8	8
Of which, number that existed:			
less than one year	-	4	4
for between one and two years	-	2	2
for between two and three years	-	2	2
for between three and four years	-	-	-
for four or more years	-	-	-

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater

	Core Department	NDPBs	Departmental Group
Number of temporary off-payroll workers engaged during the year ended 31 March 2024	-	14	14
Of which:			
Not subject to off-payroll legislation	-	-	-
Subject to off-payroll legislation and determined as in-scope of IR35	-	12	12
Subject to off-payroll legislation and determined as out-of-scope of IR35	-	2	2
Number of engagements reassessed for compliance or assurance purposes during the year	-	-	-
Of which: Number of engagements that saw a change to IR35 status following review	-	-	-

For any off-payroll engagements of board members and/or, senior officials with significant financial responsibility between 1 April 2023 and 31 March 2024

	Core department	NDPBs	Departmental Group
Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year.	-	1	1
Total number of individuals on payroll and off-payroll that have been deemed “board members, and/or senior officials with significant financial responsibility”, during the financial year. This figure should include both on payroll and off-payroll engagements.	11	36	47

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

The Northern Ireland Assembly accountability and audit report brings together the key Northern Ireland Assembly accountability documents within the annual report and accounts. It comprises a SOAS and supporting notes, regularity of expenditure, Northern Ireland Assembly accountability disclosures and the Certificate and Report of the C&AG to the Northern Ireland Assembly.

STATEMENT OF OUTTURN AGAINST ASSEMBLY SUPPLY (AUDITED)

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Financial Reporting Manual (*FReM*) requires the Department to prepare a SOAS and supporting notes.

The SOAS and related notes are subject to audit, as detailed in the Certificate and Report of the C&AG to the Northern Ireland Assembly.

The SOAS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision for resource and cash (drawn primarily from the Consolidated Fund), that the Northern Ireland Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Northern Ireland 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 their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOAS mirrors the Supply Estimates to enable comparability between what the Northern Ireland Assembly approves and the final outturn. The Supply Estimates are voted by the Northern Ireland Assembly and published on the DoF website Northern Ireland Spring Supplementary Estimates 2023-24 (finance-ni.gov.uk)

The SOAS contain a summary table, detailing performance against the control limits that the Northern Ireland Assembly has voted on, cash spent (budgets are compiled on an accruals basis and so outturn will not exactly reconcile to cash spent) and administration.

The supporting notes detail the following: Outturn detailed by Estimate line providing a more detailed breakdown (SOAS 1.1 and SOAS 1.2); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOAS to the financial statements (SOAS 2); a reconciliation of net resource outturn to net cash requirement (SOAS 3); and an analysis of income payable to the Consolidated Fund (SOAS 4).

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 in 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 GOV UK .

The SOAS provides a detailed view of financial performance, in a form that is voted on and recognised by the Northern Ireland Assembly. The Performance Report provides a summarised discussion of outturn against estimate and functions as an introduction to the SOAS disclosures.

Summary tables – mirror Part I of the Estimates (Audited)

Summary table, 2023-24, all figures presented in £000 (Audited)

		Outturn			Estimate			Outturn vs Estimate, saving / (excess)		Prior Year Outturn Total
Type of spend	Note	Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	2022-23
Departmental Expenditure Limit										
Resource	SOAS 1.1	2,880,987	(387)	2,880,600	2,883,181	-	2,883,181	2,194	2,581	2,649,847
Capital	SOAS 1.2	279,678	(3,321)	276,357	280,161	(3,280)	276,881	483	524	211,804
Total		**3,160,665**	**(3,708)**	**3,156,957**	**3,163,342**	**(3,280)**	**3,160,062**	**2,677**	**3,105**	**2,861,651**
Annually Managed Expenditure										
Resource	SOAS 1.1	135,369	-	135,369	306,584	-	306,584	171,215	171,215	289,681
Capital	SOAS 1.2	-	-	-	-	-	-	-	-	-
Total		**135,369**	**-**	**135,369**	**306,584**	**-**	**306,584**	**171,215**	**171,215**	**289,681**
Total Budget										
Resource	SOAS 1.1	3,016,356	(387)	3,015,969	3,189,765	-	3,189,765	173,409	173,796	2,939,528
Capital	SOAS 1.2	279,678	(3,321)	276,357	280,161	(3,280)	276,881	483	524	211,804
Total Budget Expenditure		**3,296,034**	**(3,708)**	**3,292,326**	**3,469,926**	**(3,280)**	**3,466,646**	**173,892**	**174,320**	**3,151,332**

Figures in the areas outlined in bold are voted totals subject to Assembly control.

Explanations of the variances between Estimate and Outturn are given in the Performance Report.

Net Cash Requirement 2023-24, all figures presented in £000 (Audited)

Item	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn Total 2022-23
Net Cash requirement	SOAS 3	2,944,885	3,121,269	176,384	2,858,876

Figures in the areas outlined in bold are voted totals subject to Assembly control.

Administration costs 2023-24, all figures presented in £000 (Audited)

Type of spend	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn Total 2022-23
Administration costs	SOAS 1.1	20,143	20,606	463	18,941

Administration costs are not a separate voted limit and a breach of the administration budget will not result in an excess vote.

SOAS 1 to SOAS 4 form part of these accounts.

Notes to the Statement of Outturn against Assembly Supply, 2023-24 (£000) (Audited)

This note mirrors Part II of the Estimates: (Revised) Subhead Detail and Resource to Cash Reconciliation.

SOAS 1. Outturn detail, by Estimate line (Audited)

SOAS 1.1 Analysis of resource outturn by Estimate line, all figures presented in £000 (Audited)

Type of spend (Resource)	Resource outturn							Estimate			Outturn vs Estimate (including virements), saving/ (excess)	Prior Year Outturn Total 2022-23
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements*	Total including virements		
Spending in Departmental Expenditure Limits (DEL)												
Voted Expenditure												
1 Delegated School Budgets	**-**	**-**	**-**	**1,576,820**	**-**	**1,576,820**	**1,576,820**	**1,575,858**	**2,969**	**1,578,827**	**2,007**	**1,417,633**
Of which												
Budgets delegated to controlled and maintained schools (ALB – Net)	-	-	-	1,187,977	-	1,187,977	1,187,977	1,191,520	(1,536)	1,189,984	2,007	1,076,930
Budgets delegated to GMI schools (ALB – Net)	-	-	-	95,704	-	95,704	95,704	91,810	3,894	95,704	-	81,068
Budgets delegated to VG schools (ALB – Net)	-	-	-	293,139	-	293,139	293,139	292,528	611	293,139	-	259,635
2 EA Grants	**-**	**-**	**-**	**1,051,371**	**-**	**1,051,371**	**1,051,371**	**1,034,111**	**17,260**	**1,051,371**	**-**	**905,678**
Of which												
EA special educational needs (ALB Net)	-	-	-	489,316	-	489,316	489,316	496,223	(6,907)	489,316	-	450,385
EA transport (excluding SEN Transport) (ALB – Net)	-	-	-	67,376	-	67,376	67,376	69,351	(1,975)	67,376	-	64,122
EA school meals (ALB – Net)	-	-	-	79,095	-	79,095	79,095	74,971	4,124	79,095	-	72,861
Other EA activities in support of Education (ALB – Net)	-	-	-	415,584	-	415,584	415,584	393,566	22,018	415,584	-	318,310

Type of spend (Resource)	Resource outturn							Estimate			Outturn vs Estimate (including virements), saving/ (excess)	Prior Year Outturn Total 2022-23
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements*	Total including virements		
3 EA and Schools Specific Funds	**-**	**-**	**-**	**124,395**	**(19,373)**	**105,022**	**105,022**	**120,137**	**(14,961)**	**105,176**	**154**	**176,643**
Of which												
EA specific funds (ALB – Net)	-	-	-	117,416	-	117,416	117,416	133,549	(16,141)	117,408	(8)	175,381
Schools' specific funds (ALB – Net)	-	-	-	537	-	537	537	925	(388)	537	-	937
Peace Plus/Peace IV funds	-	-	-	6,442	(5,476)	966	966	1,128	-	1,128	162	367
Other External Funding	-	-	-	-	(13,897)	(13,897)	(13,897)	(15,465)	1,568	(13,897)	-	(42)
4 Other Education Services	**20,283**	**-**	**20,283**	**50,330**	**-**	**50,330**	**70,613**	**73,273**	**(2,627)**	**70,646**	**33**	**72,139**
Of which												
CCEA (ALB – Net)	-	-	-	22,310	-	22,310	22,310	23,315	(1,005)	22,310	-	23,235
CCMS (ALB – Net)	-	-	-	3,534	-	3,534	3,534	3,558	(24)	3,534	-	3,791
CnaG (ALB – Net)	-	-	-	779	-	779	779	818	(39)	779	-	893
General Teaching Council for Northern Ireland (ALB – Net)	-	-	-	61	-	61	61	254	(193)	61	-	187
MCA (ALB – Net)	-	-	-	1,543	-	1,543	1,543	1,594	(51)	1,543	-	1,413
Northern Ireland Council for Integrated Education (ALB – Net)	-	-	-	447	-	447	447	645	(198)	447	-	545
Youth Council for Northern Ireland (ALB – Net)	-	-	-	-	-	-	-	1	(1)	-	-	-
Other Education Services	20,283	-	20,283	21,656	-	21,656	41,939	43,088	(1,116)	41,972	33	42,075
5 Early Years Provision	**-**	**-**	**-**	**34,621**	**-**	**34,621**	**34,621**	**34,743**	**(122)**	**34,621**	**-**	**34,229**
6 Youth and Community Relations	**-**	**-**	**-**	**40,257**	**-**	**40,257**	**40,257**	**41,998**	**(1,741)**	**40,257**	**-**	**40,545**
7 Capital	**-**	**(140)**	**(140)**	**3,119**	**(696)**	**2,423**	**2,283**	**3,061**	**(778)**	**2,283**	**-**	**3,324**
Of which												

Type of spend (Resource)	Resource outturn							Estimate			Outturn vs Estimate (including virements), saving/ (excess)	Prior Year Outturn Total 2022-23
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements*	Total including virements		
Other Activities to Support Capital Investment	-	(140)	(140)	3,119	(696)	2,423	2,283	3,061	(778)	2,283	-	3,324
Total Voted DEL	**20,283**	**(140)**	**20,143**	**2,880,913**	**(20,069)**	**2,860,844**	**2,880,987**	**2,883,181**	**-**	**2,883,181**	**2,194**	**2,650,191**
Non-voted Expenditure												
8 Consolidated Fund Extra Receipts	**-**	**-**	**-**	**-**	**(387)**	**(387)**	**(387)**	**-**	**-**	**-**	**387**	**(344)**
Total non-voted DEL	**-**	**-**	**-**	**-**	**(387)**	**(387)**	**(387)**	**-**	**-**	**-**	**387**	**(344)**
Total spending in DEL	**20,283**	**(140)**	**20,143**	**2,880,913**	**(20,456)**	**2,860,457**	**2,880,600**	**2,883,181**	**-**	**2,883,181**	**2,581**	**2,649,847**
Spending in Annually Managed Expenditure (AME)												
Voted Expenditure												
9 Provisions	**-**	**-**	**-**	**11,118**	**-**	**11,118**	**11,118**	**168,345**	**-**	**168,345**	**157,227**	**154,643**
Of which												
EA (ALB – Net)	-	-	-	10,839	-	10,839	10,839	167,474	-	167,474	156,635	151,063
Other ALBs (Net)	-	-	-	247	-	247	247	593	-	593	346	3,837
Departmental	-	-	-	32	-	32	32	278	-	278	246	(257)
10 Depreciation and Impairment	**-**	**-**	**-**	**124,502**	**-**	**124,502**	**124,502**	**138,589**	**-**	**138,589**	**14,087**	**135,792**
Of which												
EA (ALB – Net)	-	-	-	124,391	-	124,391	124,391	137,347	-	137,347	12,956	135,894
Other ALBs (Net)	-	-	-	4	-	4	4	6	-	6	2	5
Departmental	-	-	-	107	-	107	107	1,236	-	1,236	1,129	(107)
11 Other AME (including Disposal of Assets)	**-**	**-**	**-**	**(251)**	**-**	**(251)**	**(251)**	**(350)**	**-**	**(350)**	**(99)**	**(754)**
Of which												
EA (ALB – Net)	-	-	-	(251)	-	(251)	(251)	(350)	-	(350)	(99)	(754)
Total voted AME	**-**	**-**	**-**	**135,369**	**-**	**135,369**	**135,369**	**306,584**	**-**	**306,584**	**171,215**	**289,681**

Type of spend (Resource)	Resource outturn							Estimate			Outturn vs Estimate (including virements), saving/ (excess)	Prior Year Outturn Total 2022-23
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements*	Total including virements		
Total non-voted AME	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	135,369	-	135,369	135,369	306,584	-	306,584	171,215	289,681
Total resource	20,283	(140)	20,143	3,016,282	(20,456)	2,995,826	3,015,969	3,189,765	-	3,189,765	173,796	2,939,528

NDPB outturn is recorded net.

*Virements are the reallocation of provision in the Estimates that do not require Northern Ireland Assembly authority (because the Northern Ireland Assembly does not vote to that level of detail but delegates this to DoF). Further information on virements is provided in the Supply Estimates in the Northern Ireland Guidance Manual, which is available on the DoF website. The Outturn vs Estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Northern Ireland Assembly.

