# Department of Education

## Annual Report and Accounts
## For the year ended 31 March 2026

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# For the year ended 31 March 2026

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on 22 October 2026

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# 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 2025-26 financial year, and to use this opportunity to outline how the Department has performed during a very busy year.

During the year the Department delivered an evidence-based approach facilitating the improvement of our education system through a focus on core areas such as curriculum, assessment, qualifications, school improvement, tackling educational disadvantage and teacher professional learning, as set out in TransformED NI: Transforming Teaching and Learning: A Strategy for Educational Excellence in Northern Ireland. We completed an independent review of the Northern Ireland Curriculum and developed a draft School Improvement Policy. A sample of pupils sat the first system level assessments in literacy and numeracy and the Minister published a general qualifications policy framework. In relation to the workforce, we introduced a Bill in the Assembly to establish an effective professional body for teachers and we progressed a number of teacher professional learning actions, including around improving leadership skills.

The Department made significant progress on the delivery of its commitments in the Northern Ireland Executive's Programme for Government 2024-2027, including consulting on a draft Early Learning and Childcare Strategy and investing £55 million in childcare and early years provision. We secured £27.5m funding from the Public Sector Transformation Board to undertake an ambitious programme of transforming the education system to provide high-quality, efficient and sustainable services for children with SEN and/or disability.

Elsewhere, we delivered a 4% consolidated pay award to teachers. We introduced a Bill to the Assembly to raise the age of education participation. A draft Bill to ensure that the statutory inspection process can operate as intended at all times will be introduced in the Assembly once it has received Executive agreement. The School Uniforms (Guidelines and Allowances) Act (Northern Ireland) 2026 came into operation. We also undertook a pilot of the use of mobile phone inhibiting devices in a sample of post primary schools, which will inform future policy decisions in this area.

We established a Controlled Schools' Unit in the EA and secured Executive agreement to the drafting of legislation to create a dedicated statutory body to support and manage controlled schools. We also progressed the development of the Strule Shared Education Campus and the Education Model which will exploit curricular and sharing opportunities offered by the Campus.

Despite the many challenges placed upon it, our education sector continued to deliver high-quality education against the backdrop of very significant financial challenges.

In concluding, can I express my thanks to my predecessor Mr Ronnie Armour (who was the interim Permanent Secretary until January 2026) as well as colleagues, both within the Department and across the wider education sector, who have worked diligently to address the many challenges and opportunities that we have faced. Can I also put on record my appreciation for the work undertaken by school leaders, teachers and support staff for all they do for children and young people entrusted to their care.



**David Malcolm**
**Accounting Officer**
**20 October 2026**

## 1.2 Non-Executive Board Members' (NEBM) Report

Introduction

First and foremost, on behalf of the Board and the Audit and Risk Assurance Committee (ARAC), I would like to extend our gratitude to all staff for their continued support in helping to address the significant challenges across the education sector against a backdrop of sustained budgetary constraints and the resulting resource/capacity challenges this brings. This year has also brought significant changes to roles and responsibilities at a senior level in the Department, and it is a credit to all involved that the focus on key priorities has remained strong.

The Minister has continued to make it clear that he expects the Department to push ahead at pace on a suite of priority policy areas through TransformED and other initiatives.

The NEBM compliment has remained static during 2025-26 with Anna Carragher and myself sitting on the Departmental Board and ARAC.

Departmental Board

The Board met in person eight times during 2025-26, receiving regular updates on Finance; Human Resources (HR); progress against the Business Plan; the Corporate Risk Register (CRR); and key issues from the Department's Non-Departmental Public Bodies (NDPBs).

The Board received briefings on key programmes and policies including TransformED, the SSEC Programme, Special Educational Needs Reform and on the ongoing work on review of the Curriculum, Assessment and Qualifications. The Board also welcomed the annual report from the ETI showing a much-improved picture in terms of inspection activity and engagement due to a healthier industrial relations environment.

The Board also continued to monitor progress against the Corporate Plan 2023-28, "Every CHILD" (Championing, Helping, Inspiring, Learning, Delivering), and was updated on achievements and future plans under the RAISE programme.

Towards the end of this financial year the Board saw the retirement of Ronnie Armour as Permanent Secretary and the appointment of David Malcolm. The NEBMs would place on record our appreciation to Ronnie for his service and we look forward to working alongside David.

In addition, the Board was updated throughout the year on the overall financial position. The year-end outcome position for the Departmental Group was a small underspend against Resource budget of £4.1m (c£3.5m of which related to Earmarked funding), a small underspend against Capital budget of £2.6m and an Annually Managed Expenditure (AME) underspend of £108m.

The Board was also kept abreast of the continuing financial pressures experienced by the EA due to the impact of inflation, significant additional teaching and non-teaching pay awards, the increasing Special Education Needs

(SEN) demand and delivery of other statutory services such as school meals and home-to-school transport.

However, whilst the EA managed to live within its allocated block grant budget, this was largely made possible by the allocation of additional funding by the Northern Ireland Executive in January and, in particular, the £400m reserve claim granted by HM Treasury to the Executive, £214.6m of which was allocated to the Department of Education. Given that that reserve claim must be paid back over the next three financial years, operating within budget in 2026-27, and beyond, will continue to remain challenging for the Department, the EA and the wider education sector.

ARAC

The ARAC held four in-person meetings during the year. In addition, as ARAC Chair, I held separate planning meetings with the ARAC secretariat and pre-meetings with Internal Audit.

NEBMs continued to be supported on the Committee by two Independent Senior Civil Service Members, Patrick Butler (Department of Justice (DoJ)) and Richard Logan, (Finance Director, DoJ).

During the year the Committee received updates on the status of the SSEC Programme and was pleased to note that the construction phase has now commenced and remains on track in relation to both timescale and budget. The Programme will continue to be a focus of the Committee given its strategic importance and the scale of investment and ARAC intend holding a meeting at the Strule site in early 2026-27.

During the year ARAC received regular updates on Internal Audit progress, Fraud, Whistleblowing and Risk Management. We also had our annual update from EA on Safeguarding and Child Protection and we continue to be appraised of any key issues emerging from the Department's NDPB Audit Committees.

ARAC continued with our protocol of inviting the relevant Directors of any Limited Opinion internal audit reports to present to the Committee their plans to implement the recommendations; during 2025-26 we heard about the Exceptional Circumstances Body (ECB) and on the topic of Sponsorship of NDPBs.

The ARAC received an update from Ian Gallagher, Interim Chief Executive of the General Teaching Council for Northern Ireland (GTCNI), and we continue to provide an oversight role as part of the alternative governance arrangements put in place to effectively manage the function in the interim period until decisions can be made on the way forward. We note the considerable progress made in relation to closing out the majority of historical internal audit recommendations. We also heard from Brian Quinn and Michael Burton on the resourcing challenges facing the Teachers' Pay & Pensions Team (TPPT), but note some improvement during 2025-26.

The ARAC concluded a satisfactory assessment of its own effectiveness during the year through the self-assessment process. The Committee held a very

successful annual workshop with DE Arm's Length Bodies (ALBs) ARAC Chairs and ARAC members in October 2025. The event was hosted by the Northern Ireland Audit Office (NIAO) and included presentations from NIAO and NICS Internal Audit, and on the risks and opportunities of AI in the Education Sector delivered jointly by EA and Ulster University. It is our intention to hold another workshop in Autumn 2026.

The workload for ARAC continues to be significant due to the additional oversight it provides for GTCNI and the need to provide effective assurance to the Board on major programmes in an increasingly challenging and uncertain budgetary environment. The Committee continues to seek assurance around the specific projects highlighted in this report.

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

Looking Ahead

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

The SSEC Programme remains the Department's single biggest financial commitment and will require continued scrutiny to ensure effective governance supports decision-making.

In addition, regular updates on the implementation of the recommendations from the Report of the Independent Review of Education and progressing the 10-point plan to Transform Teaching and Learning, as set-out in the TransformED NI Report, are expected.

**Paul Corrigan**
**Non-Executive Board Member**

## 1.3 Purpose, objectives and strategy

Purpose and Objectives

The Department is responsible for setting policy, strategy and for the central administration of education and related services in Northern Ireland. The Minister's vision for education is for ***a modern, forward-looking education system, scaffolded by a sustainable funding model, guided by robust evidence and evaluation and informed by learning from international best practice.***

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 Executive 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. The Department is supported by a number of other NDPBs, mainly representing sectoral interests.

Strategy

The Northern Ireland Executive published a Programme for Government 2024-2027 in March 2025, which outlined its key priorities for the remainder of the current mandate. The Department of Education has two immediate priorities within the Programme for Government (PfG): a Reform Agenda to provide better support for children and young people with Special Educational Needs, leading to improved outcomes for children, their families and the education workforce who support them; and an Early Learning and Childcare Strategy to deliver more affordable, accessible, high-quality early learning and childcare.

In March 2025 the Minister of Education published TransformED NI: Transforming Teaching and Learning: A Strategy for Educational Excellence in Northern Ireland. This strategy focuses on teaching and learning, setting out in detail the Department's plans for a renewed focus on core classroom priorities notably curriculum, assessment, qualifications, school improvement and tackling educational disadvantage. It delivers on a number of the key recommendations set out in the Independent Review of Education (2023). More detail on the progress of specific actions is provided in the Performance Analysis section (paragraph 2.3).

The Department's Business Plan for 2025-26 was structured around five Strategic Priorities for education, as follows:

| | |
|---|---|
| 1 | Meeting the learning needs of our children and young people and developing their knowledge and skills, enabling them to fulfil their potential |
| 2 | Helping all our children and young people by supporting their well-being and learning |
| 3 | Delivering an effective, child-first, collaborative and high-quality education system |
| 4 | Inspiring all our children and young people to make a positive contribution to society |
| 5 | Championing the needs and aspirations of all our children and young people and the positive impact of education |

Further details on the 2025-26 Business Plan and performance are at Section 1.10 (Performance Summary) and Section 2 (Performance Analysis). The 2025-26 Business Plans of the Department's NDPBs are also linked to these Strategic Priorities, thus ensuring a joined-up approach to business planning and delivery across the education sector.

## 1.4 Key Activities

The Department's main areas of responsibility relate to:

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

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 ETI.

In addition to the ETI, the Department has fifteen Directorates. These fall under three Groups: Policy, Delivery and Infrastructure, Inclusion, Improvement and Workforce Services and Services and Sustainability, each headed by a Deputy Secretary.

**Policy, Delivery and Infrastructure Group**

- Investment and Infrastructure
- Qualifications, 14-19 Strategy and Statistics & Research
- Teaching and Learning Excellence
- Teacher Development
- Curriculum Reform and TransformED Implementation

**Inclusion, Improvement and Workforce Services Group**

- Education Workforce
- Raising Aspirations & Supporting Learning
- Early Years, Childcare & Children & Young People's Strategy
- Special Educational Needs

**Services and Sustainability**

- Transport and Food in Schools
- Collaborative Education and Youth
- Sustainable Schools Policy and Planning
- Strule Shared Education Programme
- Corporate Services and Education Governance
- Finance

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 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 (2025).

Details of key risks managed by NDPBs during 2025-26 are set out within their respective Governance Statements which can be located within each of their Annual Report and Accounts for 2025-26.

DE's NDPBs are:

## 1.5 Key issues and risks

The Departmental group has adhered to The Orange Book: Management of Risk-Principles and Concepts (His Majesty's (HM) Treasury: 2023). 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.

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 2025-26

During 2025-26, the Department's CRR contained the following six corporate risks:

- **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 ALBs, other Departments and stakeholders impact negatively on the delivery of education services.
- **Risk 4 - Safeguarding:** The Safeguarding and Child Protection framework fails to protect our 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.
- **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 2025-26, although mitigating actions and risk scores were routinely subject to ongoing (at least quarterly) review and update to reflect changes during the course of the year. There was little variation in residual risk scores between the opening and closing position in 2025-26.

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 2025 which confirmed that there was very good alignment between the key Departmental risks and those in the Risk Registers of all its NDPBs.

## 1.7 Key issues impacting on the Department in 2025-26

During 2025-26, the Department managed a number of significant issues which are detailed in the Governance Statement (Section 3.3).

## 1.8 Future issues which may impact on performance

While an opening Resource Budget for 2026/27 is yet to be agreed, based on the proposed allocations set out in the Finance Minister's Draft Budget for 2026-2029/30, the Department is projected to face a shortfall of c£0.6 billion in 2026-27. This will have an extremely detrimental impact across the Education sector, with demand-led, statutory pressures going unfunded. Without a significant overspend on Education's budget, the Department and the EA will be unable to deliver basic statutory services.

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 delivery of the Department's priorities within PfG and the pace and extent of delivery of the Minister of Education's key priorities.

## 1.9 Going concern

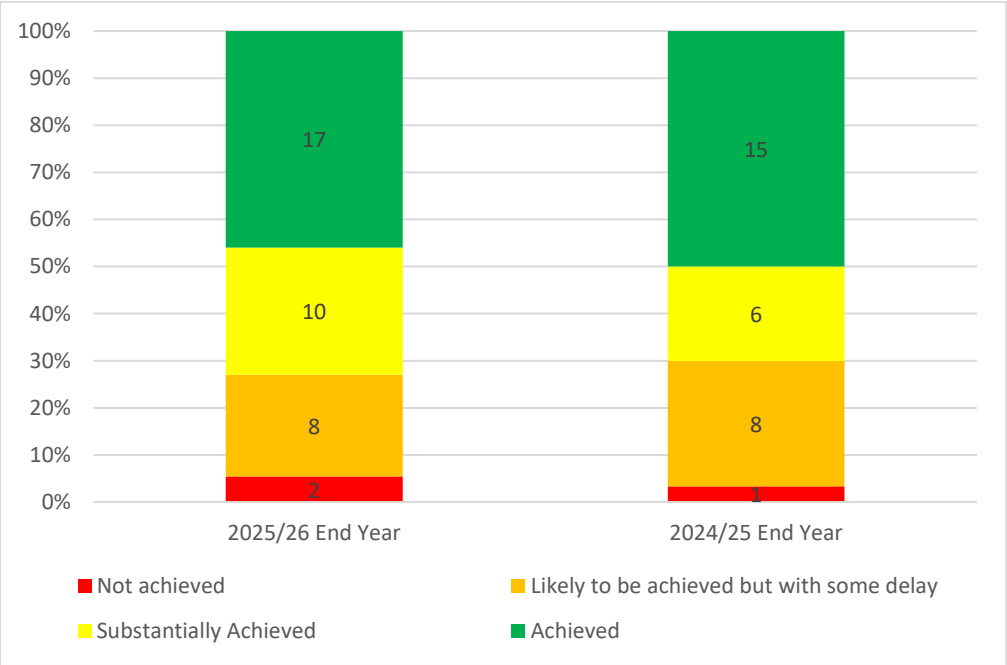
For the Core Department, the Statement of Financial Position at 31 March 2026 shows positive taxpayers' equity of £70m. It is therefore considered appropriate to adopt a "going concern" basis for the preparation of the financial statements. However, even in circumstances where taxpayers' equity is negative, it nevertheless remains appropriate to prepare the financial statements on a going concern basis in most instances, as the Department is Supply financed and draws its funding from the Consolidated Fund, so that there is no liquidity risk in respect of the liabilities due in future years.

## 1.10 Performance summary

The Department's 2025-26 Business Plan set out the 46 actions that it undertook to deliver on its Strategic Priorities. The chart below is a summary of performance against Business Plan actions:



The chart below is a summary of the EA's performance against Business Plan actions:




As with DE and other education partners, the EA oversaw implementation and delivery of a number of key priorities during 2025-26. Some key successes for EA included delivery of improved SEN services, increased full-time pre-school provision, provision of professional learning for early career teachers, establishment of a controlled schools unit, launch of a new EA staff performance management process and publication of a three-year EA Communication Strategy. Delays in achieving some actions resulted mainly from EA structural changes, lack of specialist expertise and reprofiling of tasks.

Full details of the EA's performance against the priorities set out in the EA's 2025-26 Business Plan are contained within the EA's Annual Report and Accounts for 2025-26 which can be accessed at the EA's website.

Ongoing resource constraints across the public sector continued to impact on the EA's ability to deliver services due to internal pressures and competing priorities, although it was able to balance its resource and capital budgets.

Across DE's other six operational NDPBs, Business Plan actions achieved or substantially achieved during 2025-26 ranged from 65% to 100%, with three NDPBs achieving 100%.

### 1.11 Significant issues

During 2025-26, 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 2025-26 which can be accessed at EA's website.

The EA again began the financial year facing a significant funding gap, there being an identified £325m shortfall. Given that approximately 85% of budgeted spend relates to payroll costs for teachers and school support staff, and with most services delivered being statutory in nature, the EA was facing the prospect of incurring significant overspend against its 2025-26 budget allocation without significant additional funding.

Faced with this challenge, the EA sought to identify efficiencies and saving measures, delivering approximately £34.5m of in-year savings. However, were it not for HM Treasury agreeing to provide the Executive with a reserve claim of £400m, of which, £214.6m was allocated to the Department of Education, the EA would have significantly exceeded its budget allocation for the year. As it was, as a result of additional funding received, the EA was able to operate within its 2025-26 budget.

Without longer-term reform of services and delivery of savings, the EA will continue to face a challenging budget position.

# 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's Strategic Priorities, against which Business Plans were structured, and risks were assessed and monitored, are set out at Section 1.3. The Department has reviewed and revised its Strategic Priorities with effect from the start of the 2026-27 year to provide greater balance to more recent priorities, while giving the right focus to learners and the education workforce. The Department developed the following Strategic Priorities around which Business Plans from 2026-27 are structured:

| | |
|---|---|
| 1 | Raise learning standards through a modern curriculum, robust assessment, strong qualification pathways and effective school improvement. |
| 2 | Strengthen inclusion, wellbeing and targeted support so every child can participate and succeed. |
| 3 | Build an expert, skilled and supported education workforce. |
| 4 | Modernise the education system through effective service delivery, governance, planning and investment. |
| 5 | Expand participation and opportunity through early education, collaboration and shared learning. |

Throughout 2025-26, Departmental officials monitored progress against Business Plan actions and reported quarterly[1] to the Departmental Board. The end-year progress report will be 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 (and, in the case of the EA and the CCMS, the Minister). 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.

The Department commissioned quarterly progress reports of NDPB Business Plans[2] 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.

NICS Departments have been developing Partnership Agreements with their NDPBs, heralding a more open, collaborative and trusting way of working together. During 2025-26 significant progress was made on the development of Partnership Agreements between the Department and its NDPBs, with agreements finalised and in place for the EA, CCMS and CnaG before the end of

[1] There is no quarter one monitoring of the Department's Business Plan

[2] There is no quarter one monitoring of NDPB Business Plans

March 2026. It is anticipated that the remaining Partnership Agreements will be finalised and implemented in 2026-27 (including a Partnership Agreement for the newly reconstituted GTCNI from April 2027).

## 2.2 Analysis of educational performance against targets

The most recent statistical bulletin in respect of School Leavers can be accessed at School Leavers 2023-24.

## 2.3 Analysis of 2025-26 performance against corporate goals and commitments

A summary of how the Department and the EA performed in relation to delivering on their 2025-26 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.

In particular, there was significant progress made on a number of actions to deliver on TransformED NI: Transforming Teaching and Learning: A Strategy for Educational Excellence in Northern Ireland, which was published in March 2025. TransformED set out a ten-point plan for a renewed focus on core classroom priorities notably curriculum, assessment, qualifications, school improvement and tackling educational disadvantage, all underpinned by significantly increased investment in high quality teacher professional development.

In particular:

- A costed implementation plan was published to support delivery of TransformED.
- An independent review of the Northern Ireland curriculum was completed, which will enable the Department to progress to Ministerial consideration and implementation in line with the reform programme timeline.
- A draft School Improvement Policy was developed for engagement and public consultation.
- A cross-representative sample of pupils in years 4, 7 and 10 sat the first system level assessments in literacy and numeracy during March 2026.
- Following consultation on the future of CCEA GCSE, AS and A levels, the Minister published a general qualifications policy framework, which will provide the context for the development of a regulatory framework for the revision of CCEA's qualifications.
- A Bill to establish an effective professional body for teachers was introduced in the Assembly.
- Teacher professional learning commitments were progressed, with the Professional Qualification for Headship (PQH) procurement nearing completion and proposals for collaborative working and subject specialisms approved, with proposals for middle leaders, experienced Principals and the further expansion of Induction well advanced.

The Programme for Government 2024-2027, published in March 2025, contained two immediate priorities for education, as follows:

Better Support for Children and Young People with Special Educational Needs

Over the last decade, the number of children identified with Special Educational Needs (SEN) has risen steadily to one in five pupils alongside an increasing level of expenditure on SEN provision, not always matched by a demonstrable improvement in the outcomes for children and young people with SEN and disabilities. We have committed to work to transform the education system to provide high-quality, efficient and sustainable services for children with SEN and/or disability.

Key achievements include:

- £27.5m funding secured from the Public Sector Transformation Board for SEN reform, with delivery underway.
- £4.5m investment in the Pre-school Inclusion Fund, resourcing pre-school education settings to support children with SEN.
- A Graduated Response Framework to support children with SEN was published by the Education Authority.
- The Education Authority's new Local IMPACT Teams were launched providing expert advice and support to schools.
- An Inclusive Play programme commenced which will involve 48 education settings over the next 3 years.
- Enhanced support and resources for children with SEN in the early years so that child-centred interventions can be implemented at the earliest presentation of need.
- Investment in our education workforce: 120 SEN training places in Further Education Colleges were offered to Early Years Assistants in pre-school education and primaries 1 and 2 as part of the Early Years Assistants SEN Training project.
- Improved sharing and analysis of data in order to plan a system that meets the needs of children.
- Strategic area planning and investment in the school estate involving: publication of Special Schools' Plans of Action with Area Planning Local Groups working to identify workstreams; digitisation of the Statutory Assessment and Review process; circa £110m capital invested in SEN infrastructure over the last two years; 157 additional classes in specialist provisions and special schools in the 2025-26 academic year.
- A range of enabling actions were also taken to better support schools.

Deliver More Affordable, Accessible, High-Quality Early Learning and Childcare.

We have committed to having a comprehensive Executive agreed Early Learning and Childcare Strategy in place, which will set out plans to transform early learning and childcare by supporting children's development, ease financial pressures on working families and ensure the early learning and childcare sector is stable and sustainable.

Key achievements include:

- Public consultation on the draft Early Learning and Childcare Strategy.

- Investing £55 million in childcare and early years provision, in addition to the £25 million invested in 2024-25.
- Tackling the cost of childcare: 27,238 children and 20,206 families have benefited as the 15% Northern Ireland Childcare Subsidy Scheme (NICSS) has been extended to children aged 0-11 (aged 16 for those with additional needs/disability).
- 105 settings transitioned to full-time pre-school education provision in September 2025, benefiting 2,500 children, with a further 102 settings (circa 2,200 funded places) approved to move to full-time provision from September 2026, or as soon thereafter meaning that over 50% of all funded pre-school places are now full-time.
- Enhancing Support for Children Facing Disadvantage and Children with Additional Needs/Disabilities through expansion of the Sure Start programme; increase of Pathway awards and a new Pathway stream; enhanced Toybox funding; Pre-School Inclusion funding to support children who have or may have SEN; additional funding to support more children with a disability, including the Fair Play Grant Scheme and Bright Start School Age Childcare Holiday Grant Scheme; an enhanced Approved Home Childcare Scheme pilot.
- Funding for the recruitment of an additional 150 childminders into the sector as well as skills academies and online micro-courses.
- Carrying out a range of other enabling activities.

Other actions were taken in 2025-26 to deliver on key policy priorities across the Department, which included:

- A 4% consolidated pay award was made to all teacher salary scale points along with an increase of 4% to Teaching and Special Needs Allowances from September 2025. An update on workload from the Minister was issued to all teachers in February 2026 and an action plan has been developed.
- A 16-18 Bill (to raise the age of education participation) was submitted to the Northern Ireland Executive for consideration in March 2026.
- The School Uniforms (Guidelines and Allowances) Act (Northern Ireland) 2026 came into operation.
- A Controlled Schools' Unit in the EA was established in September 2025 and was officially launched in February 2026. Meanwhile, Executive agreement was secured to the drafting of legislation to create a dedicated statutory body to support and manage controlled schools.
- Completion of a 10-year Capital Investment/Estate Strategy was delayed, although it is due to be issued for consultation with stakeholders, with a view to being in place in Q1 2026-27.
- Following Executive agreement, a draft Bill to ensure that the statutory inspection process can operate as intended at all times has been drafted, ready for introduction in the Assembly, subject to Executive agreement.
- Undertaking a pilot of the use of mobile phone inhibiting devices in a sample of post primary schools, which will inform future policy decisions in this area.

- Progress made on the development of an Education Model to exploit curricular and sharing opportunities offered by the Strule Shared Education Campus, with it expected to go live in September 2028.
- Phase Two of implementing Mainstreaming Shared Education Strategy concluded and a Phase Three Delivery Plan was agreed, with delivery of associated actions having commenced.
- Strategic Area Plans were published for each of the 18 RAISE localities.
- Targeting Social Need (TSN) funding of over £72m was provided to schools.
- Positive progress was made on the development of Strategies for Integrated Education and Irish Medium Education.
- The Minister issued a set of Participation Principles to Executive colleagues aimed at improving engagement with children and young people, ensuring their views are sought, listened to and acted upon in policy development and decision making.

**EA Performance**

The EA structured its 2025-26 Corporate Business Plan under the following six priorities, with 24 supporting actions and associated milestones, metrics and measures, setting out what it aimed to achieve in 2025-26:

The right things:

i. To ensure children and young people have access to quality education provision and support through reform of SEN provision
ii. To provide inclusive, safe and secure environments to support effective learning in school and online
iii. To transform education through partnership working with schools and partner organisations to provide high quality support for learning and teaching

The right ways:

iv. To support the delivery of every child's education journey by supporting all our people
v. Through effective accountability, finance and assurance processes we will seek to ensure prudent and effective allocation of resources
vi. To provide responsive, effective, child-centred service delivery we will strengthen our structures and our processes

The EA's achievement against its Business Plan is shown in the Performance Summary, section 1.10. The EA faced significant financial challenges during 2025-26 but there were also notable successes. Full details of the EA's performance against its objectives and analysis are contained within the EA's Annual Report and Accounts for 2025-26 which can be accessed at EA's website.

