Northern Ireland Office

ANNUAL REPORT AND ACCOUNTS

2025-26

HC 711

Northern Ireland Office

Annual Report and Accounts 2025-26

(For the year ended 31 March 2026)

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of the Government Resources and Accounts Act 2000

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By Command of His Majesty

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This is part of a series of departmental publications which, along with the Main Estimates 2025-26 and the document Public Expenditure: Statistical Analyses 2025, present the government's outturn for 2025-26 and planned expenditure for 2026-27.



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Performance Report

Foreword from the Secretary of State for Northern Ireland



The Right Honourable Sir Chris Bryant MP

I am pleased to present the Northern Ireland Office's Annual Report and Accounts for 2025-26 to Parliament. I pay warm tribute to my predecessor, the Rt Honourable Hilary Benn, who led the department through the period covered by this report. His vital work enabled the Government to make important strides in its mission to deliver a stable, prosperous, and vibrant Northern Ireland.

Joint efforts with the Northern Ireland Executive remain focused on delivering public service transformation and establishing long-term fiscal sustainability. This work is underpinned by a financial settlement of £19.3bn a year during this Parliament and includes the delivery of the Executive's Budget Sustainability Plan and the ongoing allocation of the £235m UK Government transformation fund to enhance public service efficiency.

The UK Government has also been determined to maximise economic opportunities. £617m in funding across the four City Region and Growth Deals, the launch of the £50m Defence Growth Deal to boost start-ups and supply chains, and over £30m from the UK's modern Industrial Strategy to strengthen fast-growing high-tech sectors like advanced manufacturing and cyber technology. Alongside our new trade agreements with India, the United States and our steadfast commitment to implementing the Windsor Framework, we are ensuring that Northern Ireland's unique dual market access creates new export opportunities, attracts global investment, and delivers tangible benefits to local businesses.

The Government