SOAS 1.2 Analysis of capital outturn by Estimate line, all figures presented in £000 (Audited)

	Outturn			Estimate				
Type of spend (Capital)	**Gross**	**Income**	**Net total**	**Total**	**Virements***	**Total including virements**	**Outturn vs Estimate (including virements), saving/ (excess)**	**Prior Year Outturn Total 2022-23**
Spending in Departmental Expenditure Limits (DEL)								
Voted Expenditure								
7 Capital	**279,678**	**-**	**279,678**	**280,161**	**-**	**280,161**	**483**	**217,162**
Of which								
Major Works	89,351	-	89,351	84,648	4,703	89,351	-	51,327
School Enhancement Programme	7,714	-	7,714	9,594	(1,880)	7,714	-	983
Minor Works	85,314	-	85,314	93,297	(5,603)	87,694	2,380	97,997
Youth	2,695	-	2,695	2,670	25	2,695	-	2,470
Other Activities to Support Capital Investment	94,604	-	94,604	89,952	2,755	92,707	(1,897)	64,385
Total Voted DEL	**279,678**	**-**	**279,678**	**280,161**	**-**	**280,161**	**483**	**217,162**
Non-voted Expenditure								
8 Consolidated Fund Extra Receipts	**-**	**(3,321)**	**(3,321)**	**(3,280)**	**-**	**(3,280)**	**41**	**(5,358)**
Total non-voted DEL	**-**	**(3,321)**	**(3,321)**	**(3,280)**	**-**	**(3,280)**	**41**	**(5,358)**
Total spending in DEL	**279,678**	**(3,321)**	**276,357**	**276,881**	**-**	**276,881**	**524**	**211,804**
Total Capital	**279,678**	**(3,321)**	**276,357**	**276,881**	**-**	**276,881**	**524**	**211,804**

NDPB outturn is recorded net.

*Virements are the reallocation of provision in the Estimates that do not require Northern Ireland Assembly authority (because the Northern Ireland Assembly does not vote to that level of detail but delegates this to DoF). Further information on virements is provided in the Supply Estimates in the Northern Ireland Guidance Manual, which is available on the DoF website. The Outturn vs Estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Northern Ireland Assembly.

SOAS 2. Reconciliation of outturn to net expenditure (Audited)

Item	Note	Outturn total 2023-24 £000	Prior Year Outturn total 2022-23 £000
Total Resource Outturn	**SOAS 1.1**	**3,015,969**	**2,939,528**
Add: Capital Grants		50,457	61,761
Add: Premature Retirement Costs		15,854	14,659
Add: PFI dual reporting adjustment		3,222	2,831
Add: Proceeds from sale of land and buildings paid by the EA to the Department		1,906	4,024
Other reconciling items		(718)	180
Total		**70,721**	**83,455**
Less: Income payable to the Consolidated Fund	SOAS 4.1	(3,708)	(5,702)
Total		**(3,708)**	**(5,702)**
Net Expenditure in Consolidated SOCNE	**SOCNE**	**3,082,982**	**3,017,281**

As noted in the introduction to the SOAS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this note reconciles the resource outturn to net operating expenditure, linking the SOAS to the financial statements.

Capital grants are budgeted for as Capital DEL but accounted for as spend on the face of the SOCNE, and therefore function as a reconciling item between Resource Outturn and Net Operating Expenditure.

SOAS 3. Reconciliation of net resource outturn to net cash requirement (Audited)

This note mirrors Part II of the Estimates: Resource to Cash Reconciliation.

Item	Note	Outturn total £000	Estimate £000	Outturn vs Estimate, saving/(excess) £000
Total Resource outturn	SOAS 1.1	3,015,969	3,189,765	173,796
Total Capital outturn	SOAS 1.2	276,357	276,881	524
Accruals to cash adjustments				
Adjustments for Arm's Length Bodies (ALBs):				
Remove voted resource		(2,950,305)	(3,121,696)	(171,391)
Remove voted capital		(274,785)	(275,606)	(821)
Add cash grant in aid		2,884,507	3,031,612	147,105
Adjustments to remove non-cash items:				
Depreciation, impairments and revaluations	3.4	(1,548)	(2,689)	(1,141)
New provisions and adjustments to previous provisions	3.4	(55)	(301)	(246)
Other non-cash items		(1)	-	1
Adjustments to reflect movements in working capital balances				
Increase in receivables		840	-	(840)
Increase in payables		(9,825)	20,000	29,825
Use of provisions	16	23	23	-
Total accruals to cash adjustments		**(351,149)**	**(348,657)**	**2,492**
Removal of non-voted budget items				
Other Adjustments		3,708	3,280	(428)
Total non-voted budget items		**3,708**	**3,280**	**(428)**
Net cash requirement		**2,944,885**	**3,121,269**	**176,384**

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.

Detailed explanations of the variances between Estimate and outturn are given in the Performance Report.

Reconciliation of net cash requirement to decrease in cash (Audited)

	Note	2023-24 £000
Net cash requirement	SOAS 3	(2,944,885)
From Consolidated Fund (supply) - current year	SoCFs	2,938,516
From Consolidated Fund (supply) - prior year	SoCFs	7,856
Amounts due to the Consolidated Fund - received in a prior year and paid over	15	(5,702)
Amounts due to the Consolidated Fund – received and not paid over	15	3,373
Decrease in cash held by core department	13	**(842)**
Decrease in cash held by NDPBs		(879)
Decrease in cash held by Departmental Group	13	**(1,721)**

SOAS 4. Amounts of income payable to the Consolidated Fund (Audited)

This note mirrors Part III of the Estimates: Analysis of Consolidated Fund Extra Receipts.

SOAS 4.1 Analysis of income payable to the Consolidated Fund (Audited)

In addition to income retained by the Department, the following income is payable to the Consolidated Fund (cash receipts being shown in italics).

Item	Outturn total 2023-24 £000		Prior Year Outturn total 2022-23 £000	
	Income (Accruals)	Receipts (Cash basis)	Income (Accruals)	Receipts (Cash basis)
Income in budgets surrendered to the Consolidated Fund (resource)	387	*52*	344	*344*
Income in budgets surrendered to the Consolidated Fund (capital)	3,321	*3,321*	5,358	*5,595*
Total amount payable to the Consolidated Fund	**3,708**	***3,373***	**5,702**	***5,939***

SOAS 4.2 Consolidated Fund Income (Audited)

The Department did not collect any amounts where it was acting as agent for the Consolidated Fund rather than as principal.

OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURE NOTES

Losses and special payments (Audited)

Losses statement

	2023-24 Core Department	2023-24 Departmental Group	2022-23 Core Department	2022-23 Departmental Group
Total number of cases	**3**	**278**	**2**	**403**
	£000	**£000**	**£000**	**£000**
Cash losses*	-	114	82	284
Administrative write offs	3	3	-	-
Fruitless payments	204	205	-	157
Stores losses	-	223	-	327
Total value of losses	**207**	**545**	**82**	**768**

*In 2022-23 one of the cash losses in the Core Department arose as a result of a mandate fraud.

In the Core Department, no individual cases in 2023-24 (2022-23: no cases exceeded £250,000) exceeded £300,000. In the Departmental Group, the EA had one case in 2023-24 (2022-23: no cases exceeded £250,000) which exceeded £300,000.

Special Payments

	2023-24 Core Department	2023-24 Departmental Group	2022-23 Core Department	2022-23 Departmental Group
Total number of cases	**112**	**280**	**146**	**286**
	£000	**£000**	**£000**	**£000**
Redundancy payments	-	1,145	-	775
Ex Gratia	17	17	14	14
Exceptional Circumstances Body – panel members’ fees	58	58	65	65
Compensation Payments - Employers' Liability & Public Liability	-	2,412	-	1,230
Compensation Payments - Other Employment	-	266	-	885
Total value of special payments	**75**	**3,898**	**79**	**2,969**

In the Core Department, no individual cases in 2023-24 (2022-23: no cases exceeded £250,000) exceeded £300,000. In the Departmental Group, the EA had two cases in 2023-24 (2022-23: one case exceeded £250,000) which exceeded £300,000.

Fees and Charges (Audited)

The EA is responsible for the provision of a school meals service to the schools it funds. This is a fee-paying service unless there is an entitlement to a free meal.

In accordance with the revised "Arrangements for the Provision of Milk, Meals and Related Facilities" issued by the Department in September 2017, the charge for a meal or refreshment for a paying pupil should be sufficient to fully recover the variable costs and make a contribution to fixed costs. This target was achieved in 2023-24 and 2022-23.

The information below is in respect of the School Meals Service only and is provided for fees and charges purposes and not for IFRS 8 purposes which is separately disclosed in Note 2 within the Financial Statements.

	2023-24 £000	2022-23 £000
Full cost	100,060	92,976
Less: Income	(35,962)	(32,411)
Rurality Element	(909)	(892)
Net cost	**63,189**	**59,673**
Number of paid meals	14,029	13,163
Number of free meals	12,202	12,523
Total number of meals	**26,231**	**25,686**
Average Gross Cost per meal	**£3.81**	**£3.62**

CCEA's primary source of earned income comes from charges levied in relation to the provision of its examination functions. Charges are made for entering an examination, late or withdrawal fees, results enquiries and access to scripts. Charges vary on an examination type, level and module basis. A full range of charges is available via the Qualifications Administration Handbook on CCEA's website. Any proposal to alter charges must be approved by the Department.

The Department sets CCEA an earned income target annually as part of the budget setting process. The Department monitors this performance against the target monthly, via the Monthly Expenditure Monitoring Report. Actual earned income in any given year can fluctuate depending on a range of factors, including the number of examinations entered by candidates via examination centres, changes to centre demographics and market preferences. If CCEA earns more income than anticipated, it is required to bid for additional income, usually to offset against additional examinations costs linked to generating the additional income. If sales are less than anticipated, CCEA is required to make corresponding savings.

Remote contingent liabilities (Audited)

In addition to contingent liabilities disclosed in the financial statements, the Department also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is remote but are still in the scope of International Accounting Standard (IAS) 37.

The Departmental Group has no contingent liabilities to report for the purpose of Northern Ireland Assembly reporting and accountability.

Reconciliation of contingent liabilities included in the supply estimate to the accounts

Quantifiable Contingent Liabilities:

Description of Contingent Liability	Supply Estimate £000	Amount disclosed in Annual Report and Accounts £000	Variance (Estimate minus amounts disclosed in the Annual Report and Accounts) £000
A number of proceedings have been initiated against the Department and its Arm's Length Bodies in respect of public employers' liability, employment tribunal cases and other matters.	226	221	5*

Unquantifiable Contingent Liabilities:

Description of Contingent Liability	Included in the Supply Estimate (Yes/No)	Disclosed in the Annual Report and Accounts (Yes/No)	Explanation of difference
Northern Ireland Council for Integrated Education and CnaG have contingent liabilities to repay revenue grants received, if certain conditions are not fulfilled.	Yes	Yes	**

*The variance is not material.

**There is no difference between the Supply Estimate and the disclosure in the Annual Report and Accounts.

Statement on the use of Government Functional Standards

Managing Public Money Northern Ireland sets out the main principles for dealing with resources used by public sector organisations in Northern Ireland. Its origin lies in the requirements for Departments in central government, however, the same basic principles generally apply in all parts of the Northern Ireland public sector, with adjustments for context as necessary. Everyone working in the Departmental Group is made aware of the need to adhere to the guidance in Managing Public Money Northern Ireland and to manage and deploy public resources responsibly in the public interest.

This Accountability Report is approved and signed.

Mark Browne (Dr)
Accounting Officer
29 October 2024

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Department of Education and of its Departmental Group for the year ended 31 March 2024 under the Government Resources and Accounts Act (Northern Ireland) 2001. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts (Northern Ireland) 2001 (Estimates and Accounts) (Designation of Bodies) Order 2022. The financial statements comprise: the Department's and the Departmental Group's

- Statement of Financial Position as at 31 March 2024
- 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 Group financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I 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 my opinion the financial statements:

- give a true and fair view of the state of the Department and the Departmental Group's affairs as at 31 March 2024 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

In my 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 2024 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

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 ‘Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom’. My responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Department and its Group in accordance with the ethical requirements that are relevant to my 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.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Department and its Group use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Department and its Group ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Department and its Group is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

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 my audit certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

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

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my 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 I report by exception

In the light of the knowledge and understanding of the Department and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my 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;

- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are 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 Department of Education and its Group 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 anticipates that the services provided by the Department of Education and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

My 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 a certificate that includes my 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Department and its Group through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Government Resources and Accounts Act (Northern Ireland) 2001, the Government Financial Reporting Manual (FReM), Managing Public Money NI and Accounts Directions issued by the Department of Finance;
- making enquires of management and those charged with governance on the Department and its Group 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 the Department and its Group financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement 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, I identified potential for fraud in the following areas: posting of unusual journals;
- engagement director 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;
- communicating with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements;
- 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;
  - investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

A further description of my 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 my certificate.

In addition, I am 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. I am 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

Please see my report on page 163.

Dorinnia Carville

Comptroller and Auditor General

Northern Ireland Audit Office

106 University Street

BELFAST

BT7 1EU

30 October 2024

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

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	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Revenue from contracts with customers	4	-	(71,162)	-	(67,041)
Other operating income	4	(23,917)	(37,159)	(21,329)	(37,569)
Total operating income		**(23,917)**	**(108,321)**	**(21,329)**	**(104,610)**
Staff costs	3.5	32,640	1,971,898	31,465	1,788,030
Purchase of goods and services	3.5	5,623	478,624	7,429	597,933
Depreciation, amortisation and revaluation	3.5	1,548	127,123	690	137,723
Provision expense	3.5	55	2,314	(227)	4,444
Other operating expenditure	3.5	2,930,901	615,062	2,840,732	575,804
Total operating expenditure		**2,970,767**	**3,195,021**	**2,880,089**	**3,103,934**
Net operating expenditure		**2,946,850**	**3,086,700**	**2,858,760**	**2,999,324**
Finance (income)/expense		-	(3,745)	-	17,953
Taxation	5	-	27	-	4
Net expenditure for the year		**2,946,850**	**3,082,982**	**2,858,760**	**3,017,281**
Notional audit costs	3.5	105	306	83	284
Other notional costs	3.5	3,612	3,612	3,590	3,590
Total notional costs		**3,717**	**3,918**	**3,673**	**3,874**
Net expenditure for the year including notionals		**2,950,567**	**3,086,900**	**2,862,433**	**3,021,155**
Other comprehensive net expenditure					
Items which will not be reclassified to net operating expenditure:					
Net gain on revaluation of property, plant and equipment		(1,178)	(53,102)	(1,846)	(330,846)
Net gain on revaluation of intangible assets		(342)	(342)	(855)	(855)
Actuarial gain on pension scheme liabilities		-	(275,927)	-	(867,144)
Comprehensive net expenditure for the year		**2,949,047**	**2,757,529**	**2,859,732**	**1,822,310**

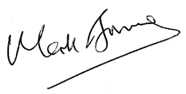
All income and expenditure are derived from continuing operations.