Details of the individual performance of the Department's remaining ALBs are detailed in full within their own Annual Report and Accounts. These are all published and can be accessed on each of the ALB's websites.

## 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 2026 is set out below:

| | 2025-26 £m | 2024-25 Restated £m | Variance £m | Variance % |
|---|---|---|---|---|
| Net expenditure including notional costs for the year ended 31 March | 3,752 | 3,393 | 359 | 10.6 |

Income was mainly received for catering operations (£44.0m), recoupment of costs (£20.6m), Co-funded ALBs (£13.3m), European funds (£8.1m) and other grants (£12.9m), and sale of property by NDPBs (£1.6m).

Total staff costs in 2025-26 amounted to £2,505m (£2,183m in 2024-25) of which £11.8m (£10.6m in 2024-25) was capitalised. Total staff costs have increased by £322m (14.8%) corresponding to increased staff numbers and pay awards/pay increases. Of this increase, £105.9m related to increases in teaching costs (reflecting pay increases of 5.5% and 4% effective for school years from 1 September 2024 and 1 September 2025 respectively) and £211.6m in non-teaching costs (reflecting an NJC pay award of 3.2% on all pay points effective from 1 April 2025).

Purchase of goods and services amounted to £501m in 2025-26 compared to £500m in 2024-25, an increase of £1m, reflective of continuing increases in food costs.

Depreciation, amortisation and impairment charges amounted to £112m in 2025-26 compared to £166m in 2024-25. This decrease was the result of an asset useful life review carried out by the EA during the year, whereby the remaining useful life of many assets were extended, reducing their annual depreciation charge. Additionally, the lives of some other assets, mainly intangibles, which had expired, were not extended.

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

Consolidated Statement of Financial Position (SoFP)

A summary of the Consolidated SoFP for the year to 31 March 2026 is set out below.

| | 31 March 2026 £m | 31 March 2025 Restated £m | Variance £m | Variance % |
|---|---|---|---|---|
| Total assets less total liabilities | 4,035 | 3,711 | 324 | 8.7 |

Property, plant and equipment increased by £283m from £4,088m at 31 March 2025 to £4,371m at 31 March 2026 due to:

- additions of £307m including £74m for land and buildings, £7m for transport equipment, £14m for Information Technology, £19m for plant and machinery and £193m for assets under construction;
- an increase of £91m as a result indexation;
- less disposals and transfers to assets held for sale of £1m;
- less depreciation of £114m.

Intangible assets increased by £23m from £56m at 31 March 2025 to £79m at 31 March 2026 due to additions of £24m less depreciation of £1m.

Trade and other receivables due within one year increased by £32m from £74m at 31 March 2025 to £106m at 31 March 2026, largely due to a rise in recoverable VAT, driven by higher levels of expenditure, and an increase in accrued income within the Education Authority.

Provisions have increased by £7m from £18.6m at 31 March 2025 to £25.6m at 31 March 2026, reflective of significant employer and public liability claims proceeding against the Education Authority.

## 2.5 Commentary on significant variances between Estimates and Outturn

### Budgeting Framework

The Department of Finance (DoF) is responsible for management of the Northern Ireland Budget process in line with a budgetary framework set by the Treasury.

The total amount a department spends is referred to as the Total Managed Expenditure (TME); which is split into:

- Annually Managed Expenditure (AME)
- Departmental Expenditure Limit (DEL)

The Treasury, and in turn the Executive, 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 the Treasury.

As DEL budgets are controllable, the 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. The Treasury DEL limits may change at fiscal events during the financial year, and any resulting adjustments to departments' DEL controls are agreed by the Executive at In-Year Monitoring rounds.

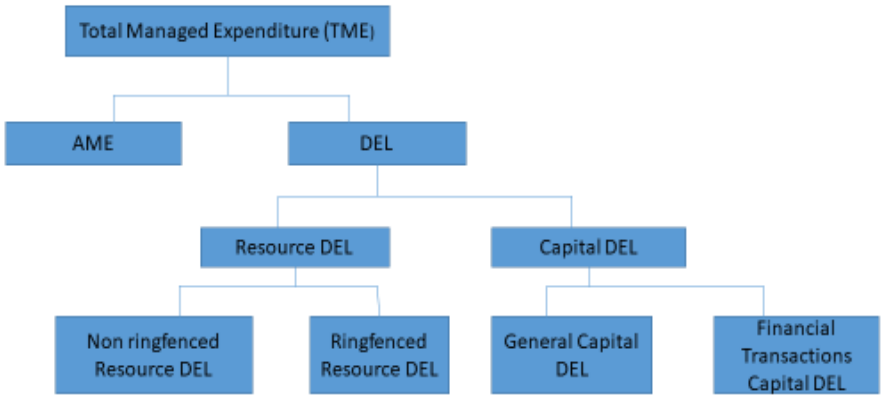
DEL budgets are classified into resource and capital.

- Resource budgets are further split into non-ringfenced resource, which pays for programme delivery and departmental running costs, and ringfenced resource, that covers non-cash charges for depreciation and impairment of assets, and student loan impairment.
- 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 and/or acquisition of assets.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by the Treasury.

Consolidated budgeting guidance 2025 to 2026 - GOV.UK

## Budget Structure




## Budgetary Performance

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

| | Final Budget 2025-26 £000 | Provisional Outturn 2025-26 £000 | Underspend / (Overspend) £000 |
|---|---|---|---|
| **Resource DEL** | **3,586,865** | **3,582,678** | **4,187** |
| *including* | | | |
| *Non-ringfenced* | 3,583,863 | 3,579,798 | 4,065 |
| *Ringfenced D/I* | 3,002 | 2,880 | 122 |
| **Capital DEL** | **402,755** | **400,155** | **2,600** |
| *including* | | | |
| *General Capital* | 402,755 | 400,155 | 2,600 |
| *FTC* | - | - | - |
| **Total DEL** | **3,989,620** | **3,982,833** | **6,787** |
| **AME** | **135,101** | **27,454** | **107,647** |
| *including* | | | |
| *AME Resource* | 135,064 | 27,417 | 107,647 |
| *AME Capital* | 37 | 37 | - |
| **Total Managed Expenditure** | **4,124,721** | **4,010,287** | **114,434** |

## Explanation of Variances

### Resource DEL underspend

The Resource DEL underspend of £4,187k includes c£3.5m in respect of Earmarked funds, which cannot be used for other purposes and must be returned to the Department of Finance. The balance does not consist of any significant items but rather is made up of a number of small over/under spends. The total 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 £2.6m, which falls well within the Departmental target of achieving 98% of Capital Spend against budget.

### AME Underspend

The AME underspend includes an underspend of approximately £80m in relation to lower than anticipated depreciation and impairment charges for the period, an underspend of c£25m in relation to Northern Ireland Local Government Officers' Superannuation Committee Scheme pension adjustments in respect of actuarial valuations, and a c£3m underspend in respect of movement in provisions.

### Estimates

Supply estimates are the means by which Assembly authority is secured for most government expenditure. Supply is granted on an annual basis, voted in the Main and Spring Supplementary Estimates and in the Budget Acts in Northern Ireland.

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.

| | 2025-26 Estimate £000 | 2025-26 Outturn £000 | Estimate vs Outturn, saving/ (excess) £000 |
|---|---|---|---|
| Net Cash Requirement | 4,228,451 | 4,003,266 | 225,185 |

The Net Cash Requirement shows a variance of £225m (5.3%) against the Estimate for the year.

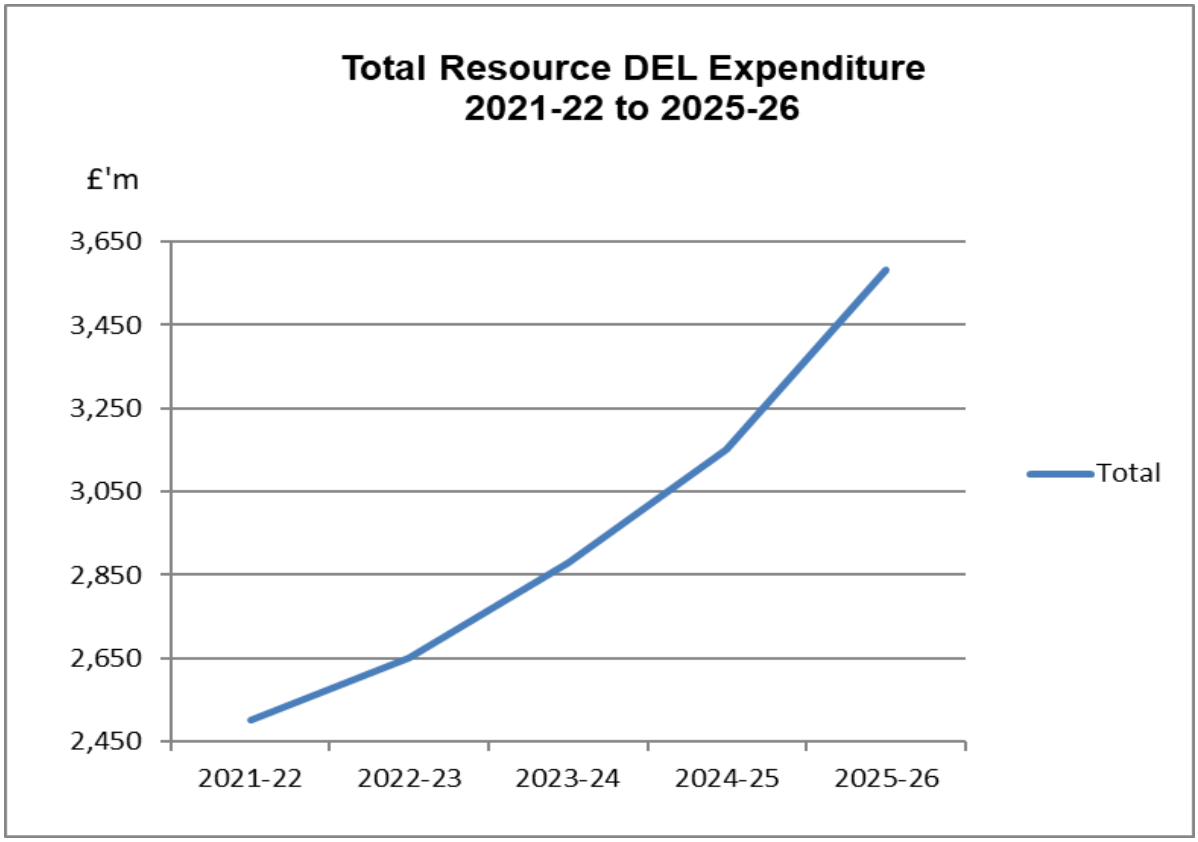
Cash grant-in-aid was £160m less than the Estimate. The Estimate figure each year includes the best forecast of grant-in-aid i.e. the cash required by the Department and its NDPBs, when the Estimates were prepared. As cash is only drawn down as required, this variance reflects the difference between the estimated cash requirement and the actual amount of cash required in-year. The variance between the Estimate and the net cash requirement does not represent an under-spend against the Department's budget.

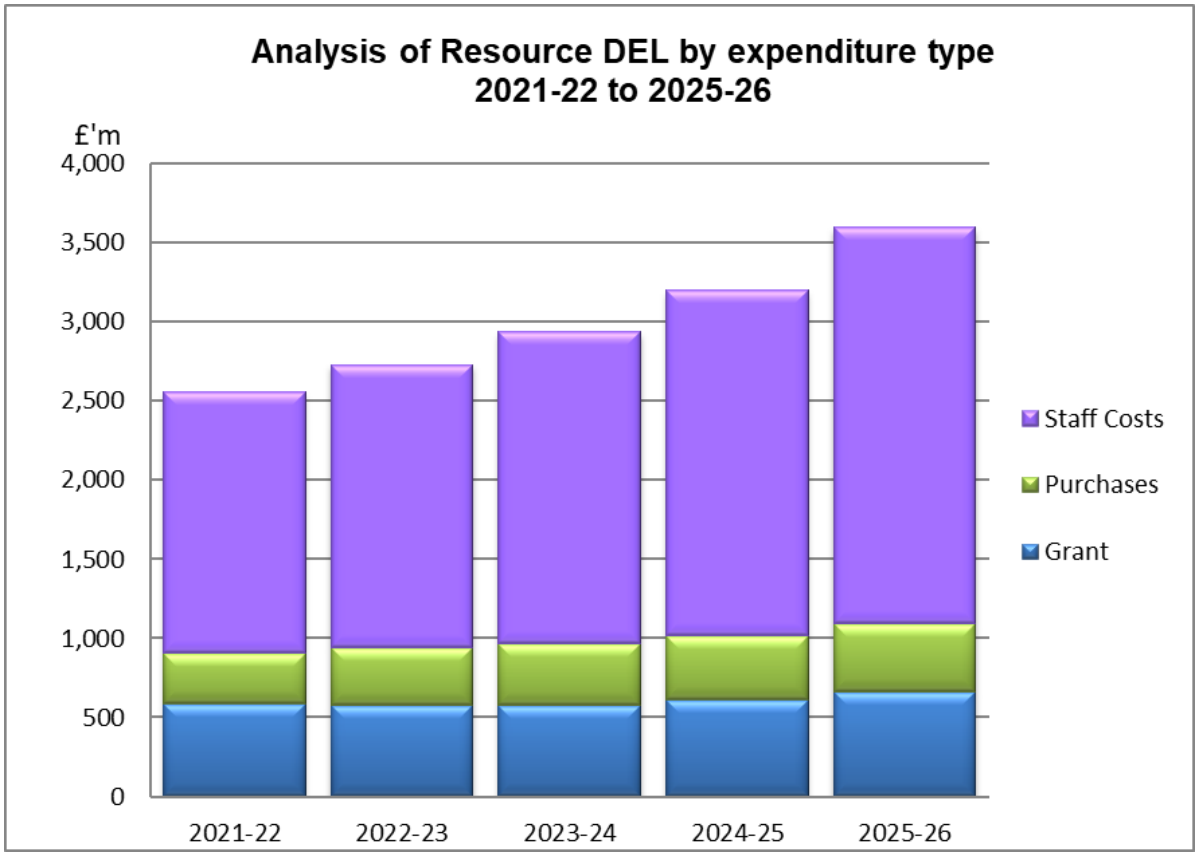
Changes in working capital balances were less than the Estimate by £60m largely due to a lower than expected increase in "trade payables" due to the timing of payments.

## 2.6 Long term expenditure trends

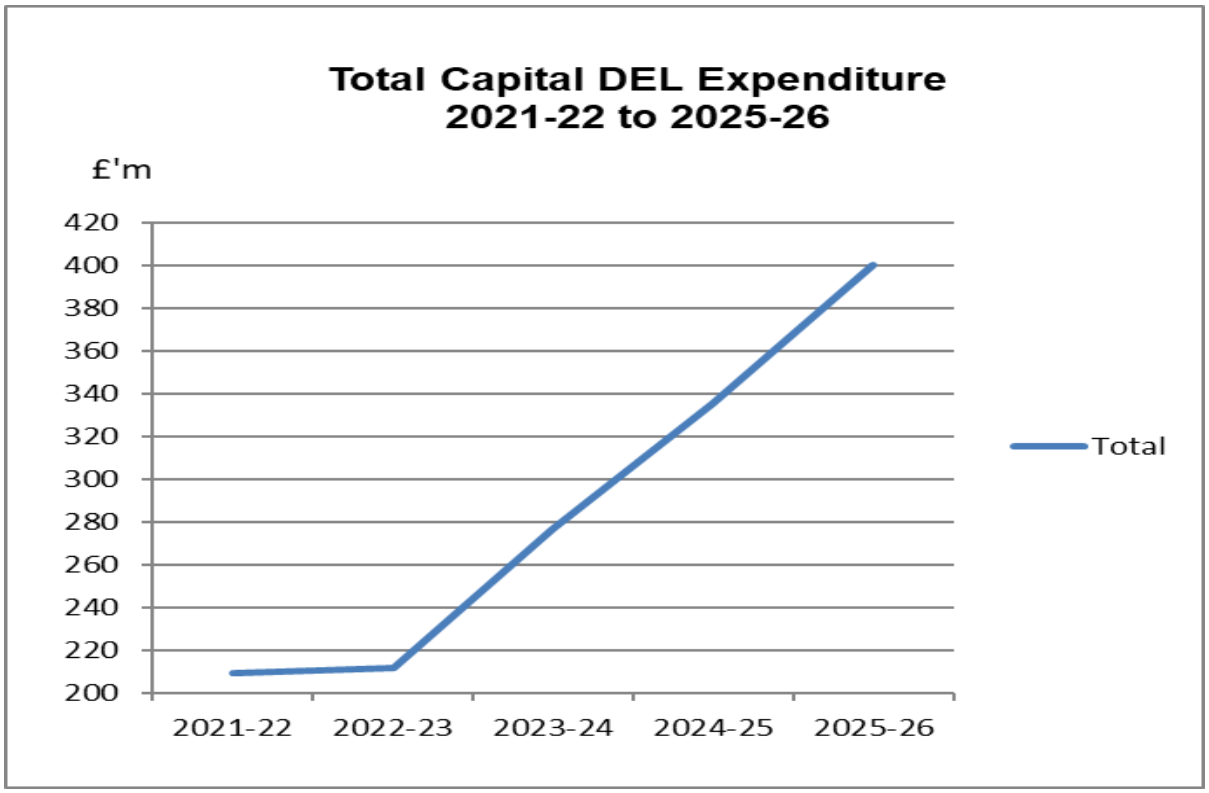
The graphs below show 5 years of outturn data in relation to the Group's spending. The detailed data is shown in the long term expenditure table at the end of this section.

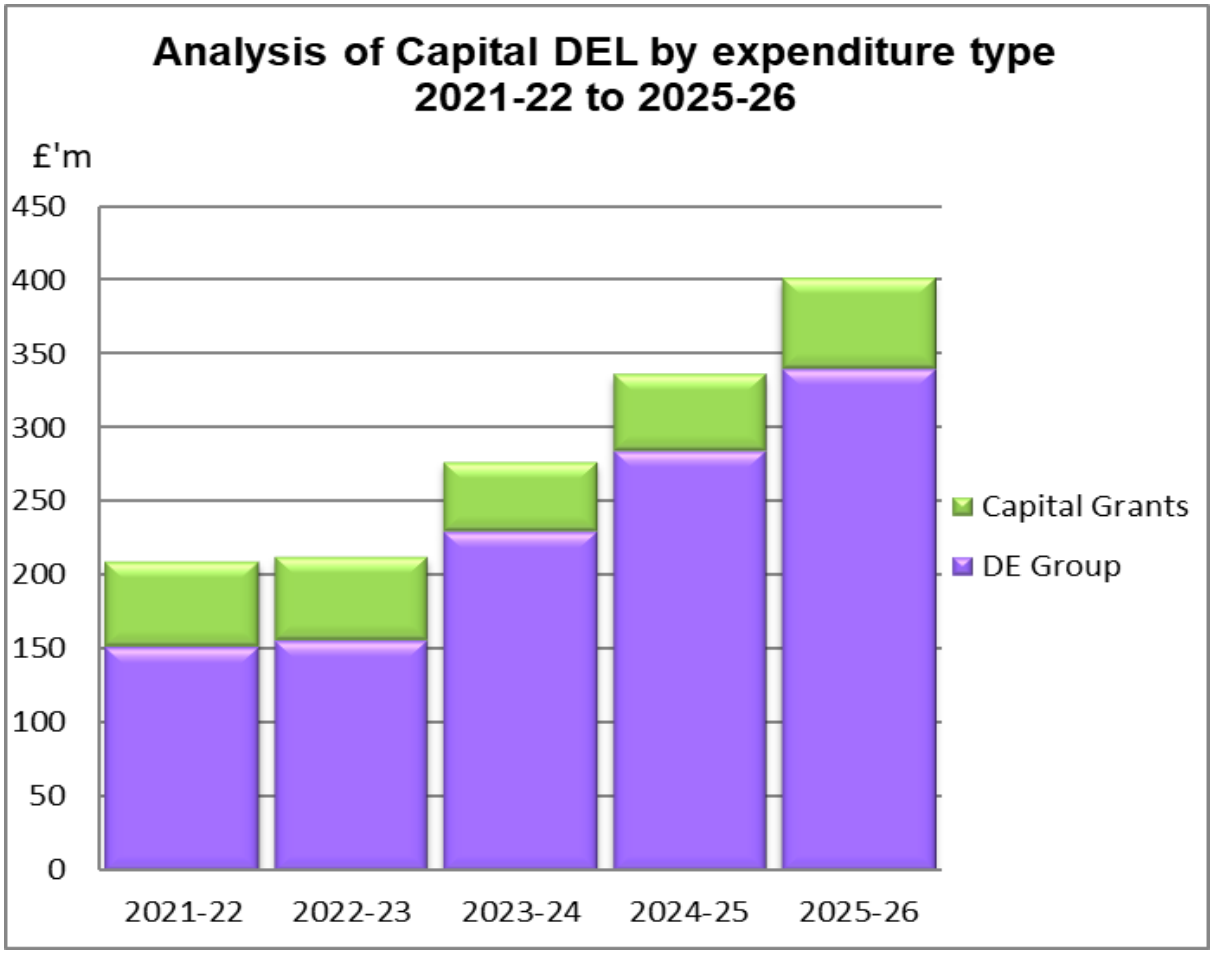
Resource DEL Expenditure



Capital DEL Expenditure



## Long term expenditure tables

| | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | 2024-25 £000 | 2025-26 £000 |
|---|---|---|---|---|---|
| **Total Resource DEL** | **2,501,440** | **2,649,847** | **2,880,600** | **3,150,843** | **3,582,678** |
| *Of which:* | | | | | |
| Staff costs | 1,649,545 | 1,788,030 | 1,971,898 | 2,182,557 | 2,505,399 |
| Purchases | 367,884 | 392,042 | 400,994 | 426,385 | 449,747 |
| Depreciation | 1,190 | 1,931 | 2,621 | 2,291 | 2,447 |
| Grant | 573,754 | 572,454 | 613,408 | 663,932 | 753,958 |
| Income | (90,933) | (104,610) | (108,321) | (124,322) | (128,873) |
| **Total Resource AME** | **260,221** | **289,681** | **135,369** | **154,984** | **27,417** |
| *Of which:* | | | | | |
| Provisions | 152,547 | 154,643 | 11,118 | (9,226) | (82,045) |
| Depreciation & Impairments | 108,304 | 135,792 | 124,502 | 163,854 | 109,057 |
| Other AME | (630) | (754) | (251) | 356 | 405 |
| **Total Resource DEL and AME** | **2,761,661** | **2,939,528** | **3,015,969** | **3,305,827** | **3,610,095** |
| *Of which:* | | | | | |
| Staff costs | 1,649,545 | 1,788,030 | 1,971,898 | 2,182,557 | 2,505,399 |
| Purchases | 367,884 | 392,042 | 400,994 | 426,385 | 449,747 |
| Depreciation & Impairments | 109,494 | 137,723 | 127,123 | 166,145 | 111,504 |
| Grant | 573,754 | 572,454 | 613,408 | 663,932 | 753,958 |
| Income | (90,933) | (104,610) | (108,321) | (124,322) | (128,873) |
| Provisions | 152,547 | 154,643 | 11,118 | (9,226) | (82,045) |
| Other AME | (630) | (754) | (251) | 356 | 405 |
| **Total Capital DEL** | **209,166** | **211,804** | **276,357** | **335,684** | **400,155** |
| *Of which:* | | | | | |
| Departmental Group capital | 151,611 | 155,965 | 229,570 | 283,213 | 338,610 |
| Capital Grants | 57,555 | 55,839 | 46,787 | 52,471 | 61,545 |
| **Total Capital AME** | **-** | **-** | **-** | **87** | **37** |
| **Total Capital DEL and AME** | **209,166** | **211,804** | **276,357** | **335,771** | **400,192** |

| | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | 2024-25 £000 | 2025-26 £000 |
|---|---|---|---|---|---|
| **Total DEL and AME** | **2,970,827** | **3,151,332** | **3,292,326** | **3,641,598** | **4,010,287** |
| *Of which:* | | | | | |
| Total DEL | 2,710,606 | 2,861,651 | 3,156,957 | 3,486,527 | 3,982,833 |
| Total AME | 260,221 | 289,681 | 135,369 | 155,071 | 27,454 |

## 2.7 Future development and performance

Moving forward, the Department's key focus will be on the continued delivery of the Minister's key priorities as outlined in the Programme for Government 2024-2027 and the TransformED Delivery Plan. These in turn will deliver associated outcomes (described in the respective documents) and to help ensure these outcomes are realised, the Department and its delivery partners will work in partnership with schools, youth services and a wide range of other stakeholders, most importantly of all, children and young people.

NDPBs also maintain Strategic/Corporate Plans, which align with Programme for Government, Ministerial and Departmental priorities. These are subject to review and approval by the Department in line with the process for the Executive's agreement of a Programme for Government in a new Assembly mandate and the development of an overarching Departmental Corporate Plan.

## 2.8 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.

The Strategy sits within the context of the United Nations international human rights conventions including the UNCRC.

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 Early Learning and 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 2025-26 year. These assessments will be listed within the Rural Needs Annual Monitoring Report 2025-26, 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 2025-26 which can be accessed at EA's website.

## 2.9 Sustainability Report

### About this sustainability report

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

All information included in this sustainability report conforms to the normal public sector financial year of 1 April to 31 March. Northern Ireland's Sustainability Reporting Guidance 2025-26 was issued to NICS departments mid-year, i.e. departments were unaware of the information they were expected to collect at the start of the 2025-26 financial year. This may have led to omissions in data reporting; this will be explained to the reader where relevant.

The organisational boundary used in this sustainability report is the core department. The information disclosed in this report relates to the estate that the department occupies. In cases where a building is shared by two or more departments, and emissions data is available, the data is proportioned by the floor space utilised by the tenant. For example, if a department occupies 50% of the floor space of a building, the department will report 50% of the emissions associated with that building.

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

## Governance

The Departmental Board provides oversight of climate-related matters through approval of the Annual Accounts and associated sustainability disclosures, providing assurance that climate and environmental considerations are reflected in departmental governance and financial reporting.

Departmental business areas are responsible for assessing and managing climate-related issues including the delivery of construction projects and procurement activity. This is supported by specialist advice from Construction and Procurement Delivery (CPD) to ensure compliance with procurement policy and social value requirements.

## Emissions

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

Please note that fuel consumed may include fuel that departments have purchased and stored, i.e. the fuel has not been burned in the reporting period. This is due to the information being sourced from fuel invoices.

Both Rathgael House and Orchard House are owned by the Department of Finance (DoF). As the estate owner, DoF is responsible for the management of the buildings, including the Energy Collaborative Framework arrangements, procurement, planned preventative maintenance (PPM) of boilers and associated systems. DoF also has energy management systems in place within both buildings. As the occupying department, the Department of Education (DE) has limited influence over these estate and energy management arrangements, as responsibility for these matters rests primarily with DoF.

The emissions figures reported in the table below relate to Rathgael House, which is occupied solely by the Department. Orchard House is a multi-occupancy building and emissions data is held centrally by DoF. This data has not been made available to occupying departments.

### Energy emissions, consumption and cost for fuel burned and purchased electricity in 2025-26

| Rathgael House | Scope 1 (fuel burned) | Scope 2 (purchased electricity) |
|---|---|---|
| **Emissions (kg CO2e)** | 460,842 x 0.21450 = 98,851 | 224,670 x 0.20705 = 46,518 |
| **Consumption (kWh Gross CV)** | 460,842 | 224,670 |
| **Net Cost (£millions)** | 0.030 | 0.063 |

Source of data: utility invoices

**Emissions Scope 1 (Department owned transport)**
**Mileage and emissions by department owned vehicle type in 2025-26**

| Vehicle size/ type | Fuel type | Mileage 2025-26 | Kg CO2e 2025-26 |
|---|---|---|---|
| Executive passenger car | Petrol Hybrid – Self charging | Approx 22,000 miles | 2,030 litres of petrol x 2.06916 (conversion factor) = 4,200.39 kg CO2e |

Source of data: ghg-conversion-factors-2025-condensed-set.xlsx

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

Please note this sustainability report does not include data on staff commuting to and from their normal place of work. Please note vehicle size and vehicle fuel type are unknown for the data in Table 3.

**Mileage and emissions from vehicles not owned by department in 2025-26**

| Year | Mileage | Kg CO2e |
|---|---|---|
| **2025-26** | 359,825 miles | 359,825 (miles) x 0.26915 (conversion factor) = 96,847 kg CO2e |

Source of data: Account NI

**Emissions Scope 3 – Business travel using public transport that is claimed back**
Please note there is no known record of mileage associated with public transport claims, only costs as shown in the table below.

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

| Year | Bus (Cost, £) | Rail (Cost, £) | Taxi (Cost, £) |
|---|---|---|---|
| **2025-26** | £257 | £1,670 | £609 |

Source of data: Account NI

**Emissions Scope 3 - Business travel that is booked via Travel Desk**
**Air and rail travel booked by Travel Desk**

| Mode of transport | Category | Class | Year 2025-26 | |
|---|---|---|---|---|
| | | | Distance (km) | Emissions (kg CO2e) |
| **Domestic flight** | | **Economy** | 92,811 | 22,358 |
| | | **Premium economy** | - | - |
| | | **Business** | - | - |
| | | **First** | - | - |
| **International flight** | **Short haul** | **Economy** | 29,965 | 4,471 |
| | | **Premium economy** | - | - |
| | | **Business** | - | - |
| | | **First** | - | - |
| | **Long Haul** | **Economy** | 21,492 | 2,346 |
| | | **Premium economy** | - | - |
| | | **Business** | 43,360 | 17,597 |
| | | **First** | | |
| **Rail travel** | | **Standard** | 5,467 | 141 |
| | | **First** | - | - |

Source of data: Selective Travel

**Hotel stay booked by Travel Desk or equivalent**

| Country | No. of nights stayed | Emissions (kg CO2e) |
|---|---|---|
| Estonia* | 16 | 167 |
| Germany | 4 | 53 |
| Ireland | 25 | 625 |
| Malta* | 4 | 42 |
| Netherlands | 6 | 89 |
| United Kingdom | 503 | 5,252 |
| United States | 27 | 435 |

Source of data: Selective Travel

*Country-specific factors were unavailable, the nearest proxy (UK average) has been used.

**Car hire booked by Travel Desk or equivalent**

| Year | Mileage | Emissions (kg CO2e) |
|---|---|---|
| **2025-26** | 1,021 | 1,021 x 0.26860 = 274 |

Source of data: Selective Travel

Please note that the car size and fuel type of hired cars is unknown, therefore the emissions are based on average car size and fuel type.

## Paper printed

**Table 8: Paper printed by year**

| Year | Paper printed (pages) |
|---|---|
| **2023-24** | 432,208 |
| **2024-25** | 432,911 |
| **2025-26** | 721,867 |

Source of data: IT Assist

## Responsible disposal of ICT waste

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

The framework specification also requires the following from suppliers.

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

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

Source of data: IT Assist

## Sustainable procurement

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

For information on the meaning of Social Value: the Public Procurement Policy Statement which was approved by the NI Executive on the 5th of June 2025 states "Social Value means economic, environmental and social benefits in support of the Programme for Government". The DoF Social Value Strategy document 2025-2027 states, "Social Value refers to wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment. It incorporates ethical and sustainable supply chains, community benefits and wealth building, job and skills creation and efforts to combat climate change".

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

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 ten years before construction of the schools is completed, the benefits are realised and the pilot can be fully assessed.

In addition, the Department has set minimum requirements for all new school buildings to reduce carbon emissions and achieve Net Zero in Operation and this target was adopted for the major capital works projects announced in 2022 and Special schools announced in 2024.

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 the 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.

Further information on the EA's Sustainability can be found in the EA's Annual Report and Accounts 2025-26 which can be accessed at EA's website.

## Single use plastics

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

### Environmental issues

Construction and Procurement Delivery (CPD) is responsible for managing the NICS office estate which, for the Department, relates to Rathgael House and Orchard House.

The Department continues to work closely with colleagues in CPD to review our accommodation requirements and we have recently completed a project to reduce the amount of car parking spaces within our headquarters building in Rathgael House. DE staff in Waterside House relocated to a repurposed multi-occupancy building, Orchard House. Both projects have further reduced the Department's footprint within the office estate. The installation of modern efficient boilers and other energy saving technologies, in the buildings we occupy, will help us to reduce consumption.

The Department onboarded onto CPD's collaborative frameworks for 100% renewable (green) electricity in 2024. CPD and its Clients are committed to the Energy Management Strategy | Strategic Investment Board.

**This Performance Report is approved and signed.**



**David Malcolm**
**Accounting Officer**
**20 October 2026**

# 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 Minister with responsibility for Education for the 2025-26 year.

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:

| | |
|---|---|
| Ronnie Armour | Interim Permanent Secretary (until January 2026) |
| David Malcolm | Permanent Secretary (from February 2026) |
| Linsey Farrell | Deputy Secretary (until June 2025) |
| Heather Cousins | Deputy Secretary |
| Suzanne Kingon | Interim Deputy Secretary (from June 2025) |
| Paul Brush | Interim Deputy Secretary (from June 2025) |
| Faustina Graham | Chief Inspector, ETI |
| Neil Palmer | Finance Director |
| Marcella Phillips | Departmental Strategic HR Business Partner |

**Non-Executive Board Members**

Paul Corrigan
Anna Carragher

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. The Register of Interests includes details of interests held by the senior management team and the ARAC.

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 2025-26 resulted in a notional audit fee of £112k 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 £233k 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 2025-26, 50 complaints were received under the procedure (however one was treated as a correspondence case, one was referred to the EA for answer and one was answered under Teachers' Pay and Pensions Team procedures) compared to 46 in the previous year. Twelve of the remaining 47 complaints were escalations 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 2025-26 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, 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 2025-26, although the Department made the ICO and affected data subjects aware of a data breach incident, involving the distribution of a set of meeting minutes, the ICO did not follow up with DE, and the Department did not formally report any personal data breaches to the ICO.

The Department's NDPBs, including the EA, are expected to account for any personal data breaches reported to the ICO and data subjects in their own End of Year Reports. In 2025-26, EA reported one personal data breach to the Information Commissioner's Office (ICO) and is awaiting the ICO's decision in relation to this breach. CCEA reported two potential personal data breaches to the ICO but in both cases the ICO accepted that CCEA's remedial actions had mitigated any potential risks to data subjects and both matters were closed. MCA also experienced a cyber security incident, which resulted in a confirmed personal data breach which was reported to the ICO.

Events occurring since the end of the financial year

Events after the reporting period relating to the 2025-26 financial year have been disclosed in note 26 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 2025-26, 97.96% (2024-25: 97.12%) of the Department's invoices were paid within 10 days and 99.73% (2024-25: 99.20%) of invoices were paid within 30 days.

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 Dashboard 2025-2026.

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

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 2025-26 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 (GRAANI), the Department of Finance has directed the Department of Education 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 (inclusive of its executive agencies) and its sponsored non-departmental and other arm's length public bodies designated by order made under the GRAANI by Statutory Rule 2025 No.50, as amended by Statutory Rule 2025 No.189, (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 the Department of Finance, 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 Department of Finance 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 Department of Finance.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the 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 is the Annual Governance Statement for the Department of Education as required by DAO (DFP) 10/12. This Statement sets out the governance, risk management and internal control arrangements that have operated in the Department from 1 April 2025 to 31 March 2026. DE operates in compliance with the guidance set out in the *Corporate Governance in Central Government Departments: Code of Good Practice Northern Ireland*.

This Governance Statement is a key feature of the Department's Annual Report and Accounts. It provides details of how I, along with the former Interim Permanent Secretary, as the Accounting Officers, have ensured effective management and control of resources during the 2025-26 year, and of the action taken to ensure effective risk management and a high standard of corporate governance.

The following statement represents the position of the Departmental Group during 2025-26 (the Department and its eight sponsored NDPBs). As the Permanent Secretary, and the Principal Accounting Officer for the 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 NDPB Accounting Officers, who have responsibility for the development and maintenance of their internal control frameworks, and who provide an equivalent statement within their published reports 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 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 during 2025-26 comprised the Interim Permanent Secretary, the three Deputy Secretaries; the Chief Inspector of ETI; the Finance Director; Departmental Strategic HR Business Partner; and two independent Non-Executive Board Members (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 2025-26, the Departmental Board met on seven occasions.

## Departmental Board Membership and Attendance 2025-26

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

| Board Member | Meetings Attended | Out of a possible |
|---|---|---|
| **Ronnie Armour (Chair) (left DE January 2026)** (Interim Permanent Secretary) | 6 | 6 |
| **David Malcolm (Chair) (from February 2026)** Permanent Secretary | 1 | 1 |
| **Faustina Graham** (Chief Inspector, ETI) | 7 | 7 |
| **Linsey Farrell (Left DE July 2025)** (Deputy Secretary) | 1 | 2 |
| **Heather Cousins** (Deputy Secretary) | 4 | 7 |
| **Paul Brush** (Acting Deputy Secretary from July 2025) | 5 | 5 |
| **Suzanne Kingon** (Acting Deputy Secretary from July 2025) | 3 | 5 |
| **Neil Palmer** (Finance Director) | 7 | 7 |
| **Paul Corrigan** (Non-Executive Board Member and Chairperson of ARAC) | 7 | 7 |
| **Anna Carragher** (Non-Executive Board Member and Member of ARAC) | 5 | 7 |
| **Marcella Phillips** (Northern Ireland Civil Service HR Strategic Human Resource Business Partner) | 6 | 7 |

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

During 2025-26, 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 26 April 2026.

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 2025-26 the Departmental Board was supported by the Audit and Risk Assurance Committee (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 2025-26, Mr Paul Corrigan served as NEBM and ARAC Chairperson and Mrs Anna Carragher served as NEBM. The remaining two members are serving Senior Civil Servants (SCS). During 2025-26, Mr Richard Logan (Finance Director, DoJ) and Mr 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 2025-26**

| Name | Meetings Attended | Out of a possible |
|---|---|---|
| **Paul Corrigan** (Chairperson) | 4 | 4 |
| **Anna Carragher** | 4 | 4 |
| **Patrick Butler** | 3 | 4 |
| **Richard Logan** | 4 | 4 |

### 3.3.3 Departmental Board Performance

I consider that the Departmental Board operated effectively during 2025-26, 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.

2025-26 Review of Board Effectiveness

The Review of Board Effectiveness requires independent input within the Board's Terms of reference. This has been delayed due to the Board Secretariat being off on long term sickness. The Board Evaluation is an item at an upcoming Board meeting when it will be discussed in greater detail**.**

### 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. 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 2025-26 will be presented to the Departmental Board in August 2026. 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 2025-2026 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 2026-27.

### 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 2025.

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 2025-26.

Although the Department made the ICO and affected data subjects aware of a data breach incident, involving the distribution of a set of meeting minutes, the ICO did not follow up with DE and the Department did not formally report any personal data breaches to the ICO.

Head of Internal Audit Assurance

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 have been limited audit opinions awarded in respect of the reviews of:

- NI Teachers Pension Scheme,
- Sponsorship of the Education Authority (EA),
- Sponsorship of Comhairle na Gaelscholaíochta (CnaG) and the Northern Ireland Council for Integrated Education (NICIE), and
- Schools Estate Asset Management.

In addition, three limited opinions remain after consideration of follow up reviews in respect of:

- Health and Safety – New Way of Working,
- Additional Educational Needs Team and
- Business Continuity Planning.

The Department is taking appropriate action to address the issues raised across the limited audit opinions and progress is routinely discussed at ARAC.

### 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 – designated as 'Official Statistics' and some 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 (for example, data related to enrolments, attainment, absence, workforce);
- Financial information prepared from internal and external finance systems, which are supported by internal control frameworks and subject to both internal and external audit scrutiny across the education sector (including monitoring reports on capital and resource expenditure);
- HR information, mainly data on absence management sourced from official reports provided by the Northern Ireland Statistics and Research Agency; and
- Inspection evidence, mainly data used to compile the Education and Training Inspectorate reports and the annual report to the Departmental Board.

Accordingly, the Departmental Board and its NDPBs consider that it can take assurance regarding the quality of the statistical and financial data it uses to monitor performance and inform decision-making.

### 3.3.7 Ministerial Directions

On 9 December 2025, the Minister issued a Ministerial Direction to allow implementation of the 2025-26 Teachers' pay award, at a cost of £38.3m in the current financial year.

The 2025-26 pay award for teaching staff in Northern Ireland was due to be made on 1 September 2025. However, given the funding position within the education sector, it had not been possible to make a pay offer. There was therefore increasing tension and anxiety among teachers in relation to the overdue pay award, particularly given that other public sector colleagues in health and justice had already seen their pay increase agreed by the Executive.

While this issue remained unresolved, the risk of industrial action by teachers was considerable. Any prolonged industrial action would have undermined the significant efforts since restoration of the Northern Ireland Assembly to normalise the education system and improve educational outcomes.

Given the imperative of averting further damaging industrial action within the education sector, the Minister was convinced of the pressing need to make a pay award to teachers and decided that a pay increase in line with England and Wales was necessary. However, given that the cost of the proposed award was £38.3m in 2025-26, officials could not construct a case for this expenditure that met the requirements of Managing Public Money Northern Ireland (MPMNI), as it was not affordable under the current agreed budget. Therefore, the Accounting Officer sought a Ministerial Direction, which the Minister agreed to issue, having taken into account the significant risk, and associated impact of a return to industrial action, should a pay award not be made. The Ministerial Direction was subsequently approved by the Executive through use of the Urgent Decision procedure on 18 December 2025.

### 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 Risk Management Framework (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 any amendments are approved by the Departmental Board. It was updated and amendments approved by the Board in April 2025 and again in April 2026.

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.

During 2025-26 the CRR contained six risks under the following broad headings:

1. Financial;
2. Alignment and delivery;
3. Relationships;
4. Safeguarding;
5. People; and
6. Programme.

The six risks remained in place throughout the 2025-26 year and were subject to ongoing (quarterly) review and update. At the Departmental Board in April 2026, it was agreed that the CRR opening review for 2026-27 would continue with the extant risks, but subject to a full review of the CRR in early 2026-27.

Each Directorate/business area was required by the Departmental Board to have in place appropriate arrangements for managing risk at a lower level and these arrangements were strengthened in the RMF during the year.

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

With this in mind, all NDPB Risk Registers and a sample of Directorate Risk Registers were examined during 2025-26 and findings were reported to the Board and ARAC in relation to:

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

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

**Significant issues arising during 2025-26**

During 2025-26 the Department managed a number of significant issues in relation to:

- 2025-26 Budget
- EA 2025-26 Financial Position
- Industrial Relations and Teachers' Pay/Workload
- TransformED Strategy and Delivery Plan
- Special Educational Needs and Disability (SEN) Reform Agenda and Transformation Programme
- UK COVID Public Inquiry
- EA Landscape Review
- Other Northern Ireland Audit Office (NIAO) Reports
- Middletown Centre for Autism
- Major EA IT Projects
- C2k Cyber Attack
- General Teaching Council for Northern Ireland (GTCNI)
- Safeguarding and Child Protection
- Fraud Prevention and Whistleblowing
- Department of Education staff vacancies and absences
- Irregular Expenditure
- Data Breaches

**2025-26 Budget**

The 2025-26 Resource Budget for Education was agreed by the Executive on 3 April 2025. The Department received a Resource DEL allocation of £3,227.3m.

The Northern Ireland Budget (No. 2) Act 2025, which received Royal Assent on 28 July 2025, provided the statutory authority for the 2025-26 Northern Ireland Budget.

The Budget Act (Northern Ireland) 2026, which received Royal Assent on 20 March 2026, together with the Northern Ireland Spring Supplementary Estimates 2025-26 which were agreed by the Assembly on 23 February 2026, provide the statutory authority for the Executive's final 2025-26 expenditure plans. The Budget Act (Northern Ireland) 2026 also provides a Vote on Account to authorise

expenditure by departments and other bodies into the early months of the 2026-27 financial year.

As Royal Assent was not received for a Budget (No. 2) Act by 31 July 2026, the department is operating using the cash and resources authorised by the Permanent Secretary of the Department of Finance under Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001, for the service of the financial year 2026-27. Based on its initial budget allocation, there remained an estimated funding gap for the Department in 2025-26 in the region of £310m in respect of inescapable demand-led and pre-committed pressures. While the Department worked with the Education Authority to identify savings, bridging such a significant gap in funding was always likely to prove difficult. Recognising the significant funding challenges faced by Northern Ireland Departments in 2025-26, HM Treasury agreed during the year to provide the Executive with a reserve claim of £400m Resource DEL, of which, £214.6m was allocated to the Department. This will be repayable over three years.

Due to a combination of this additional funding as well as a number of one-off savings delivered by the Education Authority, the Department was able to deliver a balanced budget for 2025-26, reporting a small Resource underspend at Provisional Outturn of £4.1m (0.1%), a significant portion of which (£3.5m) related to ring-fenced funds which could not be diverted to fund other activities.

The Department's opening Resource Budget for 2026-27 has not yet been agreed by the Executive. However, based on the proposed allocations set out in the Finance Minister's Draft Budget for 2026-2029/30, the Department is projected to face a shortfall of c£0.6 billion in 2026-27. In the absence of significant additional funding in Education's agreed final opening budget, the scale of pressures facing the Department are such that there is a real danger DE and the EA will not be able to deliver basic statutory services without a significant overspend against Education's budget allocation.

The Executive has also indicated its continued support for its Early Learning and Childcare Strategy. The Draft Budget includes a proposed allocation of £55 million in 2026-27. However, as this is "flat cash" compared to the 2025-26 allocation, it represents a real terms decrease in funding and is significantly less than the forecast requirement of c£81m.

The Department also faced unprecedented pressures on capital funding in 2025-26 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 2025-26 was c.£65.2m. 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 2025-26 was based on the following priorities: (i) to meet existing contractual requirements; (ii) Statutory/remedial/emergency works; (iii) SEN Capital Investment Programme; (iv) the Curriculum-led programme; (v) progressing a small number of major

works and School Enhancement Programme projects to construction; and (vi) Delivery of the flagship Strule Shared Education Campus.

Due to a shortfall in the initial capital budget allocation against capital needs in 2025-26, many of the difficult decisions made, such as the decision to pause projects, continued with 21 of the projects announced to advance in planning in 2022 remaining paused.

Surveys continued through the year to identify the presence of Reinforced Autoclaved Aerated Concrete (RAAC) in school buildings. To date only one school has been identified with RAAC and was dealt with, but any further cases will place considerable pressure on an already overstretched capital budget.

The Department continued to face significant capital pressures throughout 2025-26. However, additional capital secured during in-year monitoring exercises helped address many of the most pressing needs.

At Provisional Outturn, the Department reported a Capital DEL underspend of £2.6m (0.6%), the majority of which related to lower than anticipated spend on minor capital works.

**EA 2025-26 Financial Position**

The EA's financial position poses a significant financial risk to the Department's budget due to the quantum of the EA's budget. Therefore, the Department continued 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 2025-26 at the outset of the financial year, the indicative Aggregated Schools Budget (ASB) was a roll forward of the final opening budget for 2024-25 plus additional funding of £12.6m for the recurring impact of the 2024-25 National Joint Council (NJC) pay award, £16.3m for the recurring impact of the EA Pay & Grading Review, £9.2m for the teachers' incremental pay award for September 2025 and £18m for stage 2 of the EA Pay & Grading Review. This brought the total opening ASB allocation to £1,692.6m. Schools were notified of their indicative opening budgets in April 2025.

The EA's block grant indicative allocation was a roll forward of the 2024-25 final opening budget position, plus additional funding of £29.5m for the recurring element of the NJC pay award, £35.7m for the recurring element of the EA Pay & Grading Review, £57m for stage 2 of the EA Pay & Grading Review, £1.5m for the block grant element of the teachers' incremental pay award for September 2025 and £43.6m to mitigate ongoing SEN pressures. This provided the EA with an opening indicative block grant allocation of £1,128.8m.

Following agreement of the teachers' pay award for September 2024, an additional £11.5m was allocated to the EA's block grant in May 2025. Furthermore, an additional £70.7m of funding was distributed to schools through the Common Funding Formula (CFF). Despite these additional allocations, the EA was forecasting pressures of £324.9m. In June 2025 the Minister tasked the EA with producing proposals to significantly reduce expenditure to enable it to

operate within the allocated budget. Savings totalling £34.5m were delivered by the EA.

Following receipt of additional funding by the Department at June Monitoring Round, an allocation of £32.6m was made to the EA block grant to mitigate against residual pressures. Further allocations totalling £35.8m were made in relation to teaching and non-teaching pay awards. Following the outcome of December Monitoring Round, the receipt of the Reserve claim of £214.6m from HM Treasury, additional funding agreed by the Northern Ireland Executive in January and the repurposing of some minor reduced requirements across the Department, the EA was allocated a further £306.5m to mitigate pressures. This additional investment enabled the EA to operate within budget in 2025-26.

Looking ahead to 2026-27, the Department will continue to challenge the EA in relation to the robustness of its assessed forecast pressures. The Department fully expects that the current, constrained budgetary environment will continue to present a significant challenge to schools. The Department continues to make the case each year for additional funding.

**Industrial Relations and Teachers' Pay / Workload**

At the start of April 2025 NITC accepted a pay offer of 5.5% which brought to an end the industrial action by teachers. This pay agreement reflects the pay increase already applied to teachers in England and is also cognisant of the workload issues faced by teachers and school leaders.

Following a series of meetings, it was agreed that an Independent Review of all aspects of workload would be taken forward by a three-member panel, comprising an independent chair appointed by the Minister, a member nominated by the unions and a member nominated by Teachers' Negotiating Committee (TNC) Management Side. The independent panel also monitored the implementation of the suite of workload commitments issued alongside the Management Side pay offer as a Heads of Agreement. Since the panel reported to the Minister on 30 November 2025 work has been ongoing to scope the impact of each of the recommendations and map out the actions and timescales that would be required to deliver change.

Following the Executive approval of the Ministerial Direction in relation to teachers' pay for 2025-26, a formal offer of a 4% consolidated pay award to all teacher salary scale points with effect from 1 September 2025 was agreed. This was in line with the latest School Teachers' Pay Review Body (STRB) recommendation in England. The pay increase and arrears were paid to teachers in the February pay run.

On 2 February 2026 the EA received notification from the JNC unions that they are registering an industrial dispute on the following issues:

- Changes to the Essential Car User Allowance (ECA) and the Criteria used.
- Changes to the mileage rates.
- The impact of cuts to budgets and the impact on the delivery of Public Services.

- Including all matters arising out of and in consequence of this dispute.

Following a mediation process through the Labour Relations Agency (LRA), a resolution to this dispute was agreed in April 2026.

**TransformED Strategy and Delivery Plan**

As part of the Department's response to the final report of the Independent Review of Education (IRE) (December 2023), the *TransformED* Strategy was published in March 2025 and subsequent Delivery Plan published in April 2025. TransformED outlines a comprehensive strategy for the transformation of teaching and learning in Northern Ireland based on improving the key factors evidenced to deliver high performing education systems and thereby providing best value for the public purse.

Subject to agreement by the Northern Ireland Executive, legislation has been drafted which will provide for all learners to continue their education, apprenticeship or training until age 18. The Department also stands ready to introduce a bill that will strengthen legislation to protect the statutory inspection process and ensure that Religious Education is included in inspections moving forward, acting on the findings of the Supreme Court.