Notes 1 to 25 form part of these accounts.

Consolidated Statement of Financial Position as at 31 March 2024

This statement presents the financial position of the Department. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	2024 Core Department £000	2024 Departmental Group £000	2023 Core Department £000	2023 Departmental Group £000
Non-current assets					
Property, plant and equipment	6	59,416	3,919,603	54,194	3,771,698
Right of use assets	19	-	3,757	-	5,390
Intangible assets	7	6,973	61,051	7,361	52,702
Trade and other receivables	14	-	89	-	66
Financial assets	10	952	-	922	-
Retirement benefit asset	18	-	288,319	-	23,712
Total non-current assets		**67,341**	**4,272,819**	**62,477**	**3,853,568**
Current assets					
Assets classified as held for sale	11	-	-	-	580
Inventories	12	-	53,754	-	53,833
Trade and other receivables	14	11,598	65,378	11,910	72,682
Cash and cash equivalents	13	-	14,177	-	15,056
Total current assets		**11,598**	**133,309**	**11,910**	**142,151**
Total assets		**78,939**	**4,406,128**	**74,387**	**3,995,719**
Current liabilities					
Trade and other payables	15	(101,751)	(572,586)	(93,078)	(358,128)
Provisions	16	(47)	(934)	(36)	(2,146)
Total current liabilities		**(101,798)**	**(573,520)**	**(93,114)**	**(360,274)**
Total assets less current liabilities		**(22,859)**	**3,832,608**	**(18,727)**	**3,635,445**
Non-current liabilities					
Provisions	16	(332)	(15,852)	(311)	(15,204)
Other payables	15	-	(123,630)	-	(131,274)
Total non-current liabilities		**(332)**	**(139,482)**	**(311)**	**(146,478)**
Total assets less total liabilities		**(23,191)**	**3,693,126**	**(19,038)**	**3,488,967**
Taxpayers' equity and other reserves					
General fund		(30,141)	2,593,374	(24,677)	2,395,939
Revaluation reserve		6,950	1,099,752	5,639	1,093,028
Total equity		**(23,191)**	**3,693,126**	**(19,038)**	**3,488,967**



Mark Browne (Dr)
Accounting Officer
29 October 2024

Notes 1 to 25 form part of these accounts.

Consolidated Statement of Cash Flows for the year ended 31 March 2024

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Department during the reporting period. The statement shows how the Department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Department's future public service delivery.

	Note	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Cash flows from operating activities					
Net expenditure for the year including notionals	SOCNE	(2,950,567)	(3,086,900)	(2,862,433)	(3,021,155)
Adjustments for non-cash transactions	3.4	5,317	162,534	4,136	311,726
Decrease/(increase) in trade and other receivables	14	312	7,195	(1,810)	(14,848)
movements in receivables relating to items not passing through the SOCNE	14	(1,487)	(1,487)	1,610	1,610
Decrease/(increase) in inventories	12	-	79	-	(17,587)
Increase in trade and other payables excluding bank overdraft	15	7,831	214,028	7,807	43,210
movements in payables relating to items not passing through the SOCNE	15	2,244	1,735	858	218
Use of provisions	16	(23)	(2,841)	(31)	(2,186)
Net cash outflow from operating activities		**(2,936,373)**	**(2,705,657)**	**(2,849,863)**	**(2,699,012)**
Cash flows from investing activities					
Purchase of non-financial assets - property, plant and equipment		(4,804)	(215,485)	(1,701)	(136,764)
Purchase of non-financial assets - intangible assets		(339)	(14,297)	(1,373)	(18,404)
Proceeds from disposal of property, plant and equipment		4	16	-	(3)
Net cash outflow from investing activities		**(5,139)**	**(229,766)**	**(3,074)**	**(155,171)**

	Note	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Cash flows from financing activities					
From the Consolidated Fund (supply) – current year		2,938,516	2,938,516	2,851,020	2,851,020
From the Consolidated Fund (supply) – prior year	14	7,856	7,856	6,246	6,246
Capital element of payments in respect of finance leases and on-balance sheet (SOFP) PFI contracts		-	(6,968)	-	(6,671)
Net financing		**2,946,372**	**2,939,404**	**2,857,266**	**2,850,595**
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**4,860**	**3,981**	**4,329**	**(3,588)**
Payments of amounts due to the Consolidated Fund		(5,702)	(5,702)	(6,522)	(6,522)
Net decrease in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	13	**(842)**	**(1,721)**	**(2,193)**	**(10,110)**
Cash and cash equivalents at the beginning of the period	13	**(2,154)**	**12,902**	**39**	**23,012**
Cash and cash equivalents at the end of the period	13	**(2,996)**	**11,181**	**(2,154)**	**12,902**

Notes 1 to 25 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

This statement shows the movement in the year on the different reserves held by the Department, analysed into "general fund reserves" (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the changes in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

Departmental Group	Note	General Fund* £000	Revaluation reserve £000	Taxpayers' equity £000
Balance at 31 March 2022		1,635,653	802,710	2,438,363
First time adoption of IFRS 16		274	-	274
Net Assembly funding – drawn down		2,851,020	-	2,851,020
Supply receivable adjustment	14	7,856	-	7,856
CFERs payable to the Consolidated Fund	SOAS 4.1	(5,702)	-	(5,702)
Comprehensive expenditure for the year	SOCNE	(3,021,155)	331,701	(2,689,454)
Actuarial gain/(loss) in respect of pension liability	SOCNE	867,144	-	867,144
Non-cash charges – accommodation and other charges	3.5	3,590	-	3,590
Non-cash charges – auditor's remuneration and expenses	3.5	284	-	284
Non-cash charges – Northern Ireland Teachers' Pension Scheme – Premature Retirement Compensation	3.4	14,659	-	14,659
Other reserves movements		933	-	933
Transfers between reserves		41,383	(41,383)	-
Balance at 31 March 2023		**2,395,939**	**1,093,028**	**3,488,967**
Net Assembly funding – drawn down		2,938,516	-	2,938,516
Supply receivable adjustment	14	6,369	-	6,369
CFERs payable to the Consolidated Fund	SOAS 4.1	(3,708)	-	(3,708)
Comprehensive expenditure for the year	SOCNE	(3,086,900)	53,444	(3,033,456)
Actuarial gain/(loss) in respect of pension liability	SOCNE	275,927	-	275,927
Non-cash charges – accommodation and other charges	3.5	3,612	-	3,612
Non-cash charges – auditor's remuneration and expenses	3.5	306	-	306
Non-cash charges – Northern Ireland Teachers' Pension Scheme – Premature Retirement Compensation	3.4	15,854	-	15,854
Other reserves movements		739	-	739
Transfers between reserves		46,720	(46,720)	-
Balance at 31 March 2024		**2,593,374**	**1,099,752**	**3,693,126**

*The General Fund includes restricted funds of £164k (2022-23: £131k). Restricted funds are funds given to the Group, which are to be expended for objects specified by the donor.

Notes 1 to 25 form part of these accounts.

Core Department	Note	General Fund £000	Revaluation reserve £000	Taxpayers' equity £000
Balance at 31 March 2022		(19,147)	2,994	(16,153)
Net Assembly funding – drawn down		2,851,020	-	2,851,020
Supply receivable adjustment	14	7,856	-	7,856
CFERs payable to the Consolidated Fund	SOAS 4.1	(5,702)	-	(5,702)
Comprehensive expenditure for the year	SOCNE	(2,862,433)	2,701	(2,859,732)
Non-cash charges – accommodation and other charges	3.5	3,590	-	3,590
Non-cash charges – auditor's remuneration and expenses	3.5	83	-	83
Transfers between reserves		56	(56)	-
Balance at 31 March 2023		**(24,677)**	**5,639**	**(19,038)**
Net Assembly funding – drawn down		2,938,516	-	2,938,516
Supply receivable adjustment	14	6,369	-	6,369
CFERs payable to the Consolidated Fund	SOAS 4.1	(3,708)	-	(3,708)
Comprehensive expenditure for the year	SOCNE	(2,950,567)	1,520	(2,949,047)
Non-cash charges – accommodation and other charges	3.5	3,612	-	3,612
Non-cash charges – auditor's remuneration and expenses	3.5	105	-	105
Transfers between reserves		209	(209)	-
Balance at 31 March 2024		**(30,141)**	**6,950**	**(23,191)**

Notes 1 to 25 form part of these accounts.

Notes to the Financial Statements

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2023-24 *Government FReM* issued by the DoF. The accounting policies contained in the *FReM* apply 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 particular circumstances of the DE Group for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by the DE Group are described below. They have been applied consistently in dealing with items considered material to the accounts.

In addition to the primary statements prepared under IFRS, the *FReM* also requires the Department to prepare one additional primary statement. The SOAS and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

In accordance with the *FReM*, the Department is not able to accrue funding due from the Consolidated Fund in respect of Assembly Grant to match net liabilities recorded within the Statement of Financial Position. Under IAS 1 (revised), *Presentation of Financial Statements*, such a closing financial position which shows a surplus of liabilities over assets requires the Accounting Officer to make an assessment of the viability of the Department as a going concern. These accounts have been prepared under the going concern principle.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and certain financial assets and liabilities.

1.2 Basis of consolidation

These accounts comprise a consolidation of the Department (the core Department), and other bodies listed in note 24, which fall within the Departmental boundary as defined in the *FReM* and make up the Departmental Group. Transactions between entities included in the consolidated accounts are eliminated. The consolidated bodies prepare accounts in accordance with either the *FReM*, the Companies Act 2006, Financial Reporting Standard (FRS) 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" or the Charities Statement of Recommended Practice (FRS 102), Accounting and Reporting by Charities. For those bodies that do not prepare accounts in accordance with the *FReM*, adjustments are made at consolidation if necessary where differences would have a significant effect on the accounts.

1.3 Property, plant and equipment

On initial recognition, property, plant and equipment are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as "under construction" are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

Subsequent expenditure on an asset, that meets the criteria in compliance with IAS 16, *Property, Plant and Equipment*, is capitalised, otherwise it is written off to revenue.

At each annual reporting date, property, plant and equipment are stated at fair value, determined as follows:

- Land and Buildings

  Title to land and buildings shown in the accounts is held by the Departmental Group. Land and buildings are stated at current value in existing use. Land is valued in the year of purchase and buildings in the year in which they are brought into use, using a professional valuation provided by Land and Property Services (LPS), a directorate within DoF, in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors Global Standards. Subsequently, a full professional valuation is made by LPS every five years and in the intervening years interim valuations are obtained from LPS. The basis of the valuation for each of the property types is as follows:

PROPERTY TYPE	***ASSET CATEGORY***	***BASIS/METHOD OF VALUATION***
School buildings & other associated structures	Land & buildings owner occupied and used for the purposes of the undertaking **Specialised operational**	**Current Value in existing use** ***Depreciated Replacement Cost***
Land supporting existing school buildings	Lands owner occupied and used for the purposes of the undertaking **Non-specialised operational**	**Current Value in existing use** ***Existing Use Value (as defined by Valuation Practice Guidance – Applications (VPGA 6))***
Land and buildings held for ongoing or future development of school facilities	Lands and buildings owner occupied for the purpose of future service delivery **Non-operational**	**Current Value in existing use** ***Existing Use Value (as defined by VPGA 6)***
Offices and stores	Land and buildings owner occupied for the purpose of the undertaking **Non-specialised operational**	**Current Value in existing use** ***Existing Use Value (as defined by VPGA 6)***
Surplus assets	Properties surplus to requirements/held for sale **Non-operational**	**Current Value in existing use** ***Existing Use Value (as defined by VPGA 6)***

  Where there is a clear intention to dispose of an asset within the next 12 months, the asset is categorised as “Assets held for Sale” and shown separately within current assets.

  The Schools’ Estate includes assets held on Reversionary Trusts, properties which will revert to the ownership of trustees if they cease to be used as specified in the deeds of ownership.

- Assets under construction are carried at cost, less any impairment loss. Costs include professional fees and other directly attributable costs necessary to bring the asset into use. Assets under construction, including completed building projects, are capitalised but not depreciated until brought into use.

- Other assets:

  - With the exception of land and buildings, fair value is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS).

  - The minimum level for capitalisation ranges between £200 and £3,000 across the Group.

Revaluations below historic cost which are not temporary fluctuations in market value are treated as an impairment in accordance with IAS 36, *Impairment of Assets*, and charged in full to the SOCNE.

Impairment reviews of property, plant and equipment are performed annually and additionally where there is an indication of impairment as defined by IAS 36.

1.4 Depreciation

Depreciation of property, plant and equipment is provided on a straight-line basis by reference to current values and to the remaining economic useful lives of assets and their estimated residual value. Freehold land, assets under construction and assets which meet the definition of “held for sale” are not depreciated.