Fundamental reviews of the statutory curriculum, external qualifications and statutory assessment at Key Stage 1-3 have been undertaken to ensure that reform in these key features of the education system is evidence-based and shaped by the expertise of practitioners.

During the year there has been significant investment in high-quality professional learning that supports teachers' development throughout their career, recognising the correlation between the quality of professional learning and pupil attainment.

Early work has been progressed to develop a new school improvement policy and operational model to ensure schools that would benefit from tailored or intensive external support are identified early and provided with high-quality support from experienced professionals.

In considering the IRE's findings that complex management arrangements were, in particular for controlled schools, sub-optimal, the Department has overseen the establishment of a dedicated Controlled Schools' Unit within the Education Authority and is working to progress legislation to establish a dedicated body to manage the controlled sector.

**Special Educational Needs and Disability (SEN) Reform Agenda and Transformation Programme**

In response to over 200 recommendations from historical scrutiny reports the Department conducted an End-to-End Review of SEN (which overarched 12 DE-led workstreams and the EA transformation project – Local Integrated Teams or LITS), which concluded in October 2024 and led directly to the publication of the SEN Reform Agenda and associated Delivery Plan in February 2025.

The EA transformation project closedown has taken place and the LIT model is being embedded into operational practice with evidence demonstrating that queries are being resolved at an earlier stage through SEND Central and the Single Contact Form. The scale and pace of change has required significant support for staff to adopt new ways of working while embedding continuous improvement. Resourcing and capacity pressures remain the most significant constraint to progressing the model at pace.

The Department made a successful bid to the Public Sector Transformation Fund and, in March 2025, secured £27.5m to take forward a number of funded projects focused on early intervention; transforming the support model for children with a statement of SEN; building a skilled education workforce confident in meeting the needs of all children; and creating a more inclusive education system.

Following a stock-take to ensure deliverability and complementarity of all funded projects, the Minister and Public Sector Transformation Board approved the reconfiguration of some of the projects.

Three projects have already commenced namely the 2-3 year-old programme (September 2025), the SEN assistant training programme and the inclusive play programme (both January 2026). The majority of the remaining funded projects will commence in September 2026, including Enhancing the Support Model (ESM).

Delivery of the Agenda will be key to progressing the PfG priority, ‘Better support for children and young people with SEN’.

There is continued significant pressure for special education places to meet demand. SEN Directorate worked closely with EA to create capacity across the education system to address the shortfall in special education places for September 2026. In February 2026, the Minister wrote to all schools outlining a strengthened policy position and making clear that mainstream schools identified by the EA as suitable to facilitate specialist provision will be required to engage constructively with the EA to enable such provision to be established. As referenced in that letter, the EA is currently updating its Framework for Specialist Provision. Intensive work throughout the year means that there will be 129 additional classes, creating more than 1,100 new places to address the need for places for September 2026. At the end of July, the number of children with special educational needs waiting for a school placement across nursery, primary and post-primary schools for the new academic year is less than 15.

Working collaboratively with EA, a review of the planning process for placing children with a statement of SEN was completed. A range of actions were included within the SEN Reform Delivery Plan to improve longer term planning and ensure children with SEN receive timely confirmation of a placement which meets their needs. These included publication of the EA’s ‘Operational Plan 2’ (2024-26) on 16 January 2025 prioritising planning for special education provision and a planned approach to the removal of the supernumerary status of children with a statement of SEN. On 2 May 2025, an eight-week public consultation was launched seeking views on a proposal to change the status of children with a

statement of SEN from supernumerary at all times, to supernumerary only for the year of admission, or where a change of placement is necessary.

A range of initiatives were taken forward in 2024-25 and extended into 2025-26 to support children with emerging special educational needs in the early years, funded through the Early Learning & Childcare Fund. Most notable was the establishment of a Pre-school Inclusion Fund which provided £4.3m in funding support to 640 of the eligible 669 pre-school settings that are funded by the department to deliver the Pre-school Education Programme.

**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 Department will be required to respond to recommendations from Module 8 when available.

The Department was involved in 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 30 April – 16 May 2024. The Executive Office (TEO), who are the lead Department for Module 2C, received the initial recommendations for response in February and the Department responded with input to TEO on one recommendation around the Children's Rights Impact Assessments.

The Department responded to a Rule 9 request for Module 7 Test Trace and Isolate of in March 2025, and the Inquiry accepted this Statement without any clarification. The Public Hearings for Module 7 finished on 30 May 2025, with no witnesses from the Department called or evidence produced to Core participants.

Formal hearings of Module 8 Children and Young People commenced on 29 September 2025 and finished hearing evidence on 23 October 2025. The Department complied with Rule 9 requests and Derek Baker, former Permanent Secretary, provided oral evidence to the hearings on 15 October with a closing written statement provided to the Inquiry. Recommendations from Module 8 will issue in due course and the Department will be the lead in responding to any issues.

The Department will continue to work Departmental Solicitors Office (DSO) and continues to have representation on a cross department working group chaired by TEO advising all Departments on Rule 9 requests and responses to recommendations to inform consistent approaches in relation to responses.

Former Ministers were 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.

## EA Landscape Review

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.

An Action Plan to collaboratively address the recommendations was agreed in February 2023. The Action Plan, prioritised to take account of the financial context, provided the basis for moving forward with the highest priority areas that would 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.

Achievements in 2025-26 include continuing implementation of actions within We are EA - People Plan 2024-2029; the development of an EA Communications Strategy (and successful delivery of a Call Management Project, Customer Service Charter and an EA NI School Leadership Forum); and a new EA Partnership Agreement which was agreed in March 2026.

The EA developed a 'Position Paper', with input from DE on specific sections which relate to actions that the Department has taken forward. The 'Position Paper' took stock of progress to date, and while the Department had some concerns regarding impact, the Department decided to stand down the Landscape Review Oversight Meetings, instead continuing to seek assurances and monitor progress through the Governance and Accountability Review meetings.

On 8 July 2026, the Northern Ireland Audit Office (NIAO) published a report on the progress made in implementing the Landscape Review recommendations. The report concluded that the review represented a missed opportunity for improving both outcomes for pupils and value for money for taxpayers. The NIAO made five recommendations, which the Department is considering its response to.

## Other Northern Ireland Audit Office (NIAO) Reports

In addition to producing a report on the EA Landscape Review, the NIAO also published reports on (i) Education Programmes, (ii) Quality of Education and (iii) Governance, accountability and oversight arrangements relating to the Voluntary Grammar and Grant-Maintained Integrated Sectors (on 31 March 2026, 2 April and 8 July 2026 respectively). The Department is considering the recommendations arising from these reports.

## Middletown Centre for Autism

The Department is committed to ensuring that the Middletown Centre for Autism (MCA) is fit for purpose and has capacity for delivering its current work programme and challenges in line with the Minister's published SEN Reform Agenda and five-year Delivery Plan (February 2025) which identifies MCA as a key delivery partner and includes a theme of "Enhancing the role of the Middletown Centre for Autism".

A Landscape Review of MCA is anticipated to commence in 2026-27, dependant on budget availability. The Landscape Review would be beneficial to the Department, MCA, the Department of Education and Youth (DEY) (Ireland) and the wider delivery of special educational needs reform in Northern Ireland and the Republic of Ireland.

Work undertaken as part of the 2024-25 Internal Audit programme for MCA identified no governance issues (3 audits were completed with satisfactory assurance) however as MCA terminated the contract with the Internal Audit providers early the annual audit plan was incomplete and there was no overall Annual Head of Internal Audit Opinion was produced. New Internal Audit provision has been in place since end September 2025 with a full audit programme agreed for 2025-26.

Site Access

The Board of MCA took a precautionary decision, on 5 September 2025, to restrict access to the land and premises at 35 Church Street, Middletown with immediate effect following review of the Department of Finance (DoF), Construction and Procurement Directorate (CPD) Education Advisory Accommodation Condition Report which highlighted that the Victorian bridge which provides the main access to the property needs to be replaced or substantially upgraded to bear vehicular traffic safely and noted specifically that heavy goods vehicles which could collapse the bridge.

A forensic survey of the bridge, commissioned by DE and DEY, took place in July 2026. A report providing options for remedial action is expected imminently. DE has given approval for MCA to enter into temporary accommodation whilst access to the site is restored. MCA is currently assessing this option. MCA business continuity arrangements are operating satisfactorily, and the Centre's services remain operational across the island of Ireland. Training and advisory outreach programmes are continuing in schools and community settings, and Learning Support and Assessment teams continue to work directly with children, young people, and families off site.

Cyber Incident

On 9 March 2026, MCA advised DE of a cyber incident with an unauthorised third-party gaining access to an MCA staff member's email account. Immediate action was taken to contain the incident with cyber incident response experts contracted to examine the extent of the incident and to take remedial action. Emails with NICS were blocked by DoF as a precautionary measure. Despite the incident, nearly all of MCA services were able to continue.

The incident was reported to the Information Commissioners Office (ICO) and the Data Protection Commissioner in the Republic of Ireland. Investigation by the cyber specialists show that data relating to MCA service users were not accessed. The third-party had access to some staff details via the accessed email account but there is no evidence at this stage that they were viewed or exported.

All IT functions are back online. On advice, new IT security measures will be implemented, including updating hardware and updating file storage systems.

**Major EA IT Projects**

The Department has a particular interest in 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.

It was agreed that Full Business Case (FBC) approval would be taken on a phased basis, reflecting the scale and complexity of the programme and the sequencing of major procurements.

- FBC 1 approved procurement activity already completed in September 2023.
- FBC 2 approved the Strategic Partner (now EdTech Managed Services) and Schools Management System arrangements in December 2023.
- A draft FBC 3 was submitted on 26 March 2025, reflecting the termination of the Fujitsu Strategic Partner and Schools Management System contract, the novation of the Bromcom Schools Management System contract to the Education Authority, associated support arrangements, strengthened network and security infrastructure, and procurement of a replacement Education Library Management System.

Approval was withheld due to concerns around value for money, delays, future costs and delivery risk. An interim abridged business case was subsequently agreed to support essential services, stabilise infrastructure and cyber security, enable Schools Management System deployment and progress time-critical procurements.

A revised Full Business Case for the EdIS programme was submitted to the Department for review on 1 May 2026. Following consideration by the Department's Casework Committee, it was withdrawn due to ongoing concerns of affordability, risk and value for money. A revised programme-level Outline Business Case Addendum (OBCA 2) was submitted on 6 August 2026 and includes a refreshed options appraisal with a stronger emphasis on affordability, value for money and deliverability. The preferred option has been identified, and the business case is currently progressing through the approvals process.

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) (ENNI) contract (also

known as the C2k service). The business case was approved by DoF on 7 March 2025 for £72.13m for the period up to March 2027. The extension will also include a further two optional extensions of up to 12 months each. This is included to address the risk of material delays in the procurement of a new SP and/or in the subsequent design and implementation phases.

**C2k Cyber Attack**

In addition to the cyber incident at MCA (above), on 1 April 2026 the C2k service was the target of a cyber-attack in which a small number of schools had some of their records accessed. Steps were taken on 1 April and in subsequent days to contain the attack, which required the forced reset of all user passwords. The incident was reported to the Police Service of Northern Ireland (PSNI) and the Information Commissioners Office (ICO). External, cyber forensic experts were engaged to investigate the attack and support initial containment and remediation.

EA officers, schools and Capita worked collectively to mitigate the effects of the attack. Resultantly it was effectively contained and access to the system began to be restored from Sunday 5 April onwards, prioritising post primary schools and pupils in Years 11-14. Ahead of the return to school after the Easter break, 96% of post-primary schools were supported to reestablish access, and more than 414,000 user accounts – including pupils, teachers and non-teaching staff – were successfully reconnected, bringing the system back to close to normal levels of operation. Additional security measures were implemented across the server infrastructure, providing enhanced protection, and there have been no further detected incidents.

The EA wrote to the affected schools to notify them of this and worked closely with each school to provide ongoing support and assess the impact of the attack. No further action was required in the vast majority of cases, as the information involved was of minimal consequence, for example material already in the public domain. In a very small number of cases where personal data had been compromised, EA contacted parents/carers directly with further information, advice and support as required.

**General Teaching Council for Northern Ireland (GTCNI)**

GTCNI continues to function as an NDPB, operating under direct DE oversight (and agreed interim governance arrangements) since a Ministerial decision (in December 2021) to legislate to close and replace GTCNI and to stand down its leadership Council and Committees with immediate effect.

In this context, the GTCNI Interim Sponsorship Team (GIST) have continued to support GTCNI's SMT, monitor the body's operational performance and ensure compliance with all possible NDPB monitoring requirements and all agreed interim governance measures. Following public consultation and a series of engagements with the teaching profession, GIST developed a Ministerial options paper and Business Case for replacing GTCNI. Given the transformative progress delivered by GTCNI's SMT over the intervening period, this found that retention and reform of the existing body, rather than closure, delivered all desired

functional requirements and was the most cost effective and lowest-risk option for achieving this.

GTCNI Bill introduced to the Northern Ireland Assembly in November 2025

The Minister accepted this recommendation and Executive approval to legislate on this basis was received in late May 2025. Since that point, GIST have worked to prepare a Bill and supporting Regulations to implement this decision. The Bill was introduced to the NI Assembly in late November 2025 and completed its Committee scrutiny on 20 May 2026 with no suggested Committee amendments. The Department is currently considering when to schedule the Consideration stage for the Bill.

**Safeguarding and Child Protection**

The Department continued to engage with the EA, and other managing authorities as required, throughout the year, on child protection and adult safeguarding issues.

Guidance allows for staff to be appointed in emergency situations before their check is complete. In such circumstances, the school principal is required to complete a risk assessment and take all necessary steps to ensure the safeguarding of children and young people. This includes arranging for staff without an Access NI check to be supervised at all times by someone who is vetted to work in regulated activity.

There is also an expectation that the school will ensure that the Access NI check is completed for the emergency appointee as soon as possible.

In February 2025, the EA conducted a review of the Access NI process and introduced robust actions to address the issue of outstanding checks. New employees are now required to provide all the documentation necessary for checks before they receive their first payment. This should prevent any future build-up of outstanding vetting checks associated with temporary engagement.

In addition, the Department conducted a review of DE Circular 2024/10 Pre-Employment/Access NI Check Requirements and Safer Recruitment Practices for Staff and Volunteers Working in or Providing a Service for Schools/Education Settings. The changes include the introduction of a requirement for Access NI documentation to be submitted to the EA on day one of employment where an individual is appointed via the emergency recruitment process. Also, the school leader will be required to seek a reference from a previous employer, which focuses on safeguarding and child protection.

**Fraud Prevention and Whistleblowing**

The Department's fraud and whistleblowing arrangements were reviewed as part of the 2023-24 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. In addition, the Department participates in the National Fraud Initiative (NFI). The NFI is a major data matching exercise that is undertaken every two years across public bodies for the purposes of identifying fraud and error. The NFI Exercise for 2024-25 has now been completed. In 2025-26 there were no new suspected fraud cases reported for the Department.

During 2025-26, 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 2025-26 Governance Statements.

**Department of Education staff vacancies and absences**

As of 31 March 2026, the Department's headcount was 545 full time equivalent staff who play an important role in the delivery of services to the Minister, the education sector and citizens. However, the Department is also carrying a number of vacancies (116 approved as of March 2026) the impact of which is being felt across a number of Directorates.

Senior management 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. 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 12.3 days lost per full time equivalent member of staff for 2024-25, which is an increase from 11.6 days lost in 2023-24. The sickness absence for Northern Ireland Civil Service overall in 2024-25 was 13.4 days lost per full time equivalent member of staff.

The results of the (biannual) 2025 Northern Ireland Civil Service People Survey indicate that the Department's Engagement Index, a key indicator of staff satisfaction, has fallen by 5% to 54%, which is now the joint lowest for all NICS departments, and DE's lowest performance since 2018. The Survey indicates that DE has performed relatively well to the NICS average with higher-than-average scores in a number of areas, however scores have fallen across most themes. The Survey identifies a number of key areas to be addressed across the Department and these will be considered within the context of the new NICS People Strategy.

### Irregular Expenditure

ResourceLink Contract (Zellis)

As previously reported, 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.

No further expenditure was incurred in 2025-26 and the contract ended on 31 March 2026.

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 remains ongoing by the EA and the Department on the development of a revised business case with the aim of regularising this expenditure.

### Data Breaches

Although the Department made the ICO and affected data subjects aware of a data breach incident during 2025-26, involving the distribution of a set of meeting minutes, the ICO did not follow up with the Department and the Department did not formally report any personal data breaches to the ICO in this period.

## Update on Prior-year Significant Issues

The following issues identified within the 2024-25 Governance Statement were resolved and either closed off, or subsumed within business-as-usual activity, during 2025-26:

### (a) Independent Review of Education

The recommendations that were accepted by the Minister have now been subsumed into business-as-usual activity (e.g. TransformED Strategy).

### (b) Support Staff Pay & Grading Review

Implementation of the Support Staff Pay & Grading agreement ended all industrial action by support staff in Northern Ireland. Stage 1 was implemented in November 2024 at a cost of approximately £52m. This moved staff onto their new pay scales with effect from 1 April 2024. Stage 2 is a non-consolidated payment in lieu of backpay, which was paid in April 2025 at a cost of c£75m.

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

The End-to-End Review of School Improvement aimed to refresh the Department's School Improvement Policy 'Every School a Good School' (ESaGS) published in 2009 through a fundamental analysis of how the policy intent was realised on the ground and how effectively and efficiently the policy was operationalised.

The review included a number of workstreams including a mapping exercise of school improvement services and the levers that promote continuous improvement, including a review of the School Development Planning Process which is now in implementation.

The remaining outputs of the End-to-End Review namely, the completion of a review of Baker Days and School Development Days, and the development of a new School Improvement Policy and operational support model, were subsumed into the Department's teaching and learning reform agenda - the TransformED NI Strategy - launched in March 2025. The review of Baker Days and School Development Days is now complete and is moving to implementation phase and work is underway to develop the new policy and operational model.

### (d) CCEA Personnel and Governance Issues

Senior positions within CCEA have now been filled and the recommendations made by the two Assessors appointed by the former Education Minister to the Council in 2022 were closed out as part of the overall governance review action plan in September 2024.

### (e) Data Breaches prior to 2025-26

On 1 August 2024, a spreadsheet containing personal data relating to 392 individuals was inadvertently disclosed via email. The Department investigated the incident, reported it to the ICO, and implemented remedial actions, including strengthened guidance and training to reduce the likelihood of recurrence. The ICO concluded its consideration of the matter and decided not to take further action. From a governance perspective, the matter is now considered closed, however, the Departmental Solicitor's Office continues to engage with the plaintiffs' solicitor to conclude the remaining correspondence.

## 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 2025-26, 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 (GAR) meetings (these were chaired by the Permanent Secretary until February 2026 and attended by the respective chief executives and chairs; future GARs will be chaired by the Corporate Services and Education Governance Director, with the exception of one per year being chaired by the Minister/Permanent Secretary);
- 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 January 2026 to reflect organisational changes within the Department, as well as improvements to the oversight arrangements in place for NDPBs. 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 6 March 2026. All draft Governance Statements were received within prescribed deadlines. 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 24 April. Finalised Governance Statements were received from the majority of the NDPB's by this date with the exception of Middletown Centre for Autism (which was delayed to 8 May due to the aforementioned cyber issue) and the Education Authority (agreed extension to 11 May). 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 senior civil servants (SCS), is normally approved by the Minister of Finance. Following approval of the 2025-26 Budget in the Assembly, on 19 May 2025, in which the Finance Minister outlined the overarching approach to public sector pay, the Northern Ireland public sector pay policy guidance was published on 27 May 2025 in FD (DoF) 04/25.

Annual Northern Ireland Civil Service pay awards are made in the context of the wider public sector pay policy. The 2024 pay award, due from 1 August 2024, was paid in April 2025 for weekly paid staff, and May 2025 for monthly paid staff. The 2025 pay award, due from 1 August 2025, was paid in August 2025 for weekly paid staff, and September 2025 for monthly paid staff.

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 and other eligibility criteria.

### 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).

### 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) | |
|---|---|---|---|---|---|---|---|---|
| | 2025-26 | 2024-25 | 2025-26 | 2024-25 | 2025-26 | 2024-25 | 2025-26 | 2024-25 |
| Paul Givan MLA | 38,000 | 38,000 | - | - | 10 | 12 | 48 | 50 |

* *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) | |
|---|---|---|---|---|---|---|
| | 2025-26 | 2024-25 | 2025-26 | 2024-25 | 2025-26 | 2024-25 |
| Mr David Malcolm<br>*From 9 February 2026* | *20-25*<br>(145-150 full year equivalent) | - | 17 | - | 35-40 | - |
| Mr Ronnie Armour<br>*Interim Permanent Secretary from 2 December 2024 to 31 January 2026*<br>*Deputy Secretary from 3 July 2023 to 1 December 2024* | 120-125<br>(145-150 full year equivalent) | 120-125<br>(130-135 full year equivalent) | 301 | 123 | 420-425 | 245-250 |
| Dr Mark Browne<br>*Permanent Secretary To 29 November 2024* | - | 90-95<br>(135-140 full year equivalent) | - | 82 | - | 170-175 |
| Mrs Linsey Farrell<br>*Deputy Secretary To 15 June 2025* | 25-30<br>(120-125 full year equivalent) | 105-110 | 37 | 77 | 60-65 | 180-185 |
| Mrs Faustina Graham<br>*Chief Inspector Interim Permanent Secretary from 1 February 2026 to 8 February 2026* | 120-125 | 105-110 | 126 | 103 | 245-250 | 210-215 |
| Ms Heather Cousins<br>*Deputy Secretary* | 120-125 | 115-120 | 73 | 70 | 195-200 | 185-190 |
| Mr Neil Palmer<br>*Finance Director* | 85-90 | 80-85 | 56 | 107 | 140-145 | 185-190 |
| Mr James Hutchinson<br>*Deputy Secretary From 1 April to 30 April 2024 and 1 June to 30 June 2024* | - | 15-20<br>(100-105 full year equivalent) | - | 13 | - | 30-35 |

| Officials | Salary (£000) | | Pension Benefits* (to nearest £1,000) | | Total (£000) | |
|---|---|---|---|---|---|---|
| | 2025-26 | 2024-25 | 2025-26 | 2024-25 | 2025-26 | 2024-25 |
| Dr Suzanne Kingon<br>*Deputy Secretary*<br>*From 1 May to 31 May 2024 and 1 July to 31 July 2024, then from 16 June 2025* | 90-95 (110-115 full year equivalent) | 15-20 (100-105 full year equivalent) | 111 | 12 | 200-205 | 25-30 |
| Mr Paul Brush<br>*Deputy Secretary*<br>*From 16 June 2025* | 90-95 (110-115 full year equivalent) | - | 173 | - | 265-270 | - |
| Mr Paul Corrigan**<br>*Non-executive Director* | 5-10 | 5-10 | - | - | 5-10 | 5-10 |
| Mrs Anna Carragher**<br>*Non-executive Director*<br>*From 1 May 2024* | 5-10 | 5-10 (5-10 full year equivalent) | - | - | 5-10 | 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 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 Department was under the direction and control of Paul Givan MLA during the financial year. 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 2025-26 or 2024-25.

## 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 2025-26 was £145,000 - £150,000 (2024-25: £130,000 - £135,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

| 2025-26 | 25th percentile | Median | 75th percentile |
|---|---|---|---|
| Total remuneration (£) | 31,097 | 38,990 | 61,373 |
| Pay ratio | 4.7:1 | 3.8:1 | 2.4:1 |

| 2024-25 | 25th percentile | Median | 75th percentile |
|---|---|---|---|
| Total remuneration (£) | 29,689 | 36,617 | 46,851 |
| Pay ratio | 4.5:1 | 3.6:1 | 2.8:1 |

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.

The values for the salary component of remuneration for the 25th percentile, median and 75th percentile were £31,097 (2024-25 £28,189), £38,990 (2024-25 £35,117) and £61,673 (2024-25 £45,351) respectively.

In 2025-26 and 2024-25 no employees received remuneration in excess of the highest paid director.

Remuneration ranged from £10,000 to £147,500 (2024-25: £10,000 to £132,500).

### 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: | 2025-26 v 2024-25 | 2024-25 v 2023-24 |
|---|---|---|
| Average employee salary and allowances | 13% | 4.7% |
| Highest paid director's salary and allowances | 7.3% | 3.9% |

No performance pay or bonuses were payable in these years.

**Pension Entitlements (Audited)**

**Pension Entitlements – Ministers (Audited)**

| | Accrued pension at pension age as at 31/3/26 £000 | Real increase in pension at pension age £000 | CETV at 31/3/26 £000 | CETV at 31/3/25 £000 | Real increase in CETV £000 |
|---|---|---|---|---|---|
| Paul Givan MLA | 5-10 | 0-2.5 | 62 | 52 | 4 |

**Ministerial pensions**

Pension benefits for Ministers are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2016 (AMPS). This is a Career Average Revalued Earnings (CARE) scheme which was introduced for new and existing members by the Assembly Members (Pensions) Determination (Northern Ireland) 2016.

In 2011, the Assembly passed the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 (2011 Act), 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 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 and rename the panel, although started, was not completed before the dissolution of the Assembly on 28 March 2022. However, the Assembly Members (Independent Remuneration Board) Act (Northern Ireland) 2025, enacted in late 2025, replaced the former panel with the Independent Remuneration Board (the Board) responsible for determining Members' pay and pensions. The AMPS continues to operate under the 2016 Determination until a new Determination is issued by the Board.

Members of the Legislative Assembly ("MLA" or "Member") 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. In December 2018, the Court of Appeal ruled that the transitional protection offered to members of the Judiciary and Firefighters Schemes, when their schemes were reformed, was discriminatory on grounds of age. This is known as the McCloud Judgement. As a result 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. The applicability of, and approach to, the McCloud judgement in relation to this scheme is a matter for the Independent Remuneration Board.