Asset lives are reviewed annually and are normally within the following ranges:

Buildings	15 to 50 years
Transport equipment	3 to 14 years
Information technology	3 to 10 years
Plant and machinery	3 to 15 years

1.5 Intangible assets

Software and associated licences are capitalised as intangible assets where expenditure of £1,000 or more is incurred on the purchase of an individual or grouped asset.

Assets under construction are carried at cost, less any impairment loss. Other intangible assets are measured at depreciated replacement cost using suitable indices compiled by the ONS.

Assets under construction are not amortised. Software licences are amortised over the shorter of the term of the licence and their useful economic life. Other intangible assets are amortised over three to ten years.

1.6 Non-current assets held for sale

Assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses. Assets classified as held for sale are not depreciated.

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the asset must be available for immediate sale in its present condition subject only to terms that are usual or customary for sales of such assets and its sale must be highly probable.

For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan must have been initiated.

Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

1.7 Impairment losses

An asset is impaired if its carrying amount exceeds the value to be recovered through use or sale of the asset.

If an impairment loss arises which has not resulted from a loss of economic value or service potential the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SOCNE.

Impairment losses that arise from a clear consumption of economic benefits or service potential are charged in full to the SOCNE with an amount up to the value of the impairment being transferred from the revaluation reserve to the general reserve.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been carried had there been no initial impairment loss. The reversal of the impairment loss is credited to the SOCNE to the extent of the decrease previously charged there and then to the revaluation reserve.

1.8 Investments

In 2004-05 the Department invested in the ‘‘MCA (Holdings) Limited’’, which is a company registered in Northern Ireland and limited by guarantee. The Company is a joint venture between the Department in Northern Ireland and the Department of Education, Ireland, developed under the 1998 Good Friday Agreement as an agreed area of co-operation within the North South Ministerial Council, and is funded equally by each Department.

The primary object of the company is to purchase, acquire and hold the property located at Middletown, County Armagh, for the purpose of supporting the promotion of excellence throughout Northern Ireland and Ireland in the development and harmonisation of education and allied services to children and young people with autistic spectrum disorders.

A Board of Directors comprising four members monitors the effectiveness and management of the company. The Department in Northern Ireland and the Department of Education, Ireland each nominate two members to the Board.

1.9 Inventories

Inventories are stated at fair value which is the lower of current cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

1.10 Income

Income from sale of goods and services

Income from the sale of goods and services relates directly to the operating activities of the Group. It principally comprises income from school meals services, recoupment of costs, music tuition fees and short-term letting of EA premises, in addition to other sources of income.

In recognising income, the Group has considered the application of IFRS 15 Revenue from Contracts with Customers. The core principle of IFRS 15 is that income is recognised to depict the transfer of goods/services to customers, at a rate which reflects the expected entitlement for such goods/services.

In applying the core principle to income recognition, judgement is exercised to determine whether the five essential criteria within the scope of IFRS 15 are met in order to define income as a contract. Income is recognised on an accruals basis when, and to the extent that, a performance obligation is satisfied in a manner that depicts the transfers to the customer of the goods or services promised.

The income is included in the SOCNE to the extent of the completion of the contract or service concerned and is stated net of Value Added Tax (VAT).

Other operating income

Other operating income is income which relates directly to the operating activities of the Group. It includes funding from the Department for the Economy (DfE) for co-funded NDPBs and other income such as that from the sale of property, plant and equipment by NDPBs. It includes both operating Accruing Resources and income payable to the Consolidated Fund which in accordance with the *FReM* is treated as operating income.

Revenue grants received from other bodies are for specific purposes and are restricted in use. This includes income from the European Union (EU) Peace IV Programme and other sources and is included in the SOCNE to the extent that it matches against the relevant expenditure incurred during the period. Grant income received during the period which is not matched to relevant expenditure incurred during the same period is shown as either accrued or deferred income on the Statement of Financial Position (SOFP).

Government grants or donations (including lottery funding) to fund capital assets are recognised in the SOCNE as income. They are recognised when receivable unless there are conditions on their use which, if not met, would mean the grant is repayable. In such cases, the income is deferred and released when the obligations are met. Where grants have no conditions on their use, the income is recognised immediately as income in the SOCNE.

1.11 Administration and programme expenditure

The Consolidated SOCNE is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs set by DoF. Administration costs reflect the costs of running the Department. These include both administrative costs and associated operating income. Programme costs reflect non-administration costs, including payments of grants and other disbursements by the Group, as well as certain staff costs where they relate directly to service delivery.

1.12 Foreign exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction. Monetary assets and liabilities denominated in foreign currency at the reporting period date are translated at the rates ruling at that date. These translation differences are dealt with in the SOCNE.

1.13 Employee Benefits including Pensions

Under the requirements of IAS 19, *Employee Benefits*, 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 that has been earned at the year end.

Employees of the Group belong to the following pension schemes:

Northern Ireland Civil Service Pension arrangements

Past and present employees are covered by the provisions of the Northern Ireland Civil Service Pension arrangements. The defined benefit schemes are multi-employer unfunded schemes, which produce their own accounts. The Department is unable to identify its share of the underlying assets and liabilities. The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Northern Ireland Civil Service Pension arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the Northern Ireland Civil Service Pension arrangements. In respect of the defined contribution schemes, the Department recognises the contributions payable for the year.

The Northern Ireland Teachers' Pension Scheme

The Northern Ireland Teachers' Pension Scheme is an unfunded contributory scheme administered by the Department. The current regulations under which the scheme operates are the Teachers Superannuation Regulations (Northern Ireland) 1998 (as amended), and the Teachers' Pension Scheme regulations (Northern Ireland) 2014.

The rate of the employer's contribution is determined from time to time by the Government actuary and advised by DoF. The Northern Ireland Teachers' Pension Scheme is a multi-employer defined benefit scheme and the Group is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The Northern Ireland Teachers' Pension Scheme is therefore treated as a defined contribution scheme and the contributions are recognised, as they are paid each year, in the SOCNE.

A separate set of Annual Scheme Statements are prepared for the Northern Ireland Teachers' Pension Scheme.

Northern Ireland Local Government Officers' Superannuation Committee Scheme

The Northern Ireland Local Government Officers' Superannuation Committee Scheme is a defined benefit scheme, the assets of the scheme being held in separate trustee-administered funds. The Group's contribution to Northern Ireland Local Government Officers' Superannuation Committee Scheme is determined by the fund's actuary, based on a triennial valuation. The scheme is administered by Northern Ireland Local Government Officers' Superannuation Committee Scheme, Holywood Road, Belfast.

The latest formal valuation of the fund for the purpose of setting employer's actual contributions was at 31 March 2022. The fund's objective of holding sufficient assets to meet the estimated current cost of providing members' past service benefits was met at the last formal valuation date.

The contributions payable by each Employer may differ because they allow for each Employer's membership profile and funding ratio, and assumption and recovery periods appropriate to their circumstances.

The pension costs are assessed in accordance with the advice of an independent qualified actuary using the projected unit method and are accounted for on the basis of charging the cost of providing pensions over the period during which the Group benefits from the employee's services. Variations from regular cost are spread over the expected average remaining working lives of members of the scheme after making allowances for future withdrawals.

In accordance with IAS 19 *Retirement Benefits*, the in-year movement in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the Group are charged to the SOCNE or the Statement of Changes in Taxpayers' Equity.

NEST

NEST is run by the NEST Corporation, which is a NDPB that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions. It is a trust-based scheme, run independently from the government on a not-for-profit basis in the interests of its members.

NEST Corporation has a Chair and up to 14 Trustee Members. The Trustee Members take decisions based on established trust law principles including the duty to act in the interests of scheme members. They set the strategic direction and objectives for NEST and determine the overall governance structure for the NEST Corporation.

The Trustee Members are supported by an executive team that has day-to-day responsibility for managing the scheme. The Trustee Members' primary role is to decide, implement and support NEST's strategic direction in order to maximise value for scheme members and beneficiaries.

NEST is a defined contribution pension scheme established by law to support the introduction of automatic enrolment, which meets the criteria for a ‘qualifying’ scheme as set out in the Pensions Act 2008.

Further information about the Group’s pension schemes can be found in the accounts of the consolidated entities and of the pension schemes themselves.

1.14 Early departure costs

Department of Education employees

The Department meets the additional cost of benefits beyond the normal Northern Ireland Civil Service Pension arrangements in respect of employees who retire early by paying the required amounts annually to the Northern Ireland Civil Service Pension over the period between early departure and normal retirement date (or, in the case of Injury Awards, between early departure and estimated life expectancy). The Department provides in full for the cost of meeting pensions up to normal retirement age in respect of early retirement programmes announced in current or previous years or, to the estimated life expectancy in respect of Injury Awards. The Department may, in certain circumstances, settle some or all of its liability in advance by making a payment to the DoF Superannuation Vote. The amount provided is shown net of any such payments.

Teachers

The Teachers’ Premature Retirement Compensation Scheme for Northern Ireland recovers compensation costs via increased employer contributions. Compensation costs fall within the remit of the scheme and are therefore not included as a cost within the Department’s accounts.

Non-teaching

Non-teaching redundancy payments are made in accordance with the Education and Library Boards’ Scheme for Redundancy in accordance with The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007, as amended.

Where an entity in the Group has agreed early retirements, the additional costs are met by the Group and not by the pension schemes.

1.15 Leases

Scope and classification

The Departmental Group determines whether to lease or purchase based on value-for-money considerations, such as whether the underlying asset is required for its entire life or for a more limited period. In accordance with IFRS 16, contracts that convey the right to use an asset in exchange for consideration are accounted for as leases. The *FReM* expands the scope of IFRS 16 to include arrangements with nil consideration. Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use. In such cases, the relevant part is treated as a lease. The Group excludes:

- contracts for low-value items, defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items; and
- contracts with a term shorter than twelve months (comprising the non-cancellable period together with any extension options that the Group is reasonably certain to exercise and any termination options that the Group is reasonably certain not to exercise).

Initial recognition

At the commencement of a lease (or the IFRS 16 transition date, if later), the Group recognises a right-of use asset and a lease liability. The lease liability is measured as the payments for the remaining lease term, discounted either by the rate implicit in the lease, or, where this cannot be determined, the Group's incremental cost of borrowing. The payments included in the liability are those that are fixed or in-substance fixed, excluding changes arising, for example, from future rent reviews or changes in an index. For most Group members, the incremental cost of borrowing is the rate advised by HM Treasury which is set on a calendar year basis (3.51% for 2023 and 4.72% for 2024). The lease liability is presented within the trade payables and other current liabilities note to the accounts. The right-of-use asset is measured at the value of the liability, adjusted for: any payments made, or amounts accrued before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease. However, where the lease requires nominal consideration (a type of arrangement often described as a "peppercorn" lease), the asset is measured at its existing use value.

Subsequent measurement

The asset is subsequently measured using the fair value model. The Group considers that the cost model is a reasonable proxy for the fair value model for leases of items other than land and property, and for leases of land and property with regular rent reviews. For other leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration have been valued using market prices or rentals for equivalent land and properties. The liability is adjusted for the accrual of interest, repayments, reassessments and modifications.

Lease expenditure

Expenditure includes interest, straight-line depreciation, any asset impairments and any change in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items or for those shorter than twelve months are expensed.

The Group as lessor

Where the Group acts as lessor, it assesses whether those leases are finance or operating leases. For finance leases, it derecognises the asset and recognises a receivable. Interest is accrued throughout the financial year and is recognised in income. For operating leases, rental income is recognised on a systematic basis, usually straight-line, over the lease term.

Estimates and judgements

For embedded leases, the Group determines the amounts to be recognised as the right-of-use asset and lease liability based on the stand-alone price of the lease component and the non-lease component or components. This determination reflects the prices for leases of the underlying asset, where these are observable; otherwise, it maximises the use of other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components.

Where an existing use value is required, it is calculated to reflect the term of the arrangement: for example, the existing use value of assets under long-term leases will reflect purchase price, while the value of assets under shorter-term leases will reflect the present value of market rentals for comparable assets, where data is available.

1.16 Private Finance Initiative (PFI) transactions

On Statement of Financial Position PFI Contracts

The PFI transactions of the Group are assessed against International Financial Reporting Interpretations Committee (IFRIC) 12, *Service Concession Arrangements*. To be within the scope of IFRIC 12, the service concession arrangement must contractually oblige the private sector operator to provide the services related to the infrastructure to the public on behalf of the grantor (the Group).

The PFI transaction is deemed to be a service concession within the meaning of IFRIC 12 from the Group’s viewpoint where there is infrastructure and the Group controls:

- or regulates what services the operator must provide with the infrastructure, to whom it must provide them and at what price; and

- through beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the term of the arrangement (or there is no residual interest).

In these cases, the Group recognises the infrastructure as a non-current asset and values it in the same way as other non-current assets of that generic type. The liability to pay for the infrastructure is also recorded on the SOFP. The initial amount recorded for the asset and liability is the fair value of the infrastructure asset. Subsequently, the asset is depreciated over the useful economic life of the class of assets to which it has been assigned and the associated liability is reduced as payments for the asset are made. An imputed finance charge on the liability is recorded in subsequent years using a property – specific rate. The remainder of the PFI payments (i.e. the full payments, less the capital repayment and the imputed finance charge) are recorded as an operating cost. Other obligations which exist in relation to the PFI contract are accounted for in accordance with IAS 37 *Provisions, Contingent liabilities and Contingent Assets*.

The Group recognises the asset when it comes into use. In cases where the Group has made contributions to the operator in advance of the asset coming into use, these contributions are shown within prepayments and amortised to the SOCNE in equal amounts over the asset's useful life.