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 accrued on a "contribution factor" basis, taking account of service as a Minister, up to 5 May 2021, when all members of the scheme moved to CARE. The contribution factor was the relationship between salary as a Minister and salary as an MLA for each year of service as a Minister. These pension benefits 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. Up to 5 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.

Pension benefits for all other Ministers accrue on a career average (CARE) basis and are payable at the same time as MLA's pension benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. The contribution paid 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 2023 triennial valuation of the AMPS by the Government Actuary's Department, the employer contribution rate remained unchanged and continues to be paid at 17.1%. 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. Under the CARE element of the AMPS, Normal retirement Age is linked to State Pension Age. Any final Salary pension accrued before 6 May 2021 will continue to be payable at a Normal Retirement Age of 65.

**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).

### 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 31/3/26 and related lump sum £000 | Real increase in pension and related lump sum at pension age £000 | CETV at 31/3/26* £000 | CETV at 31/3/25** £000 | Real increase in CETV £000 | Employer contribution to partnership pension account (nearest £100) |
|---|---|---|---|---|---|---|
| Mr David Malcolm *Permanent Secretary From 9 February 2026* | 70-75 plus a lump sum of 185-190 | 0-2.5 plus a lump sum of 0-2.5 | 1,645 | 1,621 | 15 | - |
| Mr Ronnie Armour *Interim Permanent Secretary from 2 December 2024 Deputy Secretary from 3 July 2023 to 1 December 2024* | 80-85 plus a lump sum of 205-210 | 12.5-15 plus a lump sum of 25-27.5 | 1,892 | 1,547 | 294 | - |
| Dr Mark Browne *Permanent Secretary To 29 November 2024* | - | - | - | 1,486 | - | - |
| Mrs Linsey Farrell *Deputy Secretary To 15 June 2025* | 40-45 | 0-0.25 | 684 | 653 | 28 | - |
| Mrs Faustina Graham *Chief Inspector Interim Permanent Secretary from 1 February 2026 to 8 February 2026* | 65-70 plus a lump sum of 170-175 | 5-7.5 plus a lump sum of 10-12.5 | 1,394 | 1,262 | 114 | - |
| Ms Heather Cousins *Deputy Secretary* | 45-50 plus a lump sum of 105-110 | 2.5-5 plus a lump sum of 2.5-5 | 986 | 900 | 64 | - |
| Mr Neil Palmer *Finance Director* | 30-35 | 2.5-5 | 536 | 468 | 38 | - |
| Mr James Hutchinson *Deputy Secretary From 1 April to 30 April 2024 and 1 June to 30 June 2024* | - | - | - | 724 | - | - |
| Dr Suzanne Kingon *Deputy Secretary From 1 May to 31 May 2024 and 1 July to 31 July 2024, then from 16 June 2025* | 35-40 | 5-7.5 | 572 | 435 | 85 | - |

| | Accrued pension at pension age as at 31/3/26 and related lump sum £000 | Real increase in pension and related lump sum at pension age £000 | CETV at 31/3/26* £000 | CETV at 31/3/25** £000 | Real increase in CETV £000 | Employer contribution to partnership pension account (nearest £100) |
|---|---|---|---|---|---|---|
| Mr Paul Brush<br>*Deputy Secretary*<br>*From 16 June 2025* | 45-50 plus a lump sum of 115-120 | 5-7.5 plus a lump sum of 17.5-20 | 1,085 | 872 | 167 | - |
| Mr Paul Corrigan<br>*Non-executive director* | - | - | - | - | - | - |
| Mrs Anna Carragher<br>*Non-executive director*<br>*From 1 May 2024* | - | - | - | - | - | - |

** CETV at 31 March 2026 or date of leaving the board, if earlier.*
*** CETV at 31 March 2025 or date of joining the board, if later.*

## 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).

McCloud Judgment and 2015 Remedy

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by the Department of Finance 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 (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice. There are a significant number of Immediate Choice Remediable Service Statement (RSS) packs to issue. This process involves complex calculations to provide members with individually tailored statements. Due to the complexity of the calculations and some prolonged work to finalise policy elements of the remedy, not all Immediate Choice packs have been able to be issued by the original regulatory timeline of 31 March 2025. The Scheme Manager has invoked the discretion allowed by the remedy legislation and has extended the timeline for issuing Immediate Choice RSS packs to 31 March 2027. The Pensions Regulator has been notified of this extension. Our priority remains to provide members with all the accurate information they need to make a choice. It can be noted that other Public Service Pension Schemes are also in a similar position. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at DoF Annual Reports and Accounts.

As part of the remedy involved rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits for the 2025-26 pension disclosures for affected members continue to be based on the rolled back position.

Alpha

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

Information on the PCSPS(NI) – Closed Scheme

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account.

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Benefits in Classic accrued at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrued at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

Partnership Pension Account

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Annual Benefit Statements

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy Classic, Premium, and Classic Plus arrangements and 65 for any benefits accrued in Nuvos. Further details about the Northern Ireland Civil Service pension schemes can be found at the website Civil Service Pensions (Northern Ireland).

Pension increases

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2025 was 3.8%

and HM Treasury has announced that public service pensions will be increased accordingly from April 2026.

Employee Contribution Rates

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

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

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

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

**Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or

arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended).

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. The HM Treasury Guidance of 27 April 2023 can be found at Basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes - GOV.UK. As at the year-end there have been no further changes to the SCAPE discount rate of 1.7% above CPI inflation since the HM Treasury guidance was published.

**Real increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period (which therefore disregards the effect of any changes in factors).

**Compensation for loss of office (Audited)**

The Department incurred no compensation for loss of office in 2025-26 or 2024-25.

## Staff Report

### Staff costs (Audited)

Staff costs comprise:

| | Permanently employed staff* £000 | Others £000 | Ministers £000 | 2025-26 Departmental Group Total £000 | 2024-25 Departmental Group Total £000 |
|---|---|---|---|---|---|
| Wages and salaries | 1,338,632 | 507,911 | 38 | 1,846,581 | 1,648,892 |
| Social security costs | 183,680 | 57,694 | 5 | 241,379 | 160,901 |
| Other pension costs | 332,936 | 97,131 | 7 | 430,074 | 383,639 |
| **Sub-total** | **1,855,248** | **662,736** | **50** | **2,518,034** | **2,193,432** |
| Less: recoveries in respect of outward secondments | (822) | - | - | (822) | (274) |
| **Total net costs**** | **1,854,426** | **662,736** | **50** | **2,517,212** | **2,193,158** |

Of which:

| Analysed as: | Charged to Administration £000 | Charged to Programme £000 | Capitalised £000 | 2025-26 Total £000 | 2024-25 Total £000 |
|---|---|---|---|---|---|
| Core department | 21,207 | 16,303 | 838 | 38,348 | 34,162 |
| Other designated bodies | - | 2,467,889 | 10,975 | 2,478,864 | 2,158,996 |
| **Total net costs**** | **21,207** | **2,484,192** | **11,813** | **2,517,212** | **2,193,158** |

* Permanently employed staff includes the cost of the Department's Special Adviser who was paid in the pay band £83,898 - £97,070 (2024-25: £73,185 - £84,674).

**Of the total, £11,813k 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 but the Department is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid

into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which were 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 Department of Finance to consult on changes to the scheme. Further information can be found on the Department of Finance website Northern Ireland Civil Service Pension Scheme Valuations.

For 2025-26, employers' contributions of £7,990,473.50 were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay, for all salaries (2024-25: £7,328,684.77 at 34.25%)

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £nil (2024-25: £nil) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2024-25: 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, 0.5% (2024-25: £nil, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £nil. Contributions prepaid at that date were £nil.

Three people (2024-25: two people) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £26,617.67 (2024-25: £11,718.09).

## 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 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 2025-26 are variable, depending on salary, ranging from 7.4% to 11.7% (2024-25: 7.4% to 11.7%) of pensionable earnings.

The rate of the employer's contribution is determined by the Government actuary. For 2025-26, employer's contributions of £277,448k (2024-25: £246,526k) were payable to the Northern Ireland Teachers' Pension Scheme at a rate of 29.1% (2024-25: 29.1%) 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 project unit method. The most recent valuation was conducted at 31 March 2025.

For 2025-26, employer's contributions of £145,116k (2024-25: £129,736k) were payable to the Northern Ireland Local Government Officers' Superannuation Committee Scheme at a rate of 19.0% (2024-25: 19.0%) 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 2025-26 the employee contribution rate was 5% (2024-25: 5%) of pensionable pay, and the employer contribution rate was 3% (2024-25: 3%).

For 2025-26, employer's contributions of £76k (2024-25: £35k) 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 | 2025-26 Departmental Group Total Number | 2024-25 Departmental Group Total Number |
|---|---|---|---|---|---|---|
| Core Department | 485 | 75 | 1 | 1 | 562 | 555 |
| Other designated bodies (NDPBs) | 30,843 | 15,961 | - | - | 46,804 | 45,033 |
| Staff engaged on capital projects | 218 | - | - | - | 218 | 196 |
| **Total** | **31,546** | **16,036** | **1** | **1** | **47,584** | **45,784** |

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

The number of SCS staff employed by the Core Department as at 31 March 2026 was as follows:

| Grade (including Analogous Grades)* | Number |
|---|---|
| Grade 2 | 1 |
| Grade 3 | 2 |
| Grade 5 | 14 |

**staff are shown at their substantive grade*

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

| Pay band (£)* | Number |
|---|---|
| 85,000 - 90,000 | 1 |
| 90,000 - 95,000 | 5 |
| 95,000 - 100,000 | 8 |
| 100,000 - 105,000 | - |
| 105,000 - 110,000 | - |
| 110,000 - 115,000 | - |
| 115,000 - 120,000 | - |
| 120,000 - 125,000 | 2 |
| 125,000 - 130,000 | - |
| 130,000 - 140,000 | - |

| Pay band (£)* | Number |
|---|---|
| 1400,00 - 145,000 | - |
| 145,000 - 150,000 | 1 |

**salary figures are shown based on staff at their substantive grade*

### Staff composition - breakdown of employees by gender (Audited)

The analysis of the Core Department's employees by gender at 31 March 2026 was as follows:

| | Male | Male % | Female | Female % | Total | Total % |
|---|---|---|---|---|---|---|
| Executive Directors | 3 | 50 | 3 | 50 | 6 | 100 |
| Non-executive Directors | 1 | 50 | 1 | 50 | 2 | 100 |
| Total Directors* | 4 | 50 | 4 | 50 | 8 | 100 |
| Senior Managers** | 4 | 36.4 | 7 | 63.6 | 11 | 100 |
| Other employees | 209 | 39.2 | 324 | 60.8 | 533 | 100 |
| **Total ***** | **217** | **39.3** | **335** | **60.7** | **552** | **100** |

**Directors include members of the DE Board as at 31 March 2026.*

***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 7 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 2026*

### Staff turnover percentage

The Staff Turnover percentage for the Core Department (the total number of people that have left the Department but have moved within the Northern Ireland Civil Service) for 2025-26 is 9.6% (2024-25: 5.7%), and the general turnover percentage (the people who have left the Department and have not gone elsewhere in the Northern Ireland Civil Service) is 6.2% (2024-25: 4.0%). 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 | 2025-26 Number of compulsory redundancies | 2024-25 Number of compulsory redundancies | 2025-26 Number of other departures agreed | 2024-25 Number of other departures agreed | 2025-26 Total number of exit packages by cost band | 2024-25 Total number of exit packages by cost band |
|---|---|---|---|---|---|---|
| Less than £10,000 | - | - | 1 | - | 1 | - |
| £10,000 - £25,000 | - | - | - | - | - | - |

| Exit package cost band | 2025-26 Number of compulsory redundancies | 2024-25 Number of compulsory redundancies | 2025-26 Number of other departures agreed | 2024-25 Number of other departures agreed | 2025-26 Total number of exit packages by cost band | 2024-25 Total number of exit packages by cost band |
|---|---|---|---|---|---|---|
| £25,000-£50,000 | - | - | 1 | - | 1 | - |
| £50,000-£100,000 | - | - | 1 | - | 1 | - |
| £100,000 - £150,000 | - | - | - | - | - | - |
| **Total number of exit packages** | **-** | **-** | **3** | **-** | **3** | **-** |
| **Total cost/£000** | **-** | **-** | **136** | **-** | **136** | **-** |

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 2025-26, the year of departure (2024-25: £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 | 2025-26 Number of compulsory redundancies | 2024-25 Number of compulsory redundancies | 2025-26 Number of other departures agreed | 2024-25 Number of other departures agreed | 2025-26 Total number of exit packages by cost band | 2024-25 Total number of exit packages by cost band |
|---|---|---|---|---|---|---|
| Less than £10,000 | - | - | 23 | 41 | 23 | 41 |
| £10,000 - £25,000 | - | - | 24 | 26 | 24 | 26 |
| £25,000-£50,000 | - | - | 25 | 16 | 25 | 16 |
| £50,000-£100,000 | - | - | 14 | 9 | 14 | 9 |
| £100,000 - £150,000 | - | - | 2 | 1 | 2 | 1 |
| **Total number of exit packages** | **-** | **-** | **88** | **93** | **88** | **93** |
| **Total cost/£000** | **-** | **-** | **2,658** | **1,944** | **2,658** | **1,944** |

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 2025-26.

The table above shows the total cost of exit packages agreed and accounted for in 2025-26 and 2024-25. £2,667k (2024-25: £1,982k) exit costs were paid in 2025-26, 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 12.3 days lost per employee in 2024-25. Annual sickness absence figures can be found in the "Sickness Absence in the Northern Ireland Civil Service 2024-25" report at Sickness Absence in the Northern Ireland Civil Service 2024-25 | Northern Ireland Statistics and Research Agency (nisra.gov.uk). The 2025-26 sickness absence data is not currently available and will be published later this year.

### Staff policies

At 31 March 2026, the Core Department has 529.1 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.'

The 2024-26 Staff Engagement Forum was constituted in May 2024 and is made up of representatives across all grades and directorates in the Department.

Having considered issues raised in the 2023 Northern Ireland Civil Service People Survey, together with any legacy issues from the previous People Plan, the Forum identified the following priorities for the People Plan 2024-26:

- Accommodation and People; and
- Staff Development.

The Core Department People Plan 2024-26, and associated Action Plan, based on the two priority areas was approved by the Core Department Board at its meeting in November 2024. The Forum is currently considering a refresh of the DE People Plan and associated Action Plan for 2026-28.

Staff engagement scores

"The NICS People Survey was conducted by NISRA in Spring 2025 across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey from 29th April to 23rd May 2025. For the Core Department there were 569 (2023: 577) staff invited to complete the survey, of which 262 (2023: 336) participated, a response rate of 46.0% (2023: 56.7%). 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 Employee Engagement Index of 54% (2023: 59%), compared to the NICS average of 56% (2023: 54%). The full survey can be accessed at https://www.finance-ni.gov.uk/publications/nics-people-survey-results. The next NICS People Survey is due to take place in 2027."

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 we serve.

Employment, training and advancement of disabled persons

The Northern Ireland Civil Service is a lead partner of Employers for Disability Northern Ireland (EFDNI) and is an accredited Disability Positive employer.

The Northern Ireland Civil Service delivers an annual programme of communications and training on disability awareness and has policies in place to support inclusive workplaces. A review of the Northern Ireland Civil Service reasonable adjustment process for in-work support, and for its recruitment selection and onboarding processes, progressed in 2025, and will conclude in 2026-27. Colleagues with lived experience and external independent advocates have been stakeholders in the reasonable adjustment review.

The Northern Ireland Civil Service is committed to the employment of disabled people and offers work experience through its Work Experience Scheme for disabled People, it has also participated in the previous two phases of the Department for Communities JobStart Scheme which aims to improve the employability and long-term employment prospects of those who face additional barriers to employment. The Civil Service will participate in phase three of the scheme during 2026/27 offering paid work placements to eligible benefit claimants aged 16-65 to address barriers to economic participation.

In order 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 (GIS) 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 Recruitment Code.

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. As part of this commitment, leadership and inclusion is a key pillar within the new five-year Northern Ireland Civil Service People Strategy 2025-30 which launched in April 2025. The strategy was developed with a range of stakeholders including Northern Ireland Civil Service staff networks and through its delivery the Northern Ireland Civil Service aims to foster a culture of leadership, inclusivity and diversity that will help drive better outcomes for its workforce and the public it serves.

The Northern Ireland Civil Service Diversity Champions Network comprises 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 works in partnership with the Northern Ireland Civil Service corporate HR function, People and Organisational Development and the seven Northern Ireland Civil Service staff networks (LGBTQ+, Women, Disability, Race & Ethnicity, Cancer Support, Carers and Students), to develop and deliver actions to help promote and embed equality, diversity and inclusion across the Service.

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 is available in the Equality, Diversity and Inclusion Policy. A strategic HR policy renewal programme is underway as part of the new People Strategy to modernise Northern Ireland Civil Service people policies, ensuring they are user-centric and have a positive impact on employee experience.

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 (ECNI), 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 Review. The next review was submitted to the Equality Commission for Northern Ireland in 2025 and will be published in 2026.

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[1]. 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 People Strategy 2025-30.

NICSHR L&D contributes to the delivery of the Strategy's three priorities:

- Skills and Capacity – Building capability and future-ready skills
- Experience and Environment – Creating inclusive, high-quality working environments
- Leadership and Inclusion – Developing leaders who collaborate and innovate

A portfolio of learning products is developed in consultation with customers and subject experts internally and externally, accessible by staff through the LInKS learning management system icon on all NICS desktops. The themes covered in our portfolio of training are:

- Policy and Government,
- Leadership and Management,
- Collaborative & Collective Working,
- Innovation, Improvement & Transformation,
- Health and Wellbeing,
- Digital Skills Development.

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

[1] NICSHR is the NICS' centralised human resources operational delivery function, falling under the responsibility of the Department of Finance

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 NICS Standards of Conduct Policy.

During 2025-26 there were 33 staff exits from the Civil Service within the Department, and 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 2025-26.

Employee Consultation and Trade Union Relationships

The Department of Finance (DoF) is responsible for the Northern Ireland Civil Service Trade Union Arrangements Policy. People & Organisational Development within DoF consults and/or negotiates with the Northern Ireland Civil Service recognised trade unions on matters such as pay, promotion, and annual leave which are relevant across the Northern Ireland Civil Service. Local issues relevant only to a particular office or area of work is handled by local managers, and branch trade union representatives, through agreed Local Whitley procedures/constitutions. Each department will have their own Departmental Whitley structure, to consider matters unique to individual departments and their agencies across business areas. Business areas may also have a Whitley arrangement in place dealing with issues specific to that business area.

**Expenditure on consultancy**

Consultancy is the provision to management 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.

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Core Department | 60 | 3 |
| NDPBs | - | - |
| | **60** | **3** |

**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.

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Core Department | 4,057 | 3,398 |
| NDPBs | 653,408 | 548,863 |
| | **657,465** | **552,261** |

## Off-payroll engagements

### Highly paid off-payroll worker engagements as at 31 March 2026, earning £245 per day or greater

| | Core Department | NDPBs | Departmental Group |
|---|---|---|---|
| Number of existing engagements as of 31 March 2026 | - | 6 | 6 |
| Of which, number that existed: | | | |
| less than one year | - | 2 | 2 |
| 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 2026, earning £245 per day or greater

| | Core Department | NDPBs | Departmental Group |
|---|---|---|---|
| Number of temporary off-payroll workers engaged during the year ended 31 March 2026 | - | 12 | 12 |
| Of which: | | | |
| Not subject to off-payroll legislation | - | 10 | 10 |
| Subject to off-payroll legislation and determined as in-scope of IR35 | - | 2 | 2 |
| Subject to off-payroll legislation and determined as out-of-scope of IR35 | - | - | - |
| 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 2025 and 31 March 2026

| | 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. | - | - | - |
| 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. | 8 | 33 | 41 |

# ACCOUNTABILITY REPORT

## ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

The Assembly accountability and audit report brings together the key Assembly accountability documents within the annual report and accounts.

## 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 Statement of Outturn against Assembly Supply (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 its Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that the Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SOAS.

Should an entity exceed the limits set by its Supply Estimate and corresponding Act of the Assembly, called control limits, its accounts will receive a qualified opinion.

The format of the SOAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on the DoF website Northern Ireland Spring Supplementary Estimates 2025-26 (finance-ni.gov.uk).

The SOAS contains a summary table, detailing performance against the control limits that the Assembly has voted on, cash spent (budgets are compiled on an accruals basis and so outturn 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 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, 2025-26, all figures presented in £000 (Audited)

| Type of spend | Note | Outturn | | | Estimate | | | Outturn vs Estimate, saving / (excess) | | Prior Year Outturn Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Voted | Non-Voted | Total | Voted | Non-Voted | Total | Voted | Total | 2024-25 |
| **Departmental Expenditure Limit** | | | | | | | | | | |
| Resource | SOAS 1.1 | 3,583,323 | (645) | 3,582,678 | 3,587,365 | (500) | 3,586,865 | 4,042 | 4,187 | 3,150,843 |
| Capital | SOAS 1.2 | 401,794 | (1,639) | 400,155 | 404,456 | (1,701) | 402,755 | 2,662 | 2,600 | 335,684 |
| **Total** | | **3,985,117** | **(2,284)** | **3,982,833** | **3,991,821** | **(2,201)** | **3,989,620** | **6,704** | **6,787** | **3,486,527** |
| **Annually Managed Expenditure** | | | | | | | | | | |
| Resource | SOAS 1.1 | 27,417 | - | 27,417 | 135,064 | - | 135,064 | 107,647 | 107,647 | 154,984 |
| Capital | SOAS 1.2 | 37 | - | 37 | 37 | - | 37 | - | - | 87 |
| **Total** | | **27,454** | **-** | **27,454** | **135,101** | **-** | **135,101** | **107,647** | **107,647** | **155,071** |
| **Total Budget** | | | | | | | | | | |
| Resource | SOAS 1.1 | 3,610,740 | (645) | 3,610,095 | 3,722,429 | (500) | 3,721,929 | 111,689 | 111,834 | 3,305,827 |
| Capital | SOAS 1.2 | 401,831 | (1,639) | 400,192 | 404,493 | (1,701) | 402,792 | 2,662 | 2,600 | 335,771 |
| **Total Budget Expenditure** | | **4,012,571** | **(2,284)** | **4,010,287** | **4,126,922** | **(2,201)** | **4,124,721** | **114,351** | **114,434** | **3,641,598** |

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 2025-26, all figures presented in £000 (Audited)

| Item | Note | Outturn | Estimate | Outturn vs Estimate, saving/(excess) | Prior Year Outturn Total 2024-25 |
|---|---|---|---|---|---|
| **Net Cash requirement** | **SOAS 3** | **4,003,266** | **4,228,451** | **225,185** | **3,642,398** |

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

## Administration costs 2025-26, all figures presented in £000 (Audited)

| Type of spend | Note | Outturn | Estimate | Outturn vs Estimate, saving/(excess) | Prior Year Outturn Total 2024-25 |
|---|---|---|---|---|---|
| **Administration costs** | **SOAS 1.1** | **22,881** | **23,343** | **(462)** | **20,719** |