Off Statement of Financial Position PFI Contracts

PFI contracts that do not transfer any of the risks and rewards associated with ownership of the asset to the Group are treated in the same way as an operating lease i.e. rental payments are charged to the SOCNE in equal annual amounts over the lease term.

1.17 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for de-recognition. A financial liability is derecognised only when it is extinguished.

The Department has financial instruments in the form of an investment in the MCA (Holdings) Limited, trade receivables and payables and cash and cash equivalents. The Group has financial instruments in the form of assets held for sale, trade receivables and payables and cash and cash equivalents.

The investment in the MCA (Holdings) Limited is measured at historical cost less any impairment. Assets available for sale and loans and receivables are recognised and carried at fair value. Financial liabilities are recognised and carried at fair value, net of transaction costs.

The Group assesses at each reporting period date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired.

The Group measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the SOCNE and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable, the amount of the asset is reduced directly and the impairment loss is recognised in the SOCNE to the extent that a provision was not previously recognised.

1.18 Grants payable

In line with the *FReM*, the Department recognises grant on the basis of the underlying activity of the recipient as follows.

- Funding to the Department's NDPBs through grant in aid payments is reported on a cash basis in the period in which payments are made. The extent of the grant liability in relation to the NDPBs for both recurrent and capital expenditure is equal to their expenditure to the extent that the latter has been properly incurred. Expenditure in this context is when the NDPBs make the payments which are due to be funded by the Department. Grant in aid is eliminated within the Group.

- Grants issued to VG and GMI schools in respect of recurrent funding each year reflect the totality of the schools' entitlements under the Local Management of Schools' arrangements.

- Grants issued to voluntary maintained, VG and GMI schools in respect of capital project funding is recognised based on the payments actually made plus accruals for valid grant claims in the possession of the Department.

- Other grant payments are recognised on an accruals basis where such information is available or on the basis of the extent of the grant issued or approved for payment as at 31 March each year.

1.19 Provisions

The Group provides for legal or constructive obligations which are of uncertain timing or amount at the reporting period date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.20 Contingent assets and liabilities

In accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, the Group discloses as contingent liabilities, potential future obligations arising from past obligating events where the existence of such obligations remain uncertain pending the outcome of future events outside the Group's control, unless their likelihood is considered to be remote.

In addition to contingent liabilities disclosed in accordance with IAS 37, the Group discloses for Northern Ireland Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Northern Ireland Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Northern Ireland Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Northern Ireland Assembly.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the organisation. A contingent asset is disclosed where an inflow of economic benefits is probable. Where the time value of money is material, contingent assets are disclosed at their present value.

1.21 Value Added Tax (VAT)

Most of the activities of the Group are outside the scope of VAT and in general output tax does not apply, however input tax on expenditure is recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.22 Corporation tax

The Department and most of its NDPBs are exempt from corporation tax. Four of the bodies designated for consolidation in the Group accounts (CCEA, MCA Limited, MCA (Holdings) Limited and the General Teaching Council for Northern Ireland) are subject to corporation tax.

1.23 Third party assets

Third party assets are assets for which the Group acts as custodian or trustee but in which neither the Group nor government more generally has a direct beneficial interest. Third party assets are not public assets, and hence are not recorded in the primary financial statements. In the interests of general disclosure and transparency, details of the Group's third party assets are provided in note 23.

1.24 Currency and rounding

The functional currency is Sterling and, except where otherwise stated, for presentational purposes figures have been rounded to the nearest thousand pounds.

1.25 New accounting standards that have been issued but are not yet effective

Management has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. Management consider that these are unlikely to have a significant impact on the accounts in the period of initial application.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the *FReM*, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2025. The Group has assessed the impact that the application of IFRS 17 will have and has judged that it is immaterial.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 (Presentation and Disclosure in Financial Statements) 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. The Group has assessed the impact that the application of IFRS 18 will have and has judged that it is immaterial.

1.26 Notional charges

Notional charges are non-cash transactions. Notional charges, in respect of services received from other Government Departments and audit costs, are included in the Consolidated SOCNE to reflect the full economic cost of services.

2. Statement of Operating Costs by Operating Segment

In accordance with IFRS 8: Operating Segments (IFRS 8), the Group has considered the need to analyse its income and expenditure in relation to operating segments. The operating segments have been identified based on financial information reported to the Departmental Board which focused on the following areas.

Aggregated Schools' Budget - the main allocations to schools funded via the Common Funding Formula plus in-year delegations of funding for certain earmarked initiatives.

EA Block Grant - funding allocated to schools from central budgets held by the EA (including Special Schools, Special Education Needs in mainstream, C2k managed Information Communication Technology service; rates, and teacher substitution costs) and funding attributed to schools for services provided by the EA (including transport, FSM, headquarter and central administration, pupil support, schools' development service, music service and school library service).

Earmarked budgets - funding allocated for specific activities which meet defined criteria and for which the funding cannot be spent for any other purpose.

Other NDPBs - the Department is supported by CCEA, CCMS, CnaG, General Teaching Council for Northern Ireland, MCA and Northern Ireland Council for Integrated Education.

Other Education Services - a range of services, including miscellaneous grants to third party organisations.

Early Years Provision - some specific early years programmes, including the Sure Start Programme and the Pathway Fund.

Youth - resource funding for youth services.

Department of Education costs - salary and administration costs for the Department.

Capital grants and Departmental capital - capital programmes including Major Works, the Schools' Enhancement Programme, the Fresh Start Programme, Minor Works schemes, youth capital projects and Departmental non-current assets.

Operating Segments	**2023-24 Gross expenditure £000**	**2023-24 Income £000**	**2023-24 Net expenditure £000**	**2022-23 Gross expenditure £000**	**2022-23 Income £000**	**2022-23 Net expenditure £000**
Aggregated Schools' Budget	1,588,975	(16,521)	1,572,454	1,422,043	(7,477)	1,414,566
EA Block Grant	659,461	(52,320)	607,141	592,896	(57,215)	535,681
Earmarked budgets	118,299	(19,550)	98,749	166,485	(2,363)	164,122
Other NDPBs	39,356	(7,399)	31,957	38,469	(6,457)	32,012
Other Education Services	21,884	-	21,884	27,247	(98)	27,149
Early Years Provision	34,621	-	34,621	34,231	-	34,231
Youth	507,044	(755)	506,289	438,314	(590)	437,724
Department of Education costs	21,713	-	21,713	18,259	-	18,259
Total resource	**2,991,353**	**(96,545)**	**2,894,808**	**2,737,944**	**(74,200)**	**2,663,744**
Capital grants and Departmental capital	55,351	(836)	54,515	64,797	(836)	63,961
Total resource and capital	**3,046,704**	**(97,381)**	**2,949,323**	**2,802,741**	**(75,036)**	**2,727,705**

The total assets, total liabilities and net assets are not disclosed as they are not reported separately to the Departmental Board.

2.1 Reconciliation between Operating Segments and the Consolidated SOCNE

	Note	2023-24 £000	2022-23 £000
Total net expenditure reported for operating segments	2	2,949,323	2,727,705
Reconciling items:			
AME – impairments		(1,047)	5,555
AME – provisions		(377)	2,333
Operating income payable to the Consolidated Fund		(3,708)	(5,702)
Depreciation		128,170	132,168
Departmental capital		(4,893)	(3,036)
IAS 19 pension costs		11,190	152,435
Loss on disposal of property		1,654	3,350
PFI dual reporting adjustment		3,222	2,831
Other non-cash		(579)	(362)
Corporation tax		27	4
Total net expenditure per the Consolidated SOCNE		**3,082,982**	**3,017,281**
Notional costs		3,918	3,874
Total net expenditure including notionals per the Consolidated SOCNE		**3,086,900**	**3,021,155**

3. Expenditure

3.1 Other administration expenditure

	Note	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Staff costs*					
Wages and salaries		13,943	13,943	12,717	12,717
Social security costs		1,251	1,251	1,242	1,242
Other pension costs		3,503	3,503	3,335	3,335
		18,697	18,697	17,294	17,294
Other operating expenditure					
Profit on disposal of property		(3)	(3)	-	-
Purchase of goods and services					
Travel and subsistence		63	63	37	37
Other staff related costs		70	70	108	108
Accommodation costs		112	112	202	202
Office services		327	327	425	425
Contracted out services		809	809	804	804
Other professional fees		8	8	15	15
Managed services – information technology		31	31	29	29
Other expenses		128	128	136	136
		1,548	1,548	1,756	1,756
Non-cash items					
Depreciation		13	13	6	6
Amortisation		7	7	-	-
Revaluation		37	37	-	-
		57	57	6	6
Notional charges					
- auditor's remuneration and expenses		105	105	83	83
- accommodation		1,448	1,448	1,430	1,430
- others		2,164	2,164	2,160	2,160
		3,717	3,717	3,673	3,673

	Note	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Increase/(decrease) in provisions (provision provided for in-year less any release)	3.4	46	46	(230)	(230)
Total		**24,062**	**24,062**	**22,499**	**22,499**

***Further analysis of staff costs is located in the Staff Report within the Accountability Report.**

During the year the Core Department did not purchase any non-audit services from its auditor, the Northern Ireland Audit Office (2022-23: £3k was paid to the Northern Ireland Audit Office for the completion of non-audit work relating to the National Fraud Initiative (NFI)). During the year the Group did not purchase any non-audit services from its auditor, the Northern Ireland Audit Office (2022-23: £6k was paid to the Northern Ireland Audit Office for the completion of non-audit work relating to the NFI).

3.2 Programme expenditure

	Note	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Staff costs*					
Wages and salaries		10,394	1,525,652	10,500	1,348,795
Social security costs		930	130,461	986	129,912
Other pension costs		2,619	297,088	2,685	292,029
		13,943	1,953,201	14,171	1,770,736
Other operating expenditure					
Grants		2,924,462	606,966	2,838,286	570,008
EU Grant		6,442	6,442	2,446	2,446
Loss on disposal of property		-	1,657	-	3,350
		2,930,904	615,065	2,840,732	575,804
Purchase of goods and services					
Goods and services		-	251,978	-	242,292
Auditors' remuneration and expenses (hard charge audit fees and non-audit services)		-	71	-	71
Interest charges		-	1	-	3
PFI and other service concession arrangements service charges		-	30,231	-	27,821
Travel and subsistence		125	270	143	290

	Note	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Other staff related costs		41	76	45	127
Accommodation costs		95	139,780	138	153,307
Office services		1,814	29,257	2,099	29,584
Contracted out services		18	18	19	19
Other professional fees		-	7,939	-	7,431
Managed Services – Information Technology		-	-	-	11
Pension costs		-	14,937	-	131,357
Other expenses		1,982	2,518	3,229	3,864
		4,075	477,076	5,673	596,177
Non-cash items					
Depreciation		262	121,928	220	128,452
Amortisation		955	6,222	571	3,710
Revaluation		274	(1,084)	(107)	5,555
		1,491	127,066	684	137,717
Notional charges					
- Auditor's remuneration and expenses		-	201	-	201
Increase in provisions (provision provided for in-year less any release)	3.4	9	2,268	3	4,674
Total		**2,950,422**	**3,174,877**	**2,861,263**	**3,085,309**

*Further analysis of staff costs is located in the Staff Report within the Accountability Report.

3.3 Notional audit costs

The non-cash auditors' remuneration for the year includes costs incurred by the Department for the departmental group audit, and by NDPBs for the audit of their individual accounts as shown in the breakdown below. Further details for NDPBs can be found in their individual accounts.

	2023-24 £000	2022-23 £000
Core Department	105	83
Total Core Department	**105**	**83**
EA	184	184
General Teaching Council for Northern Ireland	17	17
Departmental Group notional audit costs	**306**	**284**

Other NDPBs are hard charged for their audit costs, and their costs are included in the Departmental Group figure at note 3.2.

3.4 Non-cash transactions included in the Statement of Cash Flows

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Depreciation, amortisation and revaluation (Note 3.1)	57	57	6	6
Depreciation, amortisation and revaluation (Note 3.2)	1,491	127,066	684	137,717
	1,548	127,123	690	137,723
New provisions, and adjustments to previous provisions (Note 3.1)	46	46	(230)	(230)
New provisions, and adjustments to previous provisions (Note 3.2)	9	2,268	3	4,674
New provisions, and adjustments to previous provisions which are not included in Note 3.2	-	-	-	(38)
	55	2,314	(227)	4,406
Other non-cash items				
Notional charges (Note 3.1)	3,717	3,717	3,673	3,673
Notional charges (Note 3.2)	-	201	-	201
Northern Ireland Teachers' Pension Scheme – Premature Retirement Compensation	-	15,854	-	14,659
IAS 19 pension costs	-	11,190	-	152,435
Taxation	-	10	-	-
VG & GMI	-	471	-	(4,721)
	3,717	31,443	3,673	166,247
Profit on disposal of property (Note 3.1)	(3)	(3)	-	-
Loss on disposal of property (Note 3.2)	-	1,657	-	3,350
	(3)	1,654	-	3,350
Total non-cash transactions (Statement of Cash Flows)	**5,317**	**162,534**	**4,136**	**311,726**

3.5 Analysis of notes 3.1 and 3.2 for the Statement of Comprehensive Net Expenditure

Core Department	Other administration expenditure (Note 3.1) £000	Programme expenditure (Note 3.2) £000	2023-24 £000	2022-23 £000
Staff costs	18,697	13,943	32,640	31,465
Purchase of goods and services	1,548	4,075	5,623	7,429
Depreciation, amortisation and revaluation	57	1,491	1,548	690
Provision expense	46	9	55	(227)
Other operating expenditure	(3)	2,930,904	2,930,901	2,840,732
	20,345	**2,950,422**	**2,970,767**	**2,880,089**
Notional costs				
Notional audit costs	105	-	105	83
Other notional costs	3,612	-	3,612	3,590
Total notional costs	**3,717**	**-**	**3,717**	**3,673**
	24,062	**2,950,422**	**2,974,484**	**2,883,762**

Departmental Group	Other administration expenditure (Note 3.1) £000	Programme expenditure (Note 3.2) £000	2023-24 £000	2022-23 £000
Staff costs	18,697	1,953,201	1,971,898	1,788,030
Purchase of goods and services	1,548	477,076	478,624	597,933
Depreciation, amortisation and revaluation	57	127,066	127,123	137,723
Provision expense	46	2,268	2,314	4,444
Other operating expenditure	(3)	615,065	615,062	575,804
	20,345	**3,174,676**	**3,195,021**	**3,103,934**
Notional costs				
Notional audit costs	105	201	306	284
Other notional costs	3,612	-	3,612	3,590
Total notional costs	**3,717**	**201**	**3,918**	**3,874**
	24,062	**3,174,877**	**3,198,939**	**3,107,808**

4. Income

4.1 Revenue from contracts with customers

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Catering operations	-	36,273	-	32,511
Recoupment of costs	-	20,645	-	21,337
Other income generating activities	-	6,695	-	6,223
Miscellaneous	-	3,573	-	2,746
Tuition fees	-	2,508	-	2,703
Letting of Halls	-	730	-	628
Outdoor Education Charges	-	738	-	893
	-	**71,162**	**-**	**67,041**

The Group has considered the requirements of IFRS 15 *Revenue from Contracts with Customers*. Income falling within the scope of IFRS 15 and relating to contracts with customers is analysed in the table above.