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, 2025-26 (£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 2024-25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Administration | | | Programme | | | Total | Total | Virements* | Total including virements | | |
| | Gross | Income | Net | Gross | Income | Net | | | | | | |
| **Spending in Departmental Expenditure Limits (DEL)** | | | | | | | | | | | | |
| **Voted Expenditure** | | | | | | | | | | | | |
| **1 Delegated School Budgets** | **-** | **-** | **-** | **1,821,590** | **-** | **1,821,590** | **1,821,590** | **1,779,969** | **42,129** | **1,822,098** | **508** | **1,699,682** |
| *Of which* | | | | | | | | | | | | |
| Budgets delegated to controlled and maintained schools (ALB – Net) | - | - | - | 1,378,936 | - | 1,378,936 | 1,378,936 | 1,345,319 | 34,125 | 1,379,444 | 508 | 1,281,736 |
| Budgets delegated to GMI schools (ALB – Net) | - | - | - | 105,608 | - | 105,608 | 105,608 | 105,169 | 439 | 105,608 | - | 97,377 |
| Budgets delegated to VG schools (ALB – Net) | - | - | - | 337,046 | - | 337,046 | 337,046 | 329,481 | 7,565 | 337,046 | - | 320,569 |
| **2 EA Grants** | **-** | **-** | **-** | **1,426,130** | **-** | **1,426,130** | **1,426,130** | **1,407,745** | **18,385** | **1,426,130** | **-** | **1,175,969** |
| *Of which* | | | | | | | | | | | | |
| EA special educational needs (ALB Net) | - | - | - | 718,011 | - | 718,011 | 718,011 | 791,295 | (73,284) | 718,011 | - | 613,110 |
| EA transport (excluding SEN Transport) (ALB – Net) | - | - | - | 81,319 | - | 81,319 | 81,319 | 76,640 | 4,679 | 81,319 | - | 74,609 |
| EA school meals (ALB – Net) | - | - | - | 101,967 | - | 101,967 | 101,967 | 107,553 | (5,586) | 101,967 | - | 88,367 |
| Other EA activities in support of Education (ALB – Net) | - | - | - | 524,833 | - | 524,833 | 524,833 | 432,257 | 92,576 | 524,833 | - | 399,883 |

| Type of spend (Resource) | Resource outturn | | | | | | | Estimate | | | Outturn vs Estimate (including virements), saving/ (excess) | Prior Year Outturn Total 2024-25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Administration | | | Programme | | | | | | | | |
| | Gross | Income | Net | Gross | Income | Net | Total | Total | Virements* | Total including virements | | |
| **3 EA and Schools Specific Funds** | **-** | **-** | **-** | **157,149** | **(15,042)** | **142,107** | **142,107** | **199,552** | **(57,445)** | **142,107** | **-** | **111,131** |
| *Of which* | | | | | | | | | | | | |
| EA specific funds (ALB – Net) | - | - | - | 153,543 | - | 153,543 | 153,543 | 212,220 | (58,677) | 153,543 | - | 122,159 |
| Schools' specific funds (ALB – Net) | - | - | - | 1,888 | - | 1,888 | 1,888 | 1,152 | 736 | 1,888 | - | 1,222 |
| Peace Plus funds | - | - | - | 1,718 | (1,374) | 344 | 344 | 343 | 1 | 344 | - | 929 |
| Other External Funding | - | - | - | - | (13,668) | (13,668) | (13,668) | (14,163) | 495 | (13,668) | - | (13,179) |
| **4 Other Education Services** | **21,992** | **-** | **21,992** | **82,801** | **(1,502)** | **81,299** | **103,291** | **108,671** | **(1,846)** | **106,825** | **3,534** | **81,474** |
| *Of which* | | | | | | | | | | | | |
| CCEA (ALB – Net) | - | - | - | 25,024 | - | 25,024 | 25,024 | 24,845 | 179 | 25,024 | - | 22,474 |
| CCMS (ALB – Net) | - | - | - | 3,920 | - | 3,920 | 3,920 | 3,987 | (67) | 3,920 | - | 3,639 |
| CnaG (ALB – Net) | - | - | - | 801 | - | 801 | 801 | 794 | 7 | 801 | - | 772 |
| General Teaching Council for Northern Ireland (ALB – Net) | - | - | - | (163) | - | (163) | (163) | (13) | (150) | (163) | - | (113) |
| MCA (ALB – Net) | - | - | - | 1,646 | - | 1,646 | 1,646 | 1,663 | (17) | 1,646 | - | 1,562 |
| Northern Ireland Council for Integrated Education (ALB – Net) | - | - | - | 661 | - | 661 | 661 | 683 | (22) | 661 | - | 644 |
| Youth Council for Northern Ireland (ALB – Net) | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Education Services | 21,992 | - | 21,992 | 50,912 | (1,502) | 49,410 | 71,402 | 76,712 | (1,776) | 74,936 | 3,534 | 52,496 |
| **5 Early Years Provision** | **-** | **-** | **-** | **43,921** | **-** | **43,921** | **43,921** | **44,549** | **(628)** | **43,921** | **-** | **37,925** |
| **6 Youth and Community Relations** | **-** | **-** | **-** | **44,967** | **(1,560)** | **43,407** | **43,407** | **43,408** | **(1)** | **43,407** | **-** | **42,525** |
| Of which Youth and Community Relations | - | - | - | 43,017 | - | 43,017 | 43,017 | 43,017 | - | 43,017 | - | 41,781 |

| Type of spend (Resource) | Resource outturn | | | | | | | Estimate | | | Outturn vs Estimate (including virements), saving/ (excess) | Prior Year Outturn Total 2024-25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Administration | | | Programme | | | Total | Total | Virements* | Total including virements | | |
| | Gross | Income | Net | Gross | Income | Net | | | | | | |
| Peace Plus funds | - | - | - | 1,950 | (1,560) | 390 | 390 | 391 | (1) | 390 | - | 744 |
| **7 Capital** | **999** | **(110)** | **889** | **2,740** | **(752)** | **1,988** | **2,877** | **3,471** | **(594)** | **2,877** | **-** | **3,098** |
| *Of which* Other Activities to Support Capital Investment | 999 | (110) | 889 | 2,740 | (752) | 1,988 | 2,877 | 3,471 | (594) | 2,877 | - | 3,098 |
| **Total Voted DEL** | **22,991** | **(110)** | **22,881** | **3,579,298** | **(18,856)** | **3,560,442** | **3,583,323** | **3,587,365** | **-** | **3,587,365** | **4,042** | **3,151,804** |
| **Non-voted Expenditure 8 Consolidated Fund Extra Receipts** | **-** | **-** | **-** | **-** | **(645)** | **(645)** | **(645)** | **(500)** | **-** | **(500)** | **145** | (961) |
| **Total non-voted DEL** | **-** | **-** | **-** | **-** | **(645)** | **(645)** | **(645)** | **(500)** | **-** | **(500)** | **145** | (961) |
| **Total spending in DEL** | **22,991** | **(110)** | **22,881** | **3,579,298** | **(19,501)** | **3,559,797** | **3,582,678** | **3,586,865** | **-** | **3,586,865** | **4,187** | **3,150,843** |
| **Spending in Annually Managed Expenditure (AME)** | | | | | | | | | | | | |
| **Voted Expenditure** | | | | | | | | | | | | |
| **9 Provisions** | **-** | **-** | **-** | **(82,045)** | **-** | **(82,045)** | **(82,045)** | **(53,666)** | **(28,379)** | **(82,045)** | **-** | **(9,226)** |
| *Of which* | | | | | | | | | | | | |
| EA (ALB – Net) | - | - | - | (79,178) | - | (79,178) | (79,178) | (54,100) | (25,078) | (79,178) | - | (9,117) |
| Other ALBs (Net) | - | - | - | (2,556) | - | (2,556) | (2,556) | (377) | (2,179) | (2,556) | - | (184) |
| Departmental | - | - | - | (311) | - | (311) | (311) | 811 | (1,122) | (311) | - | 75 |
| **10 Depreciation and impairment** | **-** | **-** | **-** | **109,057** | **-** | **109,057** | **109,057** | **188,655** | **28,049** | **216,704** | **107,647** | **163,854** |
| *Of which* | | | | | | | | | | | | |
| EA (ALB – Net) | - | - | - | 108,901 | - | 108,901 | 108,901 | 187,650 | 28,898 | 216,548 | 107,647 | 163,088 |
| Other ALBs (Net) | - | - | - | 4 | - | 4 | 4 | 5 | (1) | 4 | - | 1 |
| Departmental | - | - | - | 152 | - | 152 | 152 | 1,000 | (848) | 152 | - | 765 |
| **11 Other AME (including Disposal of Assets)** | **-** | **-** | **-** | **405** | **-** | **405** | **405** | **75** | **330** | **405** | **-** | **356** |

| Type of spend (Resource) | Resource outturn | | | | | | | Estimate | | | Outturn vs Estimate (including virements), saving/ (excess) | Prior Year Outturn Total 2024-25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Administration | | | Programme | | | | | | | | |
| | Gross | Income | Net | Gross | Income | Net | Total | Total | Virements* | Total including virements | | |
| *Of which* | | | | | | | | | | | | |
| EA (ALB – Net) | - | - | - | 405 | - | 405 | 405 | 75 | 330 | 405 | - | 356 |
| **Total voted AME** | **-** | **-** | **-** | **27,417** | **-** | **27,417** | **27,417** | **135,064** | **-** | **135,064** | **107,647** | **154,984** |
| **Total spending in AME** | **-** | **-** | **-** | **27,417** | **-** | **27,417** | **27,417** | **135,064** | **-** | **135,064** | **107,647** | **154,984** |
| | | | | | | | | | | | | |
| **Total resource** | **22,991** | **(110)** | **22,881** | **3,606,715** | **(19,501)** | **3,587,214** | **3,610,095** | **3,721,929** | **-** | **3,721,929** | **111,834** | **3,305,827** |

NDPB outturn is recorded net.

*Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the 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 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 2024-25 |
| **Spending in Departmental Expenditure Limits (DEL)** | | | | | | | | |
| **Voted Expenditure** | | | | | | | | |
| **7 Capital** | **401,794** | **-** | **401,794** | **404,456** | **-** | **404,456** | **2,662** | **338,191** |
| *Of which* | | | | | | | | |
| Major Works | 74,647 | - | 74,647 | 67,290 | 7,357 | 74,647 | - | 108,685 |
| School Enhancement Programme | 12,023 | - | 12,023 | 17,357 | (5,334) | 12,023 | - | 10,319 |
| Minor Works | 138,511 | - | 138,511 | 143,545 | (2,342) | 141,203 | 2,692 | 112,625 |
| Youth | - | - | - | - | - | - | - | - |
| Other Activities to Support Capital Investment | 176,613 | - | 176,613 | 176,264 | 319 | 176,583 | (30) | 106,562 |
| **Total Voted DEL** | **401,794** | **-** | **401,794** | **404,456** | **-** | **404,456** | **2,662** | **338,191** |
| **Non-voted Expenditure** | | | | | | | | |
| **8 Consolidated Fund Extra Receipts** | **-** | **(1,639)** | **(1,639)** | **(1,701)** | **-** | **(1,701)** | **(62)** | **(2,507)** |
| **Total non-voted DEL** | **-** | **(1,639)** | **(1,639)** | **(1,701)** | **-** | **(1,701)** | **(62)** | **(2,507)** |
| **Total spending in DEL** | **401,794** | **(1,639)** | **400,155** | **402,755** | **-** | **402,755** | **2,600** | **335,684** |
| **Spending in Annually Managed Expenditure (AME)** | | | | | | | | |
| **Voted Expenditure** | | | | | | | | |
| **9 Provisions** | **37** | **-** | **37** | **37** | **-** | **37** | **-** | **87** |
| *Of which* | | | | | | | | |
| Other ALBs (Net) | 37 | - | 37 | 37 | - | 37 | - | 87 |
| **Total voted AME** | **37** | **-** | **37** | **37** | **-** | **37** | **-** | **87** |
| **Total spending in AME** | **37** | **-** | **37** | **37** | **-** | **37** | **-** | **87** |
| | | | | | | | | |
| **Total Capital** | **401,831** | **(1,639)** | **400,192** | **402,792** | **-** | **402,792** | **2,600** | **335,771** |

NDPB outturn is recorded net.

*Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the 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 Assembly.

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

| Item | Note | Outturn total 2025-26 £000 | Prior Year Outturn total 2024-25 Restated £000 |
|---|---|---|---|
| | | | |
| **Total Resource Outturn** | **SOAS 1.1** | **3,610,095** | **3,305,827** |
| Add: Capital Grants | | 77,417 | 55,531 |
| Add: Premature Retirement Costs | | 16,560 | 16,614 |
| Add: PFI dual reporting adjustment | | 3,596 | 3,416 |
| Add: Proceeds from sale of land and buildings paid by the EA to the Department | | 220 | 700 |
| Other reconciling items | | 42,922 | 10,733 |
| **Total** | | **140,715** | **86,994** |
| Less: Income payable to the Consolidated Fund | SOAS 4.1 | (2,284) | (3,468) |
| **Total** | | **(2,284)** | **(3,468)** |
| | | | |
| **Net Expenditure in Consolidated SOCNE** | **SOCNE** | **3,748,526** | **3,389,353** |

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 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 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 | 3,610,095 | 3,721,929 | 111,834 |
| **Total Capital outturn** | SOAS 1.2 | 400,192 | 402,792 | 2,600 |
| ***Accruals to cash adjustments*** | | | | |
| *Adjustments for Arm's Length Bodies (ALBs):* | | | | |
| Remove voted resource | | (3,505,633) | (3,609,315) | (103,682) |
| Remove voted capital | | (297,700) | (300,532) | (2,832) |
| Add cash grant in aid | | 3,826,579 | 3,986,743 | 160,164 |
| *Adjustments to remove non-cash items:* | | | | |
| Depreciation, impairments and revaluations | 3.4 | (1,661) | (2,556) | (895) |
| New provisions and adjustments to previous provisions | 3.4 | 292 | (838) | (1,130) |
| Other non-cash items | | | | |
| *Adjustments to reflect movements in working capital balances* | | | | |
| Increase in receivables | | 4,081 | 8,000 | 3,919 |
| Increase in payables | | (35,282) | 20,000 | 55,282 |
| Use of provisions | 16 | 19 | 27 | 8 |
| **Total accruals to cash adjustments** | | **(9,305)** | **101,529** | **110,834** |
| ***Removal of non-voted budget items*** | | | | |
| Other Adjustments | | 2,284 | 2,201 | (83) |
| **Total non-voted budget items** | | **2,284** | **2,201** | **(83)** |
| **Net cash requirement** | | **4,003,266** | **4,228,451** | **225,185** |

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 | 2025-26 £000 |
|---|---|---|
| Net cash requirement | SOAS 3 | (4,003,266) |
| From Consolidated Fund (supply) - current year | SoCFs | 3,995,252 |
| From Consolidated Fund (supply) - prior year | SoCFs | 2,019 |
| Amounts due to the Consolidated Fund - received in a prior year and paid over | 15 | (3,322) |
| Amounts due to the Consolidated Fund – received and not paid over | 15 | 2,121 |
| **Decrease in cash held by core department** | 13 | **(7,196)** |
| Decrease in cash held by NDPBs | | (2,751) |
| **Decrease in cash held by Departmental Group** | 13 | **(9,947)** |

## 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 2025-26 £000 | | Prior Year Outturn total 2024-25 £000 | |
|---|---|---|---|---|
| | Income (Accruals) | Receipts (Cash basis) | Income (Accruals) | Receipts (Cash basis) |
| Income in budgets surrendered to the Consolidated Fund (resource) | 645 | *628* | 961 | *1,150* |
| Income in budgets surrendered to the Consolidated Fund (capital) | 1,639 | *1,639* | 2,507 | *2,507* |
| **Total amount payable to the Consolidated Fund** | **2,284** | ***2,267*** | **3,468** | ***3,657*** |

## 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

| | 2025-26 Core Department | 2025-26 Departmental Group | 2024-25 Core Department | 2024-25 Departmental Group |
|---|---|---|---|---|
| **Total number of cases** | **-** | **314** | **2** | **220** |
| | **£000** | **£000** | **£000** | **£000** |
| Cash losses | - | 282 | - | 22 |
| Administrative write offs | - | - | 1 | 1 |
| Fruitless payments | - | 4 | - | - |
| Stores losses | - | 105 | - | 157 |
| **Total value of losses** | **-** | **391** | **1** | **180** |

In the Core Department, no individual cases exceeded £300,000 in 2025-26 (2024-25 no cases exceeded £300,000). In the Departmental Group, no individual cases exceeded £300,000 in 2025-26 (2024-25 no cases exceeded £300,000).

Special Payments

| | 2025-26 Core Department | 2025-26 Departmental Group | 2024-25 Core Department | 2024-25 Departmental Group |
|---|---|---|---|---|
| **Total number of cases** | **91** | **266** | **105** | **262** |
| | **£000** | **£000** | **£000** | **£000** |
| Redundancy payments | - | 2,522 | - | 1,944 |
| Ex Gratia | 39 | 39 | 5 | 5 |
| Exceptional Circumstances Body – panel members' fees | 53 | 53 | 43 | 43 |
| Compensation Payments - Employers' Liability & Public Liability | - | 2,722 | - | 1,283 |
| Compensation Payments - Other Employment | - | 48 | - | 189 |
| **Total value of special payments** | **92** | **5,384** | **48** | **3,464** |

In the Core Department, no individual cases exceeded £300,000 in 2025-26 (2024-25: no cases exceeded £300,000). In the Departmental Group, the EA had 1 Public Liability Case and 1 Employee Liability Case which exceeded £300,000 in 2025-26 (2024-25: no cases 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 2025-26 and 2024-25.

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.

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Full cost | 135,576 | 116,152 |
| Less: Income | (42,830) | (40,058) |
| Rurality Element | (945) | (927) |
| **Net cost** | **91,801** | **75,167** |
| | | |
| Number of paid meals | 16,079 | 15,780 |
| Number of free meals | 12,140 | 12,615 |
| **Total number of meals** | **28,219** | **28,395** |
| | | |
| **Average Gross Cost per meal** | **£4.80** | **£4.09** |

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. Details of CCEA examination charges can be found 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

The Department and its ALBs are exposed to a number of contingent liabilities that arise from several sources of litigation, such as employer and public liability claims and judicial reviews, which are largely unquantifiable. The quantifiable element disclosed in the 2025-26 Spring Supplementary Estimate (£604k) was based on the latest position at the time of the 2024-25 Departmental Group accounts and was for the Core Department only.

Since then, based on updated information, the quantifiable balance has been revised to (£13,610k) as calculated by the Departmental Group as at 31 March 2026.

## 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.**



**David Malcolm**
**Accounting Officer**
**20 October 2026**

## 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 2026 under the Government Resources and Accounts Act (Northern Ireland) 2001. The Department comprises the core Department and its agencies. 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 2025. The financial statements comprise: the Department's and the Departmental Group's

- Statement of Financial Position as at 31 March 2026
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in their preparation of the 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 2026 and of their 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 2026 and shows that those totals have not been exceeded; and
- the income and expenditure 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.

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

### 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 of Education 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 of Education and its Group's 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 of Education or its Group 's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Department of Education 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 certificate.

### Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and 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 certificate, 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.

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

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

In 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 light of the knowledge and understanding of the Department of Education and its Group and their 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 subject to audit are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; 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 CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

- maintaining proper accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Department of Education and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer 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 the Department of Education 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 enquiries of management and those charged with governance on the Department of Education and its Group's compliance with laws and regulations;

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

- 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 of Education and its Group's 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; and
    - 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.

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

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 income and expenditure 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**

I have no observations to make on these financial statements.



***Dorinnia Carville***

*Comptroller and Auditor General*
*Northern Ireland Audit Office*
*106 University Street*
*BELFAST*
*BT7 1EU*

*22 October 2026*

# FINANCIAL STATEMENTS

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

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

| | Note | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Restated Departmental Group £000 |
|---|---|---|---|---|---|
| Revenue from contracts with customers | 4 | - | (82,388) | - | (78,895) |
| Other operating income | 4 | (21,249) | (46,485) | (24,584) | (45,427) |
| **Total operating income** | | **(21,249)** | **(128,873)** | **(24,584)** | **(124,322)** |
| Staff costs | 3.5 | 37,510 | 2,505,399 | 33,330 | 2,182,557 |
| Purchase of goods and services | 3.5 | 9,605 | 500,679 | 6,165 | 499,633 |
| Depreciation, amortisation and revaluation | 3.5 | 1,661 | 111,504 | 2,157 | 166,145 |
| Provision expense | 3.5 | (292) | 10,034 | 105 | 3,097 |
| Other operating expenditure | 3.5 | 3,902,166 | 754,362 | 3,601,563 | 664,970 |
| **Total operating expenditure** | | **3,950,650** | **3,881,978** | **3,643,320** | **3,516,402** |
| **Net operating expenditure** | | **3,929,401** | **3,753,105** | **3,618,736** | **3,392,080** |
| Finance (income)/expense | | - | (4,598) | - | (2,750) |
| Taxation | 5 | - | 19 | - | 23 |
| **Net expenditure for the year** | | **3,929,401** | **3,748,526** | **3,618,736** | **3,389,353** |
| Notional audit costs | 3.5 | 112 | 345 | 109 | 337 |
| Other notional costs | 3.5 | 2,762 | 2,762 | 3,007 | 3,007 |
| **Total notional costs** | | **2,874** | **3,107** | **3,116** | **3,344** |
| **Net expenditure for the year including notionals** | | **3,932,275** | **3,751,633** | **3,621,852** | **3,392,697** |
| **Other comprehensive net expenditure** | | | | | |
| **Items which will not be reclassified to net operating expenditure:** | | | | | |
| Net gain on revaluation of property, plant and equipment | | (381) | (84,326) | (1,094) | (49,243) |
| Net gain on revaluation of intangible assets | | - | - | (229) | (229) |
| Actuarial (gain)/loss on pension scheme liabilities | | - | 44,031 | - | (5,035) |
| **Comprehensive net expenditure for the year** | | **3,931,894** | **3,711,338** | **3,620,529** | **3,338,190** |

All income and expenditure are derived from continuing operations.

Notes 1 to 26 form part of these accounts.

## Consolidated Statement of Financial Position as at 31 March 2026

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 | 2026 Core Department £000 | 2026 Departmental Group £000 | 2025 Core Department £000 | 2025 Restated Departmental Group £000 | 2024 Core Department £000 | 2024 Restated Departmental Group £000 |
|---|---|---|---|---|---|---|---|
| **Non-current assets** | | | | | | | |
| Property, plant and equipment | 6 | 192,257 | 4,371,146 | 88,339 | 4,088,173 | 59,416 | 3,919,603 |
| Right-of-use assets | 19 | - | 10,294 | - | 5,891 | - | 3,757 |
| Intangible assets | 7 | 5,806 | 78,503 | 6,858 | 55,510 | 6,973 | 61,051 |
| Trade and other receivables | 14 | - | 261 | - | 383 | - | 89 |
| Financial assets | 10 | 925 | - | 939 | - | 952 | - |
| **Total non-current assets** | | **198,988** | **4,460,204** | **96,136** | **4,149,957** | **67,341** | **3,984,500** |
| **Current assets** | | | | | | | |
| Assets classified as held for sale | 11 | - | - | - | - | - | - |
| Inventories | 12 | - | 61,450 | - | 56,749 | - | 53,754 |
| Trade and other receivables | 14 | 24,979 | 105,841 | 14,886 | 73,772 | 11,598 | 65,378 |
| Cash and cash equivalents | 13 | - | 10,974 | 1,303 | 15,028 | - | 14,177 |
| **Total current assets** | | **24,979** | **178,265** | **16,189** | **145,549** | **11,598** | **133,309** |
| **Total assets** | | **223,967** | **4,638,469** | **112,325** | **4,295,506** | **78,939** | **4,117,809** |
| **Current liabilities** | | | | | | | |
| Trade and other payables | 15 | (153,536) | (455,071) | (113,545) | (435,918) | (101,751) | (572,586) |
| Provisions | 16 | (48) | (257) | (42) | (962) | (47) | (934) |
| **Total current liabilities** | | **(153,584)** | **(455,328)** | **(113,587)** | **(436,880)** | **(101,798)** | **(573,520)** |
| **Total assets less current liabilities** | | **70,383** | **4,183,141** | **(1,262)** | **3,858,626** | **(22,859)** | **3,544,289** |
| **Non-current liabilities** | | | | | | | |
| Provisions | 16 | (95) | (25,337) | (412) | (17,668) | (332) | (15,852) |
| Other payables | 15 | - | (112,111) | - | (117,087) | - | (123,630) |
| Retirement benefit obligations | 18 | - | (11,156) | - | (12,390) | - | (14,358) |
| **Total non-current liabilities** | | **(95)** | **(148,604)** | **(412)** | **(147,145)** | **(332)** | **(153,840)** |
| **Total assets less total liabilities** | | **70,288** | **4,034,537** | **(1,674)** | **3,711,481** | **(23,191)** | **3,390,449** |
| **Taxpayers' equity and other reserves** | | | | | | | |
| General fund | | 62,220 | 2,903,499 | (9,678) | 2,610,809 | (30,141) | 2,290,697 |
| Revaluation reserve | | 8,068 | 1,131,038 | 8,004 | 1,100,672 | 6,950 | 1,099,752 |
| **Total equity** | | **70,288** | **4,034,537** | **(1,674)** | **3,711,481** | **(23,191)** | **3,390,449** |



**David Malcom**
**Accounting Officer**
**20 October 2026**

Notes 1 to 26 form part of these accounts.

## Consolidated Statement of Cash Flows for the year ended 31 March 2026

The Statement of Cash Flows shows the changes in cash and cash equivalents of the 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 | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Restated Departmental Group £000 |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Net expenditure for the year including notionals | SOCNE | (3,932,275) | (3,751,633) | (3,621,852) | (3,392,697) |
| Adjustments for non-cash transactions | 3.4 | 4,242 | 96,721 | 5,378 | 190,575 |
| (Increase)/decrease in trade and other receivables | 14 | (10,093) | (31,937) | (3,288) | (8,688) |
| *movements in receivables relating to items not passing through the SOCNE* | 14 | 5,995 | 5,995 | (4,350) | (4,350) |
| Decrease/(increase) in inventories | 12 | - | (4,701) | - | (2,995) |
| Increase/(decrease) in trade and other payables excluding bank overdraft | 15 | 34,098 | 15,564 | 14,790 | (133,146) |
| *movements in payables relating to items not passing through the SOCNE* | 15 | (13,471) | (13,866) | (5,602) | (5,968) |
| Use of provisions | 16 | (19) | (3,060) | (30) | (1,253) |
| **Net cash inflow/(outflow) from operating activities** | | **(3,911,523)** | **(3,686,917)** | **(3,614,954)** | **(3,358,522)** |
| **Cash flows from investing activities** | | | | | |
| Purchase of non-financial assets - property, plant and equipment | | (89,321) | (286,865) | (23,022) | (258,075) |
| Purchase of non-financial assets - intangible assets | | (156) | (23,383) | (765) | (15,613) |
| Proceeds from disposal of property, plant and equipment | | 1 | 316 | - | 17 |
| **Net cash inflow/(outflow) from investing activities** | | **(89,476)** | **(309,932)** | **(23,787)** | **(273,671)** |

| | Note | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Restated Departmental Group £000 |
|---|---|---|---|---|---|
| **Cash flows from financing activities** | | | | | |
| From the Consolidated Fund (supply) – current year | | 3,995,252 | 3,995,252 | 3,640,379 | 3,640,379 |
| From the Consolidated Fund (supply) – prior year | 14 | 2,019 | 2,019 | 6,369 | 6,369 |
| Capital element of payments in respect of finance leases and on-balance sheet (SOFP) PFI contracts | | - | (6,901) | - | (7,000) |
| **Net financing** | | **3,997,271** | **3,990,370** | **3,646,748** | **3,639,748** |
| **Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund** | | **(3,728)** | **(6,479)** | **8,007** | **7,555** |
| Payments of amounts due to the Consolidated Fund | | (3,468) | (3,468) | (3,708) | (3,708) |
| **Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund** | 13 | **(7,196)** | **(9,947)** | **4,299** | **3,847** |
| **Cash and cash equivalents at the beginning of the period** | 13 | **1,303** | **15,028** | **(2,996)** | **11,181** |
| **Cash and cash equivalents at the end of the period** | 13 | **(5,893)** | **5,081** | **1,303** | **15,028** |

Notes 1 to 26 form part of these accounts.