4.2 Other operating income

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Co-funded ALB income (Further Education and Student Support, from DfE)	11,571	11,571	12,519	12,519
Other	1,223	7,083	1,278	6,104
European funds	5,476	7,455	2,079	8,260
Other grants	-	5,016	-	4,625
Shared Education (from Atlantic Philanthropies)	-	-	53	53
Capital income	-	386	-	586
Sale of property, plant and equipment (NDPBs)	3,321	3,321	5,358	5,358
Vulnerable Persons Relocation Scheme	2,326	2,326	42	42
New Opportunities Fund/Big Lottery/Heritage Lottery Fund	-	1	-	22
	23,917	**37,159**	**21,329**	**37,569**

Other operating income consists of grants which have no commercial substance and are therefore considered to be outside the scope of IFRS 15.

5. Taxation

Corporation tax of £27k (2022-23: £4k) was paid at a rate of 25% (2022-23: 19%) on the taxable gains of two of the Department's NDPBs, MCA Limited and General Teaching Council for Northern Ireland.

6. Property, plant and equipment

Consolidated	Land £000	Buildings £000	Transport Equipment £000	Information Technology £000	Plant & Machinery £000	Asset under Construction £000	Total £000
Cost or valuation							
At 1 April 2023	685,041	2,820,551	104,207	212,549	132,625	119,396	4,074,369
Additions	19,110	101,433	1,005	5,757	10,609	77,391	215,305
Disposals	(1)	-	(2,204)	(454)	(1,381)	-	(4,040)
Reclassifications and transfers*	521	52,908	17	9,037	1,489	(64,140)	(168)
Revaluation	1,346	53,487	262	1,252	2,445	(204)	58,588
Transferred to non-current assets held for sale	(1,026)	-	-	-	-	-	(1,026)
At 31 March 2024	**704,991**	**3,028,379**	**103,287**	**228,141**	**145,787**	**132,443**	**4,343,028**
Depreciation							
At 1 April 2023	-	140	59,234	164,611	78,686	-	302,671
Charged in year	-	86,726	7,862	16,009	9,863	-	120,460
Disposals	-	-	(2,179)	(446)	(1,355)	-	(3,980)
Reclassifications and transfers*	-	-	-	(1,522)	1,366	-	(156)
Revaluation	-	1,724	156	1,089	1,461	-	4,430
At 31 March 2024	**-**	**88,590**	**65,073**	**179,741**	**90,021**	**-**	**423,425**
Carrying amount at 31 March 2024	**704,991**	**2,939,789**	**38,214**	**48,400**	**55,766**	**132,443**	**3,919,603**
Carrying amount at 31 March 2023	**685,041**	**2,820,411**	**44,973**	**47,938**	**53,939**	**119,396**	**3,771,698**

Consolidated	Land £000	Buildings £000	Transport Equipment £000	Information Technology £000	Plant & Machinery £000	Asset under Construction £000	Total £000
Asset financing							
Owned	682,903	2,803,482	38,214	48,400	55,766	132,443	3,761,208
On-Balance Sheet PFI contracts and other service concession arrangements	45	9,968	-	-	-	-	10,013
Leased	22,043	126,339	-	-	-	-	148,382
Carrying amount at 31 March 2024	**704,991**	**2,939,789**	**38,214**	**48,400**	**55,766**	**132,443**	**3,919,603**
Of the total:							
Department	11,319	11,496	18	4	5	36,574	59,416
Other designated bodies	693,672	2,928,293	38,196	48,396	55,761	95,869	3,860,187
Carrying amount at 31 March 2024	**704,991**	**2,939,789**	**38,214**	**48,400**	**55,766**	**132,443**	**3,919,603**

*Transfer of Information Technology equipment from Property, Plant and Equipment to Intangible Assets.

Land and buildings are stated at current value in existing use. Land is valued in the year of purchase and buildings in the year in which they are brought into use, using a professional valuation provided by LPS, a Directorate within DoF. Subsequently, a professional valuation is made by LPS every five years, and in the intervening years interim valuations are obtained from LPS. The last full professional valuation of the land and buildings was undertaken by LPS as at 31 March 2023. All other assets are re-valued using indices.

The net book value of property, plant and equipment includes an amount of £17,758k (2022-23: £17,884k) in respect of assets held in Reversionary Trusts i.e. if properties cease to be used as specified in the deeds they will revert to the ownership of the trustees.

The net book value of property, plant and equipment noted above does not include maintained schools, apart from school meals kitchens accommodation operating on these sites, which are owned by the EA. The ownership of maintained schools rests with the trustees. In 2023-24 there were 473 (2022-23: 476) such schools.

Consolidated	Land £000	Buildings £000	Transport Equipment £000	Information Technology £000	Plant & Machinery £000	Asset under Construction £000	Total £000
Cost or valuation							
At 1 April 2022	675,339	2,848,820	107,518	185,702	111,215	107,706	4,036,300
Transferred to Right-of-Use lease assets (note 19.1)	(276)	-	-	-	-	-	(276)
Additions	5,322	40,740	5,772	23,271	13,041	49,179	137,325
Disposals	(194)	(433)	(15,167)	(369)	(5,225)	(78)	(21,466)
Reclassifications and transfers	1,324	35,813	-	187	87	(37,411)	-
Revaluation	7,366	(101,850)	6,084	3,758	13,507	-	(71,135)
Transferred to non-current assets held for sale	(3,840)	(2,539)	-	-	-	-	(6,379)
At 31 March 2023	**685,041**	**2,820,551**	**104,207**	**212,549**	**132,625**	**119,396**	**4,074,369**
Depreciation							
At 1 April 2022	-	326,069	62,525	141,106	66,576	-	596,276
Charged in year	-	88,201	8,158	21,285	9,303	-	126,947
Disposals	-	(629)	(14,891)	(364)	(5,050)	-	(20,934)
Revaluation	-	(411,276)	3,442	2,584	7,857	-	(397,393)
Transferred to non-current assets held for sale	-	(2,225)	-	-	-	-	(2,225)
At 31 March 2023	**-**	**140**	**59,234**	**164,611**	**78,686**	**-**	**302,671**
Carrying amount at 31 March 2023	**685,041**	**2,820,411**	**44,973**	**47,938**	**53,939**	**119,396**	**3,771,698**
Carrying amount at 31 March 2022	**675,339**	**2,522,751**	**44,993**	**44,596**	**44,639**	**107,706**	**3,440,024**

Consolidated	Land £000	Buildings £000	Transport Equipment £000	Information Technology £000	Plant & Machinery £000	Asset under Construction £000	Total £000
Asset financing							
Owned	659,127	2,490,898	44,973	47,938	53,939	119,396	3,416,271
On-Balance Sheet PFI contracts and other service concession arrangements	45	192,901	-	-	-	-	192,946
Leased	25,869	136,612	-	-	-	-	162,481
Carrying amount at 31 March 2023	**685,041**	**2,820,411**	**44,973**	**47,938**	**53,939**	**119,396**	**3,771,698**
Of the total:							
Department	10,614	11,387	27	6	1	32,159	54,194
Other designated bodies	674,427	2,809,024	44,946	47,932	53,938	87,237	3,717,504
Carrying amount at 31 March 2023	**685,041**	**2,820,411**	**44,973**	**47,938**	**53,939**	**119,396**	**3,771,698**

7. Intangible assets

Consolidated	Information Technology £000	Software licences £000	Asset under Construction £000	Total £000
Cost or valuation				
At 1 April 2023	9,477	16,928	37,519	63,924
Additions	269	13,996	-	14,265
Disposals	-	(132)	-	(132)
Reclassifications and transfers*	151	34,082	(34,065)	168
Revaluation	427	-	-	427
At 31 March 2024	**10,324**	**64,874**	**3,454**	**78,652**
Amortisation				
At 1 April 2023	2,267	8,955	-	11,222
Charged in year	962	5,267	-	6,229
Disposals	-	(128)	-	(128)
Reclassifications and transfers*	-	156	-	156
Revaluation	122	-	-	122
At 31 March 2024	**3,351**	**14,250**	**-**	**17,601**
Carrying amount at 31 March 2024	**6,973**	**50,624**	**3,454**	**61,051**
Carrying amount at 31 March 2023	**7,210**	**7,973**	**37,519**	**52,702**
Asset financing				
Owned	6,973	50,624	3,454	61,051
Carrying amount at 31 March 2024	**6,973**	**50,624**	**3,454**	**61,051**
Of the total:				
Department	6,973	-	-	6,973
Other designated bodies	-	50,624	3,454	54,078
Carrying amount at 31 March 2024	**6,973**	**50,624**	**3,454**	**61,051**

*Transfer of Information Technology equipment from Property, Plant and Equipment to Intangible Assets.

Consolidated	Information Technology £000	Software licences £000	Asset under Construction £000	Total £000
Cost or valuation				
At 1 April 2022	6,298	7,205	30,968	44,471
Additions	1,061	9,623	7,761	18,445
Disposals	-	(45)	-	(45)
Reclassifications and transfers	1,097	113	(1,210)	-
Revaluation	1,021	32	-	1,053
At 31 March 2023	**9,477**	**16,928**	**37,519**	**63,924**
Amortisation				
At 1 April 2022	1,530	5,829	-	7,359
Charged in year	571	3,139	-	3,710
Disposals	-	(45)	-	(45)
Revaluation	166	32	-	198
At 31 March 2023	**2,267**	**8,955**	**-**	**11,222**
Carrying amount at 31 March 2023	**7,210**	**7,973**	**37,519**	**52,702**
Carrying amount at 31 March 2022	**4,768**	**1,376**	**30,968**	**37,112**
Asset financing				
Owned	7,210	7,973	37,519	52,702
Carrying amount at 31 March 2023	**7,210**	**7,973**	**37,519**	**52,702**
Of the total:				
Department	7,210	-	151	7,361
Other designated bodies	-	7,973	37,368	45,341
Carrying amount at 31 March 2023	**7,210**	**7,973**	**37,519**	**52,702**

8. Impairments

The following impairments to current and non-current assets were incurred during the financial year.

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Impairment charge/(credit) to the SOCNE	328	(1,030)	(78)	5,584
Impairment taken through the revaluation reserve	-	-	-	-
Total impairment charge/(credit) for the year	**328**	**(1,030)**	**(78)**	**5,584**

9. Financial Instruments

IFRS 7, *Financial Instruments: Disclosures*, requires disclosure that enables evaluation of the significance of financial instruments for the Group's financial position and performance, the nature and extent of risks arising from financial instruments to which the Group is exposed during the period and at the reporting date, and how the Group manages those risks. As a result of the non-trading nature of its activities and the way in which Government Departments are financed, the Group is not exposed to the degree of financial risk faced by business entities.

Classification of financial instruments

The Group has financial instruments in the form of an investment in MCA (Holdings) Limited, assets held for sale, trade receivables and payables and cash and cash equivalents.

The investment in the MCA (Holdings) Limited is measured at historical cost less any impairment. Assets held for sale, trade receivables and cash and cash equivalents are measured at amortised cost. Financial liabilities are recognised and carried at fair value, net of transaction costs.

Risk management

Financial risks include credit risk, liquidity risk and market risks (interest rate and currency).

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is not exposed to significant credit risk and manages its exposure via credit risk management policies which require review of the credit history of the organisations that the Group wishes to trade with. Publicly available credit information from recognised providers is utilised for this purpose where available. The maximum exposure to credit risk is represented by the carrying amounts of the trade receivables carried in the SOFP.

Liquidity risk

Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities. The Group's net revenue resource requirements are financed by resources voted annually by the Northern Ireland Assembly, as is its capital expenditure. The Group is not, therefore, exposed to significant liquidity risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

All of the Group's financial assets and liabilities carry nil or fixed rates of interest. The Group is therefore not exposed to any interest rate risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group receives reimbursement of certain grant payments from the EU. Transactions with the EU are denominated in euro and therefore exposed to currency risk. The revenue due from the EU is recognised as a receivable when it is initially paid to grant recipients. However, only when the Group submits claims to the EU is the relevant portion of the receivable subject to exchange rate risk.

The Group does not have the authority to manage currency risk through hedging.

10. Investments in other public bodies

In the year to 31 March 2005 the Department invested in the "MCA (Holdings) Limited" as a joint venture with the Department of Education, Ireland. Both parties fund the company equally.

The investment in the MCA (Holdings) Limited at 31 March 2024 was:

	MCA (Holdings) Limited £000
1 April 2022	815
Revaluation credit to SOCNE	107
At 31 March 2023	**922**
Revaluation credit to SOCNE	30
At 31 March 2024	**952**

11. Assets held for sale

	Departmental Group £000
At 1 April 2022	321
Assets classified as held for sale in the year	4,154
Revaluation	(1,080)
Assets sold in the year	(2,815)
At 31 March 2023	**580**
Assets classified as held for sale in the year	1,026
Assets sold in the year	(1,606)
At 31 March 2024	**-**

.All assets classified as held for sale meet the following conditions:

- there is a commitment to a plan to sell;
- an active programme to locate a buyer has been initiated;

- the asset is actively marketed for sale;
- the asset is available for sale in its present condition; and
- the asset is expected to be disposed of within 12 months of being classified as "non-current assets held for sale".

Assets sold in the year comprised:

- Ballygolan Primary School, Newtownabbey;
- Culnady Primary School; and
- Lisnaskea Transport Depot.

12. Inventories

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Schools' stock	-	44,118	-	44,356
Musical instruments and book stock	-	6,055	-	6,132
Grounds maintenance service stock	-	1,174	-	1,215
Catering	-	1,651	-	1,455
Maintenance and central depots	-	754	-	674
Teaching Aids	-	2	-	1
	-	**53,754**	**-**	**53,833**

13. Cash and cash equivalents

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
At 1 April	(2,154)	12,902	39	23,012
Net change in cash and cash equivalents	(842)	(1,721)	(2,193)	(10,110)
At 31 March	**(2,996)**	**11,181**	**(2,154)**	**12,902**
The following balances at 31 March were held at:				
Commercial banks and cash in hand	(2,996)	11,181	(2,154)	12,902
At 31 March	**(2,996)**	**11,181**	**(2,154)**	**12,902**
The balance comprises:				
Cash at bank	-	14,177	-	15,056
Bank overdraft	(2,996)	(2,996)	(2,154)	(2,154)
	(2,996)	**11,181**	**(2,154)**	**12,902**

13.1 Reconciliation of liabilities arising from financing activities

The Core Department had no liabilities arising from financing activities at 31 March 2024 and 31 March 2023.

Departmental Group	31 March 2023 £000	Cash flows £000	Other changes £000	31 March 2024 £000
Lease liabilities	4,998	(1,402)	(181)	3,415
PFI liabilities	127,441	(5,566)	(171)	121,704
Total liabilities from financing activities	**132,439**	**(6,968)**	**(352)**	**125,119**

Departmental Group	31 March 2022 £000	Cash flows £000	Acquisition £000	Other changes £000	31 March 2023 £000
Lease liabilities	-	(1,211)	107	6,102*	4,998
PFI liabilities	132,901	(5,460)	-	-	127,441
Total liabilities from financing activities	**132,901**	**(6,671)**	**107**	**6,102**	**132,439**

*Other changes include lease liabilities recognised as a result of implementing IFRS 16.

14. Trade receivables, financial and other assets

Amounts falling due within one year:	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
VAT	315	13,116	390	15,598
EU grants receivable	2,714	2,714	1,743	1,743
Trade receivables	252	7,896	322	6,802
Other receivables	177	1,485	137	1,184
Prepayments	600	6,412	615	7,083
Accrued income	1,171	27,386	847	32,416
Amounts due from the Consolidated Fund in respect of Supply	6,369	6,369	7,856	7,856
	11,598	**65,378**	**11,910**	**72,682**

Amounts falling due after more than one year:	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Trade receivables	-	89	-	66
	-	**89**	**-**	**66**

Included within accrued income in the Core Department is £334,708.48 (2022-23: £nil) that will be due to the Consolidated Fund once the debt is collected.

15. Trade payables, financial and other liabilities

Amounts falling due within one year:	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Bank overdraft (Note 13)	2,996	2,996	2,154	2,154
VAT	-	28	-	53
Other taxation and social security	18,702	27,342	19,319	26,183
Trade payables	63,740	84,169	55,930	78,190
Other payables	1,277	5,268	1,291	5,119
Accruals	9,604	439,691	8,220	228,431
Deferred income	1,724	1,724	462	4,756
Current part of lease liabilities	-	1,163	-	1,401
Current part of capital and interest elements of PFI contracts and other service concession arrangements	-	6,027	-	5,737
Loans from DoF	-	470	-	402
Consolidated Fund extra receipts due to be paid to the Consolidated Fund				
- received	3,373	3,373	5,702	5,702
- receivable	335	335	-	-
	101,751	**572,586**	**93,078**	**358,128**

Amounts falling due after more than one year:	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Other payables	-	1,921	-	1,654
Leases	-	2,252	-	3,597
Capital and interest elements of PFI contracts and other service concession arrangements	-	115,677	-	121,704
Loans from DoF	-	3,780	-	4,319
	-	**123,630**	**-**	**131,274**

16. Provisions for liabilities and charges

Core Department	Early departure costs £000	Legal Claims £000	2023-24 Total £000	Early departure costs £000	Legal Claims £000	2022-23 Total £000
At 1 April 2023	333	14	347	549	56	605
Provided in the year	46	9	55	20	4	24
Provisions not required written back	-	-	-	-	(36)	(36)
Provisions utilised in the year	(23)	-	(23)	(21)	(10)	(31)
Changes in discount rate	-	-	-	(215)	-	(215)
At 31 March 2024	**356**	**23**	**379**	**333**	**14**	**347**

Departmental Group	Early departure costs £000	Legal Claims £000	Other £000	2023-24 Total £000	Early departure costs £000	Legal Claims £000	Other £000	2022-23 Total £000
At 1 April 2023	843	16,381	126	17,350	1,103	13,952	75	15,130
Provided in the year	46	9,340	-	9,386	20	8,650	89	8,759
Provisions not required written back	-	(7,072)	(37)	(7,109)	-	(4,100)	(38)	(4,138)
Provisions utilised in the year	(61)	(2,691)	(89)	(2,841)	(65)	(2,121)	-	(2,186)
Changes in discount rate	-	-	-	-	(215)	-	-	(215)
At 31 March 2024	**828**	**15,958**	**-**	**16,786**	**843**	**16,381**	**126**	**17,350**

16.1 Analysis of expected timing of discounted flows

Core Department	Early departure costs £000	Legal Claims £000	2023-24 Total £000	Early departure costs £000	Legal Claims £000	2022-23 Total £000
Not later than one year	24	23	47	22	14	36
Later than one year and not later than five years	94	-	94	85	-	85
Later than five years	238	-	238	226	-	226
At 31 March 2024	**356**	**23**	**379**	**333**	**14**	**347**

Departmental Group	Early departure costs £000	Legal Claims £000	Other £000	2023-24 Total £000	Early departure costs £000	Legal Claims £000	Other £000	2022-23 Total £000
Not later than one year	103	831	-	934	107	1,913	126	2,146
Later than one year and not later than five years	199	15,127	-	15,326	198	14,468	-	14,666
Later than five years	526	-	-	526	538	-	-	538
At 31 March 2024	**828**	**15,958**	**-**	**16,786**	**843**	**16,381**	**126**	**17,350**

Early departure costs

The Department is required to meet the costs of paying the pensions of employees who retire early, from the date of their retirement until they reach normal pensionable age (or, in the case of Injury Awards estimated life expectancy) and must provide in full for the cost of meeting pensions resulting from such early retirement schemes. The Department may, in certain circumstances, settle some or all of its liability in advance by making a payment to the DoF Superannuation Vote.

Legal claims (including Employer and Public Liability Claims)

Provision has been made for various legal claims against the Group. The provision reflects all known claims where legal advice indicates that it is more than 50% probable that the claim will be successful, and the amount of the claim can be reliably estimated. A discount rate has not been applied to the provisions for legal claims as the time value of money is not significant.

Legal claims which may succeed but are less likely to do so or cannot be estimated reliably are disclosed as contingent liabilities in Note 17.

The Court of Appeal (CoA) judgement from 17 June 2019 (Police Service of Northern Ireland v Agnew) determined that claims for Holiday Pay shortfall can extend as far back as 1998. However, the Police Service of Northern Ireland appealed the CoA judgement to the Supreme Court. The hearing was held in December 2022 and the judgement was delivered on 4 October 2023. The 2023-24 Holiday Pay provision has been estimated by HR and covers the period from November 1998 to 31 March 2020. There are still some significant elements of uncertainty around this estimate for a number of reasons:

a) Outstanding legal advice now required following the Supreme Court judgement.

b) Lack of accessible data for years prior to 2011.

c) Ongoing negotiations with Trade Unions and their legal representatives.

Legal claims are also submitted by members of staff and/or the public in relation to accidents or incidents, which have happened before the SOFP date. Claims which are not considered dormant, or statute barred by the passage of time since being lodged but have progressed sufficiently to allow an estimated ‘settlement’ figure to be calculated, are included in the provision. Estimates are calculated by reference to analysis of previous claims of a similar type, the previous history of successful settlements and professional judgement.

The possible timing of payments in settlement of such cases is uncertain; it is plaintiff driven and the case’s progress is dependent on the individual circumstances of that case. As a case progresses and more information becomes available the amount of the estimated ‘settlement’ figure may in subsequent years be revised up or down.

Other

Other includes provision for job evaluation, industrial tribunal cases pending and sundry legal costs.

The job evaluation element relates to EA employees, whose posts are due to be evaluated under the job evaluation scheme. As a result, employees may be re-graded to a higher grade and therefore entitled to a higher salary from the date additional duties were undertaken. The provision is made only in respect of those employee categories where it is probable that a liability will arise and where the EA is able to make a reasonable estimation of the arrears' liability. Following a reassessment of the position at 31 March 2024, the EA has assessed that there is no requirement for a provision for Job Evaluation as any recent payments made for job evaluation are immaterial and there is no expectation of material payments in the future.

Premature Retirement for Teachers

A provision has not been included in the Group's accounts for future liabilities in respect of existing teacher premature retirement cases. Any assessment of future financial liabilities in this regard will be reflected in the Northern Ireland Teachers' Pension Scheme.

The in-year charge in respect of such cases as well as requisite employer superannuation contributions is charged to the Group's SOCNE. In that respect there were 4,966 (2022-23: 5,144) premature retirement compensation cases at 31 March 2024.

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

In addition to the following, the Department has entered into a number of guarantees, indemnities or provided letters of comfort, but the possibility of these crystallising is considered to be too remote to require disclosure. Remote contingent liabilities which the Department has reported to the Northern Ireland Assembly are disclosed within the Other Assembly Accountability Disclosure Notes in the Northern Ireland Assembly Accountability and Audit Report.

Legal Cases and Public Liability

Proceedings against the Group have been initiated for a number of public employer's liability and employment tribunal cases.

The Group has accrued or provided for the estimated settlement cost of cases where it can be reliably estimated, i.e. amounts which are probable and ascertainable.

No amounts have been accrued or provided for in the accounts for cases where the likelihood of the Group being found liable cannot be reliably determined or the value of settlements reasonably estimated on the basis that the cases concerned have not progressed sufficiently to allow assessment by solicitors.

Based on previous cases of a similar nature, should the Group be found liable for all cases listed and not already provided for within the accounts, the potential total settlement costs are estimated to be in the region of £8,521k (2022-23: £5,897k) for 204 (2022-23: 207) legal challenges.

Public Sector Pensions - Injury to Feelings Claims

The DoF 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 Departments. This is an extremely complex case with potential implications for the Northern Ireland Civil Service and wider public sector. However the cases are at a very early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

Job Evaluation - EA

Assessment and Review Process for Classroom Assistants

An assessment and review process in relation to allocated classroom assistant job descriptions is still to be agreed with the trade unions.

Job Evaluation - Moratorium

As a consequence of an ongoing moratorium on headquarters and out-centre job evaluations there are approximately 150 posts awaiting re-evaluation, most of which arise in the legacy organisations which pre-date the creation of the EA. It is estimated that the cost of re-evaluation of current claims and associated arrears could amount to £3m. A pilot exercise is to be undertaken to progress agreement with Trade Union Side on revised procedures to support a business case.

Repayment of grants

Northern Ireland Council for Integrated Education and CnaG have a contingent liability to repay revenue grants received if certain conditions are not fulfilled.

17.2 Contingent assets

The following contingent assets at 31 March 2024 have not been included in the financial statements:

	Number of cases	Value £000
Probable recoupment of monies from school trustees following closure	16	3,941

18. Retirement benefit asset/(obligation)

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Fair value of assets	-	3,275,938	-	2,924,903
Present value of funded defined benefit obligation	-	(2,970,146)	-	(2,886,810)
Present value of unfunded defined benefit obligation	-	(17,473)	-	(14,381)
Asset/(liability) at 31 March	**-**	**288,319**	**-**	**23,712**

Further detail in relation to pension obligations can be found in the Remuneration and Staff Report within the Annual Report and Accounts of each NDPB.

19. Leases

The Group’s lease contracts comprise land and buildings.