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

This statement shows the movement in the year on the different reserves held by the 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 2024** | | **2,593,374** | **1,099,752** | **3,693,126** |
| Adjustments to opening balances | | (302,677) | - | (302,677) |
| **Restated Balance at 31 March 2024** | | **2,290,697** | **1,099,752** | **3,390,449** |
| Net Assembly funding – drawn down | | 3,640,379 | - | 3,640,379 |
| Supply receivable adjustment | 14 | 2,019 | - | 2,019 |
| CFERs payable to the Consolidated Fund | SOAS 4.1 | (3,468) | - | (3,468) |
| Comprehensive expenditure for the year | SOCNE | (3,392,697) | 49,472 | (3,343,225) |
| Actuarial gain/(loss) in respect of pension liability | SOCNE | 5,035 | - | 5,035 |
| Non-cash charges – accommodation and other charges | 3.5 | 3,007 | - | 3,007 |
| Non-cash charges – auditor's remuneration and expenses | 3.5 | 337 | - | 337 |
| Non-cash charges – Northern Ireland Teachers' Pension Scheme – Premature Retirement Compensation | 3.4 | 16,614 | - | 16,614 |
| Other reserves movements | | 334 | - | 334 |
| Transfers between reserves | | 48,552 | (48,552) | - |
| **Restated Balance at 31 March 2025** | | **2,610,809** | **1,100,672** | **3,711,481** |
| Net Assembly funding – drawn down | | 3,995,252 | - | 3,995,252 |
| Supply receivable adjustment | 14 | 8,014 | - | 8,014 |
| CFERs payable to the Consolidated Fund | SOAS 4.1 | (2,284) | - | (2,284) |
| Comprehensive expenditure for the year | SOCNE | (3,751,633) | 84,326 | (3,667,307) |
| Actuarial gain/(loss) in respect of pension liability | SOCNE | (44,031) | - | (44,031) |
| Non-cash charges – accommodation and other charges | 3.5 | 2,762 | - | 2,762 |
| Non-cash charges – auditor's remuneration and expenses | 3.5 | 345 | - | 345 |
| Non-cash charges – Northern Ireland Teachers' Pension Scheme – Premature Retirement Compensation | 3.4 | 16,560 | - | 16,560 |
| Other reserves movements | | 13,745 | - | 13,745 |
| Transfers between reserves | | 53,960 | (53,960) | - |
| **Balance at 31 March 2026** | | **2,903,499** | **1,131,038** | **4,034,537** |

*The General Fund includes restricted funds of £117k (2024-25: £107k). Restricted funds are funds given to the Group, which are to be expended for objects specified by the donor.

Notes 1 to 26 form part of these accounts.

| Core Department | Note | General Fund £000 | Revaluation reserve £000 | Taxpayers' equity £000 |
|---|---|---|---|---|
| **Balance at 31 March 2024** | | **(30,141)** | **6,950** | **(23,191)** |
| Net Assembly funding – drawn down | | 3,640,379 | - | 3,640,379 |
| Supply receivable adjustment | 14 | 2,019 | - | 2,019 |
| CFERs payable to the Consolidated Fund | SOAS 4.1 | (3,468) | - | (3,468) |
| Comprehensive expenditure for the year | SOCNE | (3,621,852) | 1,323 | (3,620,529) |
| Non-cash charges – accommodation and other charges | 3.5 | 3,007 | - | 3,007 |
| Non-cash charges – auditor's remuneration and expenses | 3.5 | 109 | - | 109 |
| Transfers between reserves | | 269 | (269) | - |
| **Balance at 31 March 2025** | | **(9,678)** | **8,004** | **(1,674)** |
| Net Assembly funding – drawn down | | 3,995,252 | - | 3,995,252 |
| Supply receivable adjustment | 14 | 8,014 | - | 8,014 |
| CFERs payable to the Consolidated Fund | SOAS 4.1 | (2,284) | - | (2,284) |
| Comprehensive expenditure for the year | SOCNE | (3,932,275) | 381 | (3,931,894) |
| Non-cash charges – accommodation and other charges | 3.5 | 2,762 | - | 2,762 |
| Non-cash charges – auditor's remuneration and expenses | 3.5 | 112 | - | 112 |
| Transfers between reserves | | 317 | (317) | - |
| **Balance at 31 March 2026** | | **62,220** | **8,068** | **70,288** |

Notes 1 to 26 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 2025-26 *Government FReM* issued by the Department of Finance. 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 Departmental Group for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by the Departmental 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, supplemented by annual indexation in intervening years. 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 **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 **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 acquired 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 **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 £3,000 (£1,000 for some entities within the Departmental Group) 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 cost less any accumulated depreciation and impairment losses.

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 and Youth (formerly 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 and Youth, 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 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 the 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 2025. 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.

Comparative figures in relation to the NILGOSC defined benefit scheme asset have been restated due to the correction of a prior period error in accordance with IAS 8. Further details have been provided in Note 18.

**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 per 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 (4.81% for 2025 and 5.32% for 2026). 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 18 Presentation and Disclosure in Financial Statements**

IFRS 18 *Presentation and Disclosure in Financial Statements* will replace IAS 1 *Presentation of Financial Statements* and is effective for annual reporting periods beginning on or after 1 January 2027 in the private sector. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

### 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

The operating segments have been identified based on financial information reported to the Departmental Board.

During 2025–26, internal management reporting was revised so that the activities previously reported as Earmarked budgets are now managed and reviewed as two separate operating segments, EA Earmarked budgets and Other Earmarked budgets. Comparative information for 2024–25 has been amended to reflect the current-year segment structure. The amendment has no impact on total net operating expenditure for the year.

The operating segments are as follows:

**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).

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

**Other Earmarked budgets -** income and expenditure budgets (non-EA) 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 | 2025-26 Gross expenditure £000 | 2025-26 Income £000 | 2025-26 Net expenditure £000 | 2024-25 Gross expenditure £000 | 2024-25 Income £000 | 2024-25 Net expenditure £000 |
|---|---|---|---|---|---|---|
| Aggregated Schools' Budget | 1,828,458 | (12,449) | 1,816,009 | 1,706,043 | (11,438) | 1,694,605 |
| EA Block Grant | 814,272 | (66,545) | 747,727 | 666,399 | (61,842) | 604,557 |
| EA Earmarked budgets | 142,530 | (361) | 142,169 | 116,550 | (587) | 115,963 |
| Other Earmarked budgets | 1,718 | (15,042) | (13,324) | 4,646 | (16,896) | (12,250) |
| Other NDPBs | 44,129 | (7,720) | 36,409 | 41,100 | (8,067) | 33,033 |
| Other Education Services | 50,922 | (1,502) | 49,420 | 33,275 | (446) | 32,829 |
| Early Years Provision | 43,921 | - | 43,921 | 37,926 | - | 37,926 |
| Youth | 754,158 | (3,163) | 750,995 | 641,575 | (4,429) | 637,146 |
| Department of Education costs | 24,193 | - | 24,193 | 22,139 | - | 22,139 |

| Operating Segments | 2025-26 Gross expenditure £000 | 2025-26 Income £000 | 2025-26 Net expenditure £000 | 2024-25 Gross expenditure £000 | 2024-25 Income £000 | 2024-25 Net expenditure £000 |
|---|---|---|---|---|---|---|
| **Total resource** | **3,704,301** | **(106,782)** | **3,597,519** | **3,269,653** | **(103,705)** | **3,165,948** |
| Capital grants and Departmental capital | 181,550 | (862) | 180,688 | 85,161 | (797) | 84,364 |
| **Total resource and capital** | **3,885,851** | **(107,644)** | **3,778,207** | **3,354,814** | **(104,502)** | **3,250,312** |

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 | 2025-26 £000 | 2024-25 Restated £000 |
|---|---|---|---|
| Total net expenditure reported for operating segments | 2 | 3,778,207 | 3,250,312 |
| Reconciling items: | | | |
| AME – impairments | | (6,922) | (475) |
| AME – provisions | | 6,993 | 1,917 |
| Operating income payable to the Consolidated Fund | | (2,284) | (3,468) |
| Depreciation | | 118,426 | 166,620 |
| Departmental capital | | (104,133) | (29,629) |
| IAS 19 pension costs | | (45,283) | 3,027 |
| Loss on disposal of property | | 404 | 1,056 |
| PFI dual reporting adjustment | | 3,596 | 3,416 |
| Other non-cash | | (497) | (3,446) |
| Corporation tax | | 19 | 23 |
| **Total net expenditure per the Consolidated SOCNE** | | **3,748,526** | **3,389,353** |
| Notional costs | | 3,107 | 3,344 |
| **Total net expenditure including notionals per the Consolidated SOCNE** | | **3,751,633** | **3,392,697** |

# 3. Expenditure

## 3.1 Other administration expenditure

| | Note | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|---|
| **Staff costs*** | | | | | |
| Wages and salaries | | 14,822 | 14,822 | 13,453 | 13,453 |
| Social security costs | | 1,838 | 1,838 | 1,451 | 1,451 |
| Other pension costs | | 4,547 | 4,547 | 4,195 | 4,195 |
| | | 21,207 | 21,207 | 19,099 | 19,099 |
| **Other operating expenditure** | | | | | |
| Profit on disposal of property | | (1) | (1) | - | - |
| **Purchase of goods and services** | | | | | |
| Travel and subsistence | | 142 | 142 | 86 | 86 |
| Other staff related costs | | 119 | 119 | 72 | 72 |
| Accommodation costs | | 110 | 110 | 105 | 105 |
| Office services | | 338 | 338 | 342 | 342 |
| Contracted out services | | 817 | 817 | 781 | 781 |
| Other professional fees | | 7 | 7 | 7 | 7 |
| Managed services – information technology | | 36 | 36 | 36 | 36 |
| Other expenses | | 173 | 173 | 241 | 241 |
| | | 1,742 | 1,742 | 1,670 | 1,670 |
| **Non-cash items** | | | | | |
| Depreciation | | 11 | 11 | 13 | 13 |
| Amortisation | | 12 | 12 | 11 | 11 |
| Revaluation | | - | - | - | - |
| | | 23 | 23 | 24 | 24 |
| Notional charges | | | | | |
| - auditor's remuneration and expenses | | 112 | 112 | 109 | 109 |
| - accommodation | | 914 | 914 | 755 | 755 |
| - others | | 1848 | 1,848 | 2,252 | 2,252 |
| | | 2,874 | 2,874 | 3,116 | 3,116 |

| | Note | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|---|
| Increase/(decrease) in provisions (provision provided for in-year less any release) | 3.4 | (318) | (318) | 107 | 107 |
| **Total** | | **25,527** | **25,527** | **24,016** | **24,016** |

*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 (2024-25: £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 (2024-25: £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 | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|---|
| **Staff costs*** | | | | | |
| Wages and salaries | | 11,703 | 1,819,388 | 10,253 | 1,624,814 |
| Social security costs | | 1,341 | 239,468 | 1,027 | 159,389 |
| Other pension costs | | 3,259 | 425,336 | 2,951 | 379,255 |
| | | 16,303 | 2,484,192 | 14,231 | 2,163,458 |
| **Other operating expenditure** | | | | | |
| Grants | | 3,898,499 | 750,290 | 3,593,195 | 655,546 |
| EU Grant | | 3,668 | 3,668 | 8,368 | 8,368 |
| Loss on disposal of property | | - | 405 | - | 1,056 |
| | | 3,902,167 | 754,363 | 3,601,563 | 664,970 |
| **Purchase of goods and services** | | | | | |
| Goods and services | | - | 306,499 | - | 282,685 |
| Auditors' remuneration and expenses (hard charge audit fees and non-audit services) | | - | 78 | - | 73 |
| Interest charges | | - | 19 | - | 14 |
| PFI and other service concession arrangements service charges | | - | 31,003 | - | 29,855 |
| Travel and subsistence | | 187 | 296 | 176 | 292 |

| | Note | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|---|
| Other staff related costs | | 54 | 89 | 50 | 105 |
| Accommodation costs | | 122 | 157,065 | 86 | 141,221 |
| Office services | | 2,305 | 28,348 | 2,086 | 26,449 |
| Contracted out services | | 19 | 19 | 19 | 19 |
| Other professional fees | | - | 10,195 | - | 9,157 |
| Pension costs | | - | (39,888) | - | 5,990 |
| Other expenses | | 5,176 | 5,214 | 2,078 | 2,103 |
| | | 7,863 | 498,937 | 4,495 | 497,963 |
| **Non-cash items** | | | | | |
| Depreciation | | 290 | 118,130 | 271 | 145,273 |
| Amortisation | | 1,196 | 273 | 1,098 | 21,323 |
| Revaluation | | 152 | (6,922) | 764 | (475) |
| | | 1,638 | 111,481 | 2,133 | 166,121 |
| Notional charges | | | | | |
| - Auditor's remuneration and expenses | | - | 233 | - | 228 |
| Increase/(decrease) in provisions (provision provided for in-year less any release) | 3.4 | 26 | 10,352 | (2) | 2,990 |
| **Total** | | **3,927,997** | **3,859,558** | **3,622,420** | **3,495,730** |

*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.

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Core Department | 112 | 109 |
| **Total Core Department** | **112** | **109** |
| EA | 215 | 210 |
| General Teaching Council for Northern Ireland | 18 | 18 |
| **Departmental Group notional audit costs** | **345** | **337** |

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

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Restated Departmental Group £000 |
|---|---|---|---|---|
| Depreciation, amortisation and revaluation (Note 3.1) | 23 | 23 | 24 | 24 |
| Depreciation, amortisation and revaluation (Note 3.2) | 1,638 | 111,481 | 2,133 | 166,121 |
| | 1,661 | 111,504 | 2,157 | 166,145 |
| New provisions, and adjustments to previous provisions (Note 3.1) | (318) | (318) | 107 | 107 |
| New provisions, and adjustments to previous provisions (Note 3.2) | 26 | 10,352 | (2) | 2,990 |
| | (292) | 10,034 | 105 | 3,097 |
| Other non-cash items | | | | |
| Notional charges (Note 3.1) | 2,874 | 2,874 | 3,116 | 3,116 |
| Notional charges (Note 3.2) | - | 233 | - | 228 |
| Northern Ireland Teachers' Pension Scheme – Premature Retirement Compensation | - | 16,560 | - | 16,614 |
| IAS 19 pension costs | - | (45,283) | - | 3,027 |
| Taxation | - | - | - | (3,085) |
| VG & GMI | - | 395 | - | 377 |
| | 2,874 | (25,221) | 3,116 | 20,277 |
| Profit on disposal of property (Note 3.1) | (1) | (1) | - | - |
| Loss on disposal of property (Note 3.2) | - | 405 | - | 1,056 |
| | (1) | 404 | - | 1,056 |
| **Total non-cash transactions (Statement of Cash Flows)** | **4,242** | **96,721** | **5,378** | **190,575** |

## 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 | 2025-26 £000 | 2024-25 £000 |
|---|---|---|---|---|
| Staff costs | 21,207 | 16,303 | 37,510 | 33,330 |
| Purchase of goods and services | 1,742 | 7,863 | 9,605 | 6,165 |
| Depreciation, amortisation and revaluation | 23 | 1,638 | 1,661 | 2,157 |
| Provision expense | (318) | 26 | (292) | 105 |
| Other operating expenditure | (1) | 3,902,167 | 3,902,166 | 3,601,563 |
| | **22,653** | **3,927,997** | **3,950,650** | **3,643,320** |
| **Notional costs** | | | | |
| Notional audit costs | 112 | - | 112 | 109 |
| Other notional costs | 2,762 | - | 2,762 | 3,007 |
| **Total notional costs** | **2,874** | **-** | **2,874** | **3,116** |
| | **25,527** | **3,927,997** | **3,953,524** | **3,646,436** |

| Departmental Group | Other administration expenditure (Note 3.1) £000 | Programme expenditure (Note 3.2) £000 | 2025-26 £000 | 2024-25 £000 |
|---|---|---|---|---|
| Staff costs | 21,207 | 2,484,192 | 2,505,399 | 2,182,557 |
| Purchase of goods and services | 1,742 | 498,937 | 500,679 | 499,633 |
| Depreciation, amortisation and revaluation | 23 | 111,481 | 111,504 | 166,145 |
| Provision expense | (318) | 10,352 | 10,034 | 3,097 |
| Other operating expenditure | (1) | 754,363 | 754,362 | 664,970 |
| | **22,653** | **3,859,325** | **3,881,978** | **3,516,402** |
| **Notional costs** | | | | |
| Notional audit costs | 112 | 233 | 345 | 337 |
| Other notional costs | 2,762 | - | 2,762 | 3,007 |
| **Total notional costs** | **2,874** | **233** | **3,107** | **3,344** |
| | **25,527** | **3,859,558** | **3,885,085** | **3,519,746** |

## 4. Income

### 4.1 Revenue from contracts with customers

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Catering operations | - | 43,998 | - | 40,765 |
| Recoupment of costs | - | 20,595 | - | 21,710 |
| Other income generating activities | - | 8,789 | - | 7,477 |
| Miscellaneous | - | 2,515 | - | 3,348 |
| Tuition fees | - | 4,648 | - | 3,749 |
| Letting of Halls | - | 795 | - | 659 |
| Outdoor Education Charges | - | 1,048 | - | 1,187 |
| | **-** | **82,388** | **-** | **78,895** |

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

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Co-funded ALB income (Further Education and Student Support, from DfE) | 13,261 | 13,261 | 12,279 | 12,279 |
| Other | 1,507 | 8,194 | 1,756 | 11,203 |
| European funds | 2,934 | 8,119 | 6,695 | 8,371 |
| Other grants | - | 12,836 | - | 9,171 |
| Shared Island income | 1,682 | 1,682 | 447 | 447 |
| Capital income | - | 531 | - | 551 |
| Sale of property, plant and equipment (NDPBs) | 1,639 | 1,639 | 2,507 | 2,507 |
| Vulnerable Persons Relocation Scheme | 226 | 226 | 900 | 900 |
| New Opportunities Fund/Big Lottery/Heritage Lottery Fund | - | (3) | - | (2) |
| | **21,249** | **46,485** | **24,584** | **45,427** |

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 £19k (2024-25: £23k) was paid at a rate of 25% (2024-25: 25%) 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 2025 | 724,938 | 3,250,958 | 109,290 | 243,245 | 159,742 | 170,436 | 4,658,609 |
| Additions | 14,464 | 59,732 | 6,693 | 14,195 | 18,760 | 192,974 | 306,818 |
| Disposals | - | - | (1,692) | (10,365) | (3,846) | - | (15,903) |
| Reclassifications and transfers | - | 61,941 | 10 | 3,753 | 206 | (65,910) | - |
| Revaluation | 18,796 | 59,296 | 2,731 | 13,402 | 42,862 | - | 137,087 |
| Transferred to non-current assets held for sale | (220) | - | - | - | - | - | (220) |
| **At 31 March 2026** | **757,978** | **3,431,927** | **117,032** | **264,230** | **217,724** | **297,500** | **5,086,391** |
| **Depreciation** | | | | | | | |
| At 1 April 2025 | - | 184,237 | 75,547 | 210,818 | 99,834 | - | 570,436 |
| Charged in year | - | 97,621 | 1,326 | 964 | 14,565 | - | 114,476 |
| Disposals | - | - | (1,638) | (10,324) | (3,546) | - | (15,508) |
| Reclassifications and transfers | - | - | - | - | - | - | - |
| Revaluation | - | 7,069 | 1,277 | 10,766 | 26,729 | - | 45,841 |
| **At 31 March 2026** | **-** | **288,927** | **76,512** | **212,224** | **137,582** | **-** | **715,245** |
| **Carrying amount at 31 March 2026** | **757,978** | **3,143,000** | **40,520** | **52,006** | **80,142** | **297,500** | **4,371,146** |
| **Carrying amount at 31 March 2025** | **724,938** | **3,066,721** | **33,743** | **32,427** | **59,908** | **170,436** | **4,088,173** |

| Consolidated | Land £000 | Buildings £000 | Transport Equipment £000 | Information Technology £000 | Plant & Machinery £000 | Asset under Construction £000 | Total £000 |
|---|---|---|---|---|---|---|---|
| **Asset financing** | | | | | | | |
| Owned | 735,106 | 3,021,548 | 40,520 | 52,006 | 80,142 | 297,500 | 4,226,822 |
| On-Balance Sheet PFI contracts and other service concession arrangements | - | - | - | - | - | - | - |
| Right-of-use | 22,872 | 121,452 | - | - | - | - | 144,324 |
| **Carrying amount at 31 March 2026** | **757,978** | **3,143,000** | **40,520** | **52,006** | **80,142** | **297,500** | **4,371,146** |
| **Of the total:** | | | | | | | |
| Department | 12,065 | 13,653 | - | 1 | 7 | 166,531 | 192,257 |
| Other designated bodies | 745,913 | 3,129,347 | 40,520 | 52,005 | 80,135 | 130,969 | 4,178,889 |
| **Carrying amount at 31 March 2026** | **757,978** | **3,143,000** | **40,520** | **52,006** | **80,142** | **297,500** | **4,371,146** |

Land and buildings are stated at current value in existing use. A professional valuation is carried out by LPS every five years, supplemented by annual indexation in intervening years. The land and building assets belonging to the Core Department were valued by LPS in the current financial year, as at 31 March 2026, while EA land and building assets were last valued at 31 March 2023. All other assets are revalued using indices.

The net book value of property, plant and equipment includes an amount of £17,034k (2024-25: £17,128k) 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 2025-26 there were 460 (2024-25: 464) such schools.

The Department of Education uses Producer Price Indices (PPI) published by the Office for National Statistics (ONS) to apply indexation to the value of non-property assets at year-end. In line with previous years, the December 2025 indices have been applied in 2025-26. In March 2025, ONS paused publication to review an issue with the chain-linking methodology affecting historical data from 2008 onwards. ONS recommenced publication of the indices in October 2025, including revised historical series. In accordance with IAS 8 the fair value of assets is an accounting estimate and retrospective restatements are not required for changes in accounting estimates. As such, no adjustments have been made to the prior-year comparative figures as a result of the changes to PPI, but the updated indices have been applied in determining the asset values for the current year-end.

| 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 2024 | 704,991 | 3,028,379 | 103,287 | 228,141 | 145,787 | 132,443 | 4,343,028 |
| Additions | 20,174 | 141,927 | 3,557 | 9,963 | 14,418 | 73,878 | 263,917 |
| Disposals | - | - | (1,109) | (1,937) | (2,144) | - | (5,190) |
| Reclassifications and transfers | - | 28,633 | (1) | 6,471 | 31 | (35,134) | - |
| Revaluation | 473 | 52,019 | 3,556 | 607 | 1,650 | (751) | 57,554 |
| Transferred to non-current assets held for sale | (700) | - | - | - | - | - | (700) |
| **At 31 March 2025** | **724,938** | **3,250,958** | **109,290** | **243,245** | **159,742** | **170,436** | **4,658,609** |
| **Depreciation** | | | | | | | |
| At 1 April 2024 | - | 88,590 | 65,073 | 179,741 | 90,021 | - | 423,425 |
| Charged in year | - | - | - | (2) | 1 | - | (1) |
| Disposals | - | 91,585 | 9,217 | 32,555 | 10,767 | - | 144,124 |
| Reclassifications and transfers | - | - | (1,056) | (1,926) | (1,966) | - | (4,948) |
| Revaluation | - | 4,062 | 2,313 | 450 | 1,011 | - | 7,836 |
| **At 31 March 2025** | **-** | **184,237** | **75,547** | **210,818** | **99,834** | **-** | **570,436** |
| **Carrying amount at 31 March 2025** | **724,938** | **3,066,721** | **33,743** | **32,427** | **59,908** | **170,436** | **4,088,173** |
| **Carrying amount at 31 March 2024** | **704,991** | **2,939,789** | **38,214** | **48,400** | **55,766** | **132,443** | **3,919,603** |

| Consolidated | Land £000 | Buildings £000 | Transport Equipment £000 | Information Technology £000 | Plant & Machinery £000 | Asset under Construction £000 | Total £000 |
|---|---|---|---|---|---|---|---|
| **Asset financing** | | | | | | | |
| Owned | 699,140 | 2,736,388 | 33,743 | 32,427 | 59,908 | 170,436 | 3,732,042 |
| On-Balance Sheet PFI contracts and other service concession arrangements | 45 | 192,066 | - | - | - | - | 192,111 |
| Right-of-use | 25,753 | 138,267 | - | - | - | - | 164,020 |
| **Carrying amount at 31 March 2025** | **724,938** | **3,066,721** | **33,743** | **32,427** | **59,908** | **170,436** | **4,088,173** |
| **Of the total:** | | | | | | | |
| Department | 12,065 | 11,572 | 8 | 3 | 4 | 64,687 | 88,339 |
| Other designated bodies | 712,873 | 3,055,149 | 33,735 | 32,424 | 59,904 | 105,749 | 3,999,834 |
| **Carrying amount at 31 March 2025** | **724,938** | **3,066,721** | **33,743** | **32,427** | **59,908** | **170,436** | **4,088,173** |

## 7. Intangible assets

| Consolidated | Information Technology £000 | Software licences £000 | Asset under Construction £000 | Total £000 |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 April 2025 | 11,443 | 68,559 | 10,661 | 90,663 |
| Additions | 156 | 2,719 | 20,891 | 23,766 |
| Disposals | - | (2,348) | - | (2,348) |
| Reclassifications and transfers | - | 2,060 | (2,060) | - |
| Revaluation | - | - | - | - |
| **At 31 March 2026** | **11,599** | **70,990** | **29,492** | **112,081** |
| **Amortisation** | | | | |
| At 1 April 2025 | 4,585 | 30,568 | - | 35,153 |
| Charged in year | 1,208 | (923) | - | 285 |
| Disposals | - | (2,243) | - | (2,243) |
| Reclassifications and transfers | - | - | - | - |
| Revaluation | - | 383 | - | 383 |
| **At 31 March 2026** | **5,793** | **27,785** | **-** | **33,578** |
| **Carrying amount at 31 March 2026** | **5,806** | **43,205** | **29,492** | **78,503** |
| **Carrying amount at 31 March 2025** | **6,858** | **37,991** | **10,661** | **55,510** |
| **Asset financing** | | | | |
| Owned | 5,806 | 43,205 | 29,492 | 78,503 |
| **Carrying amount at 31 March 2026** | 5,806 | 43,205 | 29,492 | 78,503 |
| **Of the total:** | | | | |
| Department | 5,806 | - | - | 5,806 |
| Other designated bodies | - | 43,205 | 29,492 | 72,697 |
| **Carrying amount at 31 March 2026** | **5,806** | **43,205** | **29,492** | **78,503** |

Following HM Treasury's Thematic Review of Non-investment Asset Valuation, the option to measure intangible assets using the revaluation model has been withdrawn, as of 1 April 2025. Existing intangible assets, as at 1 April 2025, are measured using the historical deemed cost model, whereby the current value of the asset, as at the transition date, is "deemed" to represent its historic cost, and all subsequent amortisation and impairment is based on that deemed cost.

| Consolidated | Information Technology £000 | Software licences £000 | Asset under Construction £000 | Total £000 |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 April 2024 | 10,324 | 64,874 | 3,454 | 78,652 |
| Additions | 765 | 2,932 | 11,916 | 15,613 |
| Disposals | - | (3,956) | - | (3,956) |
| Reclassifications and transfers | - | 4,709 | (4,709) | - |
| Revaluation | 354 | - | - | 354 |
| **At 31 March 2025** | **11,443** | **68,559** | **10,661** | **90,663** |
| **Amortisation** | | | | |
| At 1 April 2024 | 3,351 | 14,250 | - | 17,601 |
| Charged in year | 1,109 | 20,225 | - | 21,334 |
| Disposals | - | (3,907) | - | (3,907) |
| Revaluation | 125 | - | - | 125 |
| **At 31 March 2025** | **4,585** | **30,568** | **-** | **35,153** |
| **Carrying amount at 31 March 2025** | **6,858** | **37,991** | **10,661** | **55,510** |
| **Carrying amount at 31 March 2024** | **6,973** | **50,624** | **3,454** | **61,051** |
| **Asset financing** | | | | |
| Owned | 6,858 | 37,991 | 10,661 | 55,510 |
| **Carrying amount at 31 March 2025** | **6,858** | **37,991** | **10,661** | **55,510** |
| **Of the total:** | | | | |
| Department | 6,858 | - | - | 6,858 |
| Other designated bodies | - | 37,991 | 10,661 | 48,652 |
| **Carrying amount at 31 March 2025** | **6,858** | **37,991** | **10,661** | **55,510** |

## 8. Impairments

The following impairments to current and non-current assets were incurred during the financial year.

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Impairment charge/(credit) to the SOCNE | 170 | (6,904) | 747 | (492) |
| Impairment taken through the revaluation reserve | - | - | - | - |
| **Total impairment charge/(credit) for the year** | **170** | **(6,904)** | **747** | **(492)** |

## 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 MCA (Holdings) Limited as a joint venture with the Department of Education and Youth, (formerly the Department of Education), Ireland. Both parties fund the company equally.

The investment in MCA (Holdings) Limited at 31 March 2026 was:

| | MCA (Holdings) Limited £000 |
|---|---|
| 1 April 2024 | 952 |
| Revaluation charge to SOCNE | (13) |
| **At 31 March 2025** | **939** |
| Revaluation charge to SOCNE | (14) |
| **At 31 March 2026** | **925** |

## 11. Assets held for sale

| | Departmental Group £000 |
|---|---|
| At 1 April 2024 | - |
| Assets classified as held for sale in the year | 700 |
| Assets sold in the year | (700) |
| **At 31 March 2025** | **-** |
| Assets classified as held for sale in the year | 220 |
| Assets sold in the year | (220) |
| **At 31 March 2026** | **-** |

.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:

- Drumsallen Primary School
- Lisfearty Primary School

## 12. Inventories

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Schools' stock | - | 52,785 | - | 48,041 |
| Musical instruments and book stock | - | 4,717 | - | 4,997 |
| Grounds maintenance service stock | - | 1,375 | - | 1,314 |
| Catering | - | 1,892 | - | 1,721 |
| Maintenance and central depots | - | 678 | - | 672 |
| Teaching Aids | - | 3 | - | 4 |
| | **-** | **61,450** | **-** | **56,749** |

## 13. Cash and cash equivalents

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| At 1 April | 1,303 | 15,028 | (2,996) | 11,181 |
| Net change in cash and cash equivalents | (7,196) | (9,947) | 4,299 | 3,847 |
| **At 31 March** | **(5,893)** | **5,081** | **1,303** | **15,028** |
| The following balances at 31 March were held at: | | | | |
| Commercial banks and cash in hand | (5,893) | 5,081 | 1,303 | 15,028 |
| **At 31 March** | **(5,893)** | **5,081** | **1,303** | **15,028** |
| The balance comprises: | | | | |
| Cash at bank | - | 10,974 | 1,303 | 15,028 |
| Bank overdraft | (5,893) | (5,893) | - | - |
| | **(5,893)** | **5,081** | **1,303** | **15,028** |

### 13.1 Reconciliation of liabilities arising from financing activities

The Core Department had no liabilities arising from financing activities at 31 March 2026 and 31 March 2025.

| Departmental Group | 31 March 2025 £000 | Cash flows £000 | Acquisition £000 | Other changes £000 | 31 March 2026 £000 |
|---|---|---|---|---|---|
| Lease liabilities | 2,597 | (1,089) | 8,026 | (1,907) | 7,627 |
| PFI liabilities | 115,677 | (6,005) | - | - | 109,672 |
| **Total liabilities from financing activities** | **118,274** | **(7,094)** | **8,026** | **(1,907)** | **117,299** |

| Departmental Group | 31 March 2024 £000 | Cash flows £000 | Acquisition £000 | Other changes £000 | 31 March 2025 £000 |
|---|---|---|---|---|---|
| Lease liabilities | 3,415 | (1,133) | 657 | (342) | 2,597 |
| PFI liabilities | 121,704 | (5,867) | - | (160) | 115,677 |
| **Total liabilities from financing activities** | **125,119** | **(7,000)** | **657** | **(502)** | **118,274** |

## 14. Trade receivables, financial and other assets

| Amounts falling due within one year: | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| VAT | 2,640 | 21,419 | 1,764 | 16,662 |
| EU grants receivable | 8,734 | 8,734 | 8,329 | 8,329 |
| Trade receivables | 2,537 | 8,584 | 303 | 6,543 |
| Other receivables | 6 | 1,593 | 10 | 1,245 |
| Prepayments | 1,940 | 13,264 | 1,452 | 7,954 |
| Accrued income | 1,108 | 44,233 | 1,009 | 31,020 |
| Amounts due from the Consolidated Fund in respect of Supply | 8,014 | 8,014 | 2,019 | 2,019 |
| | **24,979** | **105,841** | **14,886** | **73,772** |

| Amounts falling due after more than one year: | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Trade receivables | - | 261 | - | 383 |
| | **-** | **261** | **-** | **383** |

Included within accrued income in the Core Department is £163k (2024-25: £146k) 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: | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Bank overdraft (Note 13) | 5,893 | 5,893 | - | - |
| VAT | - | 22 | - | 17 |
| Other taxation and social security | 26,741 | 40,547 | 21,148 | 31,581 |
| Trade payables | 82,026 | 107,261 | 72,978 | 85,372 |
| Other payables | 1,736 | 20,570 | 1,419 | 19,551 |
| Accruals | 27,303 | 261,290 | 12,459 | 286,234 |
| Deferred income | 7,553 | 7,577 | 2,073 | 2,073 |
| Current part of lease liabilities | - | 3,175 | - | 1,241 |
| Current part of capital and interest elements of PFI contracts and other service concession arrangements | - | 6,059 | - | 6,005 |
| Loans from DoF | - | 393 | - | 376 |
| Consolidated Fund extra receipts due to be paid to the Consolidated Fund | | | | |
| - received | 2,121 | 2,121 | 3,322 | 3,322 |
| - receivable | 163 | 163 | 146 | 146 |
| | **153,536** | **455,071** | **113,545** | **435,918** |

| Amounts falling due after more than one year: | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Other payables | - | 961 | - | 2,562 |
| Leases | - | 4,452 | - | 1,356 |
| Capital and interest elements of PFI contracts and other service concession arrangements | - | 103,613 | - | 109,672 |
| Loans from DoF | - | 3,085 | - | 3,497 |
| | **-** | **112,111** | **-** | **117,087** |

## 16. Provisions for liabilities and charges

| Core Department | Early departure costs £000 | Legal Claims £000 | 2025-26 Total £000 | Early departure costs £000 | Legal Claims £000 | 2024-25 Total £000 |
|---|---|---|---|---|---|---|
| **At 1 April** | **438** | **16** | **454** | **356** | **23** | **379** |
| Provided in the year | 2 | 26 | 28 | 107 | 2 | 109 |
| Provisions not required written back | (320) | - | (320) | - | (4) | (4) |
| Provisions utilised in the year | (19) | - | (19) | (25) | (5) | (30) |
| **At 31 March** | **101** | **42** | **143** | **438** | **16** | **454** |

| Departmental Group | Early departure costs £000 | Legal Claims £000 | 2025-26 Total £000 | Early departure costs £000 | Legal Claims £000 | 2024-25 Total £000 |
|---|---|---|---|---|---|---|
| **At 1 April** | **867** | **17,763** | **18,630** | **828** | **15,958** | **16,786** |
| Provided in the year | (8) | 14,574 | 14,566 | 107 | 6,512 | 6,619 |
| Provisions not required written back | (320) | (4,222) | (4,542) | - | (3,522) | (3,522) |
| Provisions utilised in the year | (19) | (3,041) | (3,060) | (68) | (1,185) | (1,253) |
| **At 31 March** | **520** | **25,074** | **25,594** | **867** | **17,763** | **18,630** |

## 16.1 Analysis of expected timing of discounted flows

| Core Department | Early departure costs £000 | Legal Claims £000 | 2025-26 Total £000 | Early departure costs £000 | Legal Claims £000 | 2024-25 Total £000 |
|---|---|---|---|---|---|---|
| Not later than one year | 6 | 42 | 48 | 26 | 16 | 42 |
| Later than one year and not later than five years | 22 | - | 22 | 100 | - | 100 |
| Later than five years | 73 | - | 73 | 312 | - | 312 |
| **At 31 March** | **101** | **42** | **143** | **438** | **16** | **454** |

| Departmental Group | Early departure costs £000 | Legal Claims £000 | 2025-26 Total £000 | Early departure costs £000 | Legal Claims £000 | 2024-25 Total £000 |
|---|---|---|---|---|---|---|
| Not later than one year | 6 | 251 | 257 | 112 | 850 | 962 |
| Later than one year and not later than five years | 190 | 24,823 | 25,013 | 443 | 16,913 | 17,356 |
| Later than five years | 324 | - | 324 | 312 | - | 312 |
| **At 31 March** | **520** | **25,074** | **25,594** | **867** | **17,763** | **18,630** |

### 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. The 2025-26 Holiday Pay provision has been estimated by HR and covers the period from November 1998 to 31 March 2020, reflecting an assessment of the possible extent of liability under the current legal framework: settlement remains subject to negotiation and resolution of outstanding uncertainties. There are still some significant elements of uncertainty around this estimate for a number of reasons:

a) Lack of agreement with claimants' legal representatives around how to treat data for years previous to 2011

b) Ongoing negotiations with Trade Unions and their legal representatives which will determine the final scope of settlement.

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 2026, 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 4,534 (2024-25: 4,755) premature retirement compensation cases at 31 March 2026.

## 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. As disclosed within the Other Assembly Accountability Disclosure Notes in the Northern Ireland Assembly Accountability and Audit Report, the Department has not reported any remote contingent liabilities to the Northern Ireland Assembly.

**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 £13,610k (2024-25: £14,121k) for 281 (2024-25: 289) 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, given the complexities, the cases are still at an early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

### 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 195 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

The 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 2026 have not been included in the financial statements:

| | Number of cases | Value £000 |
|---|---|---|
| Probable recoupment of monies from school trustees following closure | 15 | 4,836 |

## 18. Retirement benefit asset/(obligation)

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Restated Departmental Group £000 |
|---|---|---|---|---|
| Fair value of assets | - | 3,751,275 | - | 3,453,738 |
| Present value of funded defined benefit obligation | - | (2,771,890) | - | (2,635,524) |
| Present value of unfunded defined benefit obligation | - | (20,540) | - | (19,648) |
| Unrecognised asset due to restriction of surpluses | - | (970,001) | - | (810,956) |
| **Asset/(liability) at 31 March** | **-** | **(11,156)** | **-** | **(12,390)** |

Comparative figures for the Departmental Group have been restated as detailed in the Prior Period Adjustment Note 25. 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 | 2025-26 Total £000 |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 April 2025 | **1,717** | **7,308** | **9,025** |
| Additions – new leases | 229 | 7,797 | 8,026 |
| Revaluations | - | - | - |
| Impairment/impairment reversals | - | - | - |
| Disposals | - | (64) | (64) |
| Remeasurement – existing leases | - | 42 | 42 |
| Reclassifications | - | - | - |
| **At 31 March 2026** | **1,946** | **15,083** | **17,029** |
| **Depreciation** | | | |
| At 1 April 2025 | **190** | **2,944** | **3,134** |
| Depreciation charged in year | 230 | 3,435 | 3,665 |
| Impairment/impairment reversals | - | - | - |
| Disposals | - | (64) | (64) |
| Reclassifications | - | - | - |
| **At 31 March 2026** | **420** | **6,315** | **6,735** |
| **Carrying amount at 31 March 2026** | **1,526** | **8,768** | **10,294** |
| **Carrying amount at 31 March 2025** | **1,527** | **4,364** | **5,891** |

| | Land £000 | Buildings £000 | 2024-25 Total £000 |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 April 2024 | 799 | 5,508 | 6,307 |
| Additions – new leases | 1,070 | 2,613 | 3,683 |
| Disposals | (153) | (871) | (1,024) |
| Remeasurement – existing leases | 1 | 58 | 59 |
| **At 31 March 2025** | **1,717** | **7,308** | **9,025** |
| **Depreciation** | | | |
| At 1 April 2024 | 158 | 2,392 | 2,550 |
| Depreciation charged in year | 102 | 1,060 | 1,162 |
| Revaluations | (70) | (508) | (578) |
| **At 31 March 2025** | **190** | **2,944** | **3,134** |
| **Carrying amount at 31 March 2025** | **1,527** | **4,364** | **5,891** |
| **Carrying amount at 31 March 2024** | **641** | **3,116** | **3,757** |

## 19.2 Lease liabilities

| Maturity analysis | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| **Land and Buildings** | | | | |
| Not later than one year | - | 3,167 | - | 1,095 |
| Later than one year and not later than five years | - | 4,234 | - | 1,225 |
| Later than five years | - | 340 | - | 347 |
| | **-** | **7,741** | **-** | **2,667** |
| Less interest element | - | (401) | - | (70) |
| **Present Value of obligations** | **-** | **7,340** | **-** | **2,597** |

| Maturity analysis | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Current | - | 2,907 | - | 1,241 |
| Non-current | - | 4,433 | - | 1,356 |
| **Total Present Value of obligations** | **-** | **7,340** | **-** | **2,597** |

## 19.3 Amounts recognised in the SOCNE

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Depreciation | - | 2,889 | - | 1,162 |
| Interest expense | - | 28 | - | 31 |
| Expense related to short term leases | - | 179 | - | 251 |
| Expense related to low-value asset leases (excluding short term leases) | - | 1,421 | - | 681 |
| | **-** | **4,517** | **-** | **2,125** |

## 19.4 Amounts recognised in the Statement of Cash Flows

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Interest expense | - | 28 | - | 32 |
| Repayments of principal on leases | - | 308 | - | 1,133 |
| | **-** | **336** | **-** | **1,165** |

## 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, to the Lough Neagh Landscape Partnership, and to the Trustees of Gaelcholáiste Dhoire for a peppercorn rent.

For each of the schools involved in the Strule Shared Education Campus, an Agreement for Lease was signed and executed on 25 July 2024 in advance of the leases which will be entered into once the build is complete. The signatories for the Agreement for Lease were as follows:

- for Arvalee School and Resource Centre, Omagh High Schools and Omagh Academy - the Department and the Chief Executive of the Education Authority;
- for Loreto Grammar School – the Department and a Director of the Loreto Education Trust;
- for Christian Brothers Grammar School – the Department and a Director of the Edmund Rice Schools Trust Northern Ireland; and
- for Sacred Heart College – the Department and a Director of the St Canice Educational Trust.

## 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 £15,230k (2024-25: £13,886k). 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:

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Not later than one year | - | 18,604 | - | 18,272 |
| Later than one year and not later than five years | - | 61,339 | - | 63,192 |
| Later than five years | - | 19,647 | - | 36,185 |
| | **-** | **99,590** | **-** | **117,649** |

## 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 ran 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 £15,773k (2024-25: £15,997k). 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 | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Due within one year | - | 11,347 | - | 11,577 |
| Due later than one year and not later than five years | - | 45,388 | - | 45,388 |
| Due later than five years | - | 93,470 | - | 104,816 |
| **Total** | **-** | **150,205** | **-** | **161,781** |
| Less interest element | - | (40,533) | - | (46,104) |
| **Present Value** | **-** | **109,672** | **-** | **115,677** |

| Service elements due in future periods | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Due within one year | - | 15,812 | - | 16,050 |
| Due later than one year and not later than five years | - | 57,207 | - | 56,521 |
| Due later than five years | - | 155,998 | - | 146,733 |
| **Total service elements due in future periods** | **-** | **229,017** | **-** | **219,304** |
| **Total Commitments** | **-** | **379,222** | **-** | **381,085** |

## 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.

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Property, plant and equipment | 219,989 | 320,772 | 288,962 | 375,208 |
| Intangible assets | - | - | 156 | 156 |
| | **219,989** | **320,772** | **289,118** | **375,364** |

### 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:

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Not later than one year | 1,855 | 1,855 | 1,581 | 1,581 |
| Later than one year and not later than five years | 1,410 | 1,410 | 1,556 | 1,556 |
| | **3,265** | **3,265** | **3,137** | **3,137** |

## 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.

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.

| | 2025-26 Core Department £000 | 2025-26 Departmental Group £000 | 2024-25 Core Department £000 | 2024-25 Departmental Group £000 |
|---|---|---|---|---|
| Monetary assets such as bank balances | 49 | 389 | 42 | 344 |
| Listed securities | 1,004 | 1,899 | 895 | 1,723 |
| **Total** | **1,053** | **2,288** | **937** | **2,067** |

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. These entities are listed below along with a link to their published annual report and accounts (for those entities that are immaterial to the Departmental Group and certify their annual report and accounts after the Department's annual report and accounts are laid, a link to the 2024-25 annual report and accounts is included):

### Executive NDPBs

- Education Authority - Corporate Reports and Information | Education Authority Northern Ireland
- Comhairle na Gaelscolaíochta - Saoráil Faisnéise - Freedom of Information — Comhairle na Gaelscolaíochta
- Council for Catholic Maintained Schools - Annual Reports, Accounts and Progress Reports | Council For Catholic Maintained Schools
- General Teaching Council for Northern Ireland - Annual Reports & Accounts | The General Teaching Council for Northern Ireland (gtcni.org.uk)
- Middletown Centre for Autism - Publications - Middletown Centre For Autism
- Northern Ireland Council for Integrated Education - Directors Report and Financial Statements – NI Council for Integrated Education

- Northern Ireland Council for the Curriculum, Examinations and Assessment - Annual Reports | CCEA
- Youth Council for Northern Ireland – Not currently operational.
- GMI Schools*
- VG Schools*

* GMI and VG Schools do not represent individual entities but instead comprise multiple schools that have been classified en-bloc. It is not considered practical to include links to the annual report and accounts for each individual school.

**Non-executive NDPBs**

- Exceptional Circumstances Body – expenditure relating to this entity is recorded in the Core Department accounts; therefore, no separate annual report and accounts are produced for this entity.

**Others**

- Middletown Centre for Autism (Holdings) Limited - MCA (Holdings) Ltd - Directors' Report & Financial Statements

## 25. Prior Period Adjustment

**Correction of Pension Asset Recognition**

Following a review of the accounting treatment applied to the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC), the Education Authority determined that the recognition of a defined benefit pension asset in prior years was not consistent with the requirements of IAS 19 Employee Benefits.

In the 2023-24 financial statements, EA recognised a net pension asset by offsetting the surplus arising on the funded element of the NILGOSC scheme and the liability arising on the unfunded defined benefits.

Under IAS 19 Employee Benefits, the amount of a net defined benefit asset recognised in the Statement of Financial Position is limited to the lower of:

- the surplus in the defined benefit scheme as determined by the scheme actuary; and
- the asset ceiling, being the present value of any economic benefits available to EA in the form of refunds from the scheme or reductions in future contributions.

Following the receipt of actuarial assessments of the asset ceiling, it was determined that the asset ceiling was £nil at 31 March 2024, 31 March 2025 and 31 March 2026. As a result, the surplus on the funded defined benefit element of the scheme did not meet the criteria for recognition as an asset under IAS 19.

Accordingly, no economic benefit was available to EA through either refunds from the scheme or reductions in future contributions.

As a result, the funded scheme surplus should have been restricted to £nil and EA should have recognised only the liability relating to the unfunded pension obligations.

The correction has been accounted for as a prior period adjustment in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and comparative figures have been restated.

**Impact on the Statement of Comprehensive Net Expenditure**

| | 2024-25 (per Audited Accounts) Departmental Group £000 | Adjustment £000 | 2024-25 Departmental Group Restated £000 |
|---|---|---|---|
| Finance (income)/expense | (17,278) | 14,528 | (2,750) |
| Actuarial gain on pension scheme liabilities | (498,786) | 493,751 | (5,035) |

**Impact on the Statement of Financial Position**

| | 2024-25 (per Audited Accounts) Departmental Group £000 | Adjustment £000 | 2024-25 Departmental Group Restated £000 |
|---|---|---|---|
| Retirement benefit asset | 798,566 | (798,566) | - |
| Retirement benefit obligation | - | (12,390) | (12,390) |

| | 2023-24 (per Audited Accounts) Departmental Group £000 | Adjustment £000 | 2023-24 Departmental Group Restated £000 |
|---|---|---|---|
| Retirement benefit asset | 288,319 | (288,319) | - |
| Retirement benefit obligation | - | (14,358) | (14,358) |

### Impact on the Statement of Cash Flows

| | 2024-25 (per Audited Accounts) Departmental Group £000 | Adjustment £000 | 2024-25 Departmental Group Restated £000 |
|---|---|---|---|
| Net expenditure for the year including notionals | (3,378,169) | (14,528) | (3,392,697) |
| Adjustments for non-cash transactions | 176,047 | 14,528 | 190,575 |

### Impact on the Statement of Changes in Taxpayers' Equity

| | 2024-25 (per Audited Accounts) Departmental Group £000 | Adjustment £000 | 2024-25 Departmental Group Restated £000 |
|---|---|---|---|
| General Fund | 3,421,765 | (810,956) | 2,610,809 |

| | 2023-24 (per Audited Accounts) Departmental Group £000 | Adjustment £000 | 2023-24 Departmental Group Restated £000 |
|---|---|---|---|
| General Fund | 2,593,374 | (302,677) | 2,290,697 |

## 26. Events after the reporting period

There are no events after the reporting period relating to the 2025-26 financial year.

### Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 22 October 2026.

| | 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 |
| 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 |
| CRR | Corporate Risk Register |
| CSCS(NI) | Civil Service Compensation Scheme (Northern Ireland) |
| CSP | Civil Service Pension |
| CYPS | Children and Young People's Strategy |
| D/I | Depreciation/Impairment |
| DAERA | Department of Agriculture, Environment and Rural Affairs |
| 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 |
| E2E | End-to-End |
| EA | Education Authority |
| EdiS | Education Information Solutions |
| ETI | Education and Training Inspectorate |
| EU | European Union |
| FReM | Financial Reporting Manual |
| FRS | Financial Reporting Standard |
| FTC | Financial Transactions Capital |
| GAD | Government Actuary's Department |
| GAR | Governance and Accountability Review |
| GMI | Grant Maintained Integrated |

| | Abbreviations and terms used |
|---|---|
| GRAANI | Government Resources and Accounts (Northern Ireland) Act 2001 |
| GTCNI | General Teaching Council for Northern Ireland |
| HM | His Majesty's |
| HR | Human Resources |
| IA | Internal Audit |
| IAS | International Accounting Standard |
| ICO | Information Commissioner's Office |
| ICT | Information and Communication Technology |
| IFRIC | International Financial Reporting Interpretations Committee |
| IFRS | International Financial Reporting Standards |
| ISAs | International Standards on Auditing |
| IT | Information Technology |
| L&D | Learning and Development |
| LIT | Local Integrated Teams |
| LPS | Land and Property Services |
| MCA | Middletown Centre for Autism |
| MLA | Members of the Legislative Assembly |
| NDPB | Non Departmental Public Bodies |
| NEBM | Non-Executive Board Member(s) |
| NEST | National Employment Savings Trust |
| NFI | National Fraud Initiative |
| NIAO | Northern Ireland Audit Office |
| NICS | Northern Ireland Civil Service |
| NJC | National Joint Council |
| PCSPS | Principal Civil Service Pension Scheme |
| PfG | Programme for Government |
| PFI | Private Finance Initiative |
| PQH | Professional Qualification for Headship |
| RAAC | Reinforced Autoclaved Aerated Concrete |
| RMF | Risk Management Framework |
| SCAPE | Superannuation Contributions Adjusted for Past Experience |
| 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 |
| SP | Strategic Partner |
| SSEC | Strule Shared Education Campus |
| TME | Total Managed Expenditure |
| UK | United Kingdom |
| UNCRC | United Nations Convention on the Rights of the Child |

| | Abbreviations and terms used |
|---|---|
| VAT | Value Added Tax |
| VG | Voluntary Grammar |