19.1 Right-of-use lease assets

	Land £000	Buildings £000	2023-24 Total £000
Cost or valuation			
At 1 April 2023	806	6,041	6,847
Revaluations	-	32	32
Derecognition	(7)	(565)	(572)
At 31 March 2024	**799**	**5,508**	**6,307**
Depreciation			
At 1 April 2023	66	1,391	1,457
Charged in year	99	1,382	1,481
Revaluations	-	3	3
Derecognition	(7)	(384)	(391)
At 31 March 2024	**158**	**2,392**	**2,550**
Carrying amount at 31 March 2024	**641**	**3,116**	**3,757**

	Land £000	Buildings £000	2022-23 Total £000
Cost or valuation			
Initial recognition – transferred from Property, Plant and Equipment	276	-	276
Initial recognition	504	5,827	6,331
Additions	-	195	195
Revaluations	26	19	45
At 31 March 2023	**806**	**6,041**	**6,847**
Depreciation			
Charged in year	105	1,406	1,511
Revaluations	(39)	(15)	(54)
At 31 March 2023	**66**	**1,391**	**1,457**
Carrying amount at 31 March 2023	**740**	**4,650**	**5,390**

19.2 Lease liabilities

Maturity analysis	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Land and Buildings				
Not later than one year	-	1,186	-	1,435
Later than one year and not later than five years	-	1,853	-	3,104
Later than five years	-	456	-	572
	-	**3,495**	**-**	**5,111**
Less interest element	-	(80)	-	(113)
Present Value of obligations	**-**	**3,415**	**-**	**4,998**

Maturity analysis	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Current	-	1,163	-	1,401
Non-current	-	2,252	-	3,597
Total Present Value of obligations	**-**	**3,415**	**-**	**4,998**

19.3 Amounts recognised in the SOCNE

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Depreciation	-	1,481	-	1,511
Interest expense	-	37	-	45
Expense related to short term leases	-	271	-	185
Expense related to low-value asset leases (excluding short term leases)	-	665	-	737
	-	**2,454**	**-**	**2,478**

19.4 Amounts recognised in the Statement of Cash Flows

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Interest expense	-	38	-	45
Repayments of principal on leases	-	1,402	-	1,211
	-	**1,440**	**-**	**1,256**

19.5 Group as a lessor

In addition to the above, the Department leased a number of land and building assets to the EA, to St MacNissi's Educational Trust and to the Lough Neagh Landscape Partnership for a peppercorn rent.

20. Commitments under PFI and other service concession arrangements

20.1 Off-balance sheet (SOFP)

The EA acts as a paying agent for the Department in relation to a number of PFI contracts.

The contracts in place are as follows:

- Lagan College, Belfast (a GMI School) - in this case the payments are accounted for on a 'pass-through' basis and do not affect the amounts disclosed in these accounts.

- Down and Connor Public Private Partnership (PFI) Scheme - this scheme consists of three schools - St Joseph's Primary School, Carryduff (a Catholic Maintained School), Our Lady and St Patrick's College Knock (a VG School) and St Mary's Primary School, Portglenone (a Catholic Maintained School). The unitary payments in respect of St Joseph's Primary School, Carryduff and St Mary's Primary School, Portglenone are funded through the EA while the payments in respect of Our Lady and St Patrick's College Knock are accounted for on a 'pass-through' and do not affect the amounts disclosed in these accounts.

- De La Salle PFI Scheme - this scheme consists of St Patrick's Grammar School, Downpatrick (a VG School). Payments in respect of this scheme are accounted for on a 'pass-through' basis and do not affect the amounts disclosed in these accounts.
- Holy Cross College, Strabane (a Catholic Maintained School).
- St Mary's College, Derry (a Catholic Maintained School).
- St Cecilia's College, Derry (a Catholic Maintained School).
- St Genevieve's High School, Belfast (a Catholic Maintained School).

The unitary payments in respect of Catholic Maintained Schools are funded through the EA and are disclosed in these accounts.

Charge to the SoCNE and future commitments

The total amount charged in the SOCNE in respect of off-balance sheet (SOFP) PFI or other service concession transactions was £15,095k (2022-23: £14,347k). Total future minimum payments under off-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Not later than one year	-	17,930	-	16,256
Later than one year and not later than five years	-	65,184	-	61,855
Later than five years	-	52,466	-	73,724
	-	**135,580**	**-**	**151,835**

20.2 On-balance sheet (SOFP)

The EA has a number of on-balance sheet (SOFP) PFI contracts and other service concession arrangements contracts currently in place. In each case under IFRIC12 the asset is included as an asset of the EA. The substance of the contracts is that the EA has a finance lease with the payments comprising two elements:

- imputed finance lease charges; and
- service charges.

The following PFI contracts and other service concession arrangements contracts are currently in place.

PFI Wellington College, Balmoral High School and the Regional Training Unit

The EA built Wellington College, Balmoral High School and the Regional Training Unit under a single PFI contract involving a land swap arrangement. The value of the land transferred covered the cost of construction and furniture and equipment of the buildings.

The contract will last for 25 years from 2 January 2002. The monthly unitary charges relate to the caretaking, maintenance (building and grounds), cleaning, security, catering services and the renewal of furniture and equipment on the sites. The cost of the services is indexed on an annual basis.

PFI Contract for five Schools – Orangefield Primary School, Ashfield Girls' High School, Belfast Model School for Girls, Grosvenor Grammar School and Belfast Boys' Model School

The EA has a single contract in place to build and provide services at five schools which were opened in 2009 and 2010 and include:

- Orangefield Primary School;
- Ashfield Girls' High School;
- Belfast Model School for Girls;
- Grosvenor Grammar School; and
- Belfast Boys' Model School.

The contract for the services for each building covers the 30-year period from the date that the school is opened. The monthly unitary charge covers the contribution to the construction costs and the provision of services for caretaking, maintenance (building and grounds), external cleaning, security and the renewal of furniture and equipment on the sites. The cost of the services is indexed on an annual basis. Internal cleaning and catering services are provided by the EA. The Belfast Model School for Girls and the Belfast Boys' Model School buildings also include community facilities, the North Belfast City Learning Centre, which were previously funded jointly by the Department, DoF, DoH, The Executive Office and DfC.

Bangor Academy and Sixth Form College and Nendrum College

The EA operates a PFI Contract in respect of Bangor Academy and Sixth Form College and Nendrum College. Nendrum College opened on 29 February 2008 and Bangor Academy opened on 30 April 2008. Both of these schools are shown on-balance sheet. Ownership will transfer to the EA in 2038.

Tor Bank Special School

The EA operates a PFI Contract in respect of the provision of accommodation and related services at Tor Bank Special School. The school was available for use from October 2012. Ownership of the school will transfer to the EA in 2037. This scheme is shown on-balance sheet, although the budget is off-balance sheet which is accounted for through a dual reporting adjustment.

Drumglass High School, Dungannon

The EA operates a PFI contract in respect of the provision of accommodation and related services at Drumglass High School, Dungannon. The PFI contract commenced in September 2000 and runs for 25 years, ending on the 31 August 2025. This scheme is shown on-balance sheet, although the budget is off-balance sheet which is accounted for through a dual reporting adjustment.

C2k Project

The EA has responsibility for the C2k project. This is a PFI scheme which provides an Information Technology system to schools which supports teaching, learning and administration.

The total amount charged in the SOCNE in respect of the service element of on-balance sheet PFI or other service concession transactions was £15,136k (2022-23: £13,474k). Total future obligations under on-balance sheet PFI and other service concession arrangements are given in the table below for the following periods:

Capital elements due in future periods	**2023-24 Core Department £000**	**2023-24 Departmental Group £000**	**2022-23 Core Department £000**	**2022-23 Departmental Group £000**
Due within one year	-	11,900	-	11,900
Due later than one year and not later than five years	-	45,618	-	46,171
Due later than five years	-	116,163	-	127,510
Total	**-**	**173,681**	**-**	**185,581**
Less interest element	-	(51,977)	-	**(58,140)**
Present Value	**-**	**121,704**	**-**	**127,441**

Service elements due in future periods	**2023-24 Core Department £000**	**2023-24 Departmental Group £000**	**2022-23 Core Department £000**	**2022-23 Departmental Group £000**
Due within one year	-	16,037	-	15,273
Due later than one year and not later than five years	-	57,809	-	57,685
Due later than five years	-	138,341	-	128,886
Total service elements due in future periods	**-**	**212,187**	**-**	**201,844**
Total Commitments	**-**	**385,868**	**-**	**387,425**

21. Capital and other commitments

21.1 Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements are disclosed in the table below.

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Property, plant and equipment	56,281	166,360	3,487	133,748
Intangible assets	781	781	978	978
	57,062	**167,141**	**4,465**	**134,726**

A significant capital contract signed after the 31 March 2024 has been disclosed in note 25.

21.2 Other financial commitments

The Group has entered into non-cancellable contracts (which are not leases or PFI contracts or service concession arrangements), for the provision of security, facilities management, evaluation and other services.

The payments to which the Group is committed at 31 March are as follows:

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Not later than one year	1,783	1,783	1,193	1,193
Later than one year and not later than five years	1,570	1,570	2,292	2,292
	3,353	**3,353**	**3,485**	**3,485**

22. Related-party transactions

The following list represents those bodies for which the Department had direct funding responsibility during this financial year. These bodies are regarded as related parties with which the Department has had material transactions during the year. These are mainly payments of grant in aid to the NDPBs. All such transactions have been eliminated during the preparation of these consolidated accounts.

Executive NDPBs

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

Tribunals

Exceptional Circumstances Body

Other public bodies

Middletown Centre for Autism (Holdings) Limited
Strategic Planning and Performance Group (formerly the Health and Social Care Board)

* Note: Other schools, maintained and controlled, were funded via the EA. VG and GMI schools were classified by the ONS as public sector bodies in 2005, and subsequently sub-classified as NDPBs by the DoF in 2017. A pragmatic approximate approach has been taken in respect of the consolidation of these schools' within the Department's Estimates and Annual Report and Accounts given the impracticality of full consolidation for both the Department and the schools.

The Group has had a small number of transactions with other Government Departments and other Central Government bodies. Most of these transactions have been with the DoF, DfE, DoH, the Strategic Planning and Performance Group (formerly the Health and Social Care Board) which is sponsored by DoH, DAERA, DoJ, DfC, DfI, Further Education Colleges, Universities and Libraries Northern Ireland.

Philip Irwin was Director of the Secretariat to the Independent Review of Education and a close family member is a partner in RSM UK Consulting LLP. During the year ended 31 March 2024 RSM UK Consulting LLP undertook work on a project entitled "Standardisation of the Pre-School Education Programme". During the year ended 31 March 2024, the Department paid £176,074.91 to RSM UK Consulting. Philip confirmed that he was not involved in the decision to award the contract to RSM UK Consulting LLP.

No minister, board member, key manager or other related parties has undertaken any other material transactions with the Department during the year.

23. Third-party assets

The Department administers the Endowment and Miscellaneous Trust Funds on behalf of a number of Royal Schools. In addition, the EA is responsible for the administration of trust funds which benefit the pupils of certain schools within its area. These are not Group assets and are not included in the SOFP. The assets held at the reporting period date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances, and listed securities. They are set out in the table below.

	2023-24 Core Department £000	2023-24 Departmental Group £000	2022-23 Core Department £000	2022-23 Departmental Group £000
Monetary assets such as bank balances	38	322	32	277
Listed securities	918	1,754	859	1,329
Total	**956**	**2,076**	**891**	**1,606**

The Department also holds legal title to a number of Turbary rights (the right to extract peat) and associated land which is held in Trust. These assets are not included within the Departmental accounts on the grounds that the legal basis of the trusts involved ensures that the Department cannot obtain economic benefit from these assets. The Department leases land at Derryloughan/Derrytresk to the Lough Neagh Landscape Partnership for a peppercorn rent.

24. Entities within the Departmental boundary

The entities within the boundary comprise those entities listed in the Designation and Amendment Orders presented to the Northern Ireland Assembly. They are:

Executive NDPBs

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

- VG Schools

Non-executive NDPBs

- Exceptional Circumstances Body

Others

- Middletown Centre for Autism (Holdings) Limited

The Annual Reports and Accounts of the above bodies are published separately.

25. Events after the reporting period

On 7 August 2024, the Department awarded a £375 million construction contract for the SSEC. The campus which will provide six new school buildings alongside a shared teaching hub, sports centre and pitches will open in September 2028 (Construction Contract signed SSEC).

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 30 October 2024.

Report of the Comptroller and Auditor General to the Northern Ireland Assembly

Expenditure incurred without proper approvals

1. In addition to forming an opinion on whether the financial statements show a true and fair view, I am required to give an opinion on the regularity of transactions, by considering if the income and expenditure has been applied for the purposes intended by the Assembly and whether the transactions comply with the authorities which govern them. This includes whether any necessary approvals for expenditure had been sought and obtained from DoF.

2. During my audit of DE's 2022-23 financial statements I noted instances where expenditure had been incurred without the necessary approval. I am disappointed to have noted further instances where expenditure had been incurred without the necessary approval in the 2023-24 audit.

   a) The Department and EA incurred irregular expenditure of £1.6m for a three year contract extension to the existing ResourceLink contract for the period 1 April 2023 to 31 March 2026.

   b) In December 2015 DoF approved expenditure in relation to Clann Eireann Youth Club capital build of £2.0m. However, there has since been several changes to the project compared to the original business case for which revised approval should have been sought. In 2023-24, Expenditure amounting to £18k was incurred in relation to this project, without appropriate authorisations.

   c) Expenditure of £23k within Middletown Centre for Autism (MCA) in relation to Commercial Insurance which was purchased without a business case being in place.

   d) Expenditure of £15k was incurred to progress the St Columbanus College Capital Project from Stage 1 to Stage 2 before a revised business case, including the Stage 2 costs, was approved.

   These instances are disclosed within the Governance Statement on pages 59-61 of the Annual Report and Accounts.

3. The Department of Finance has written to me advising that it has not provided retrospective expenditure for the project at 2 a) above and the expenditure is considered irregular. The Department has advised me it is providing revised submissions to DoF with the aim of gaining retrospective approval for the other projects.

4. My regularity audit opinion has not been qualified on these issues because the amounts involved are not material to the financial statements. Nevertheless, I encourage the Department to review it's processes and ensure it seeks appropriate approvals from the Department of Finance on a timely basis for future projects.

Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

30 October 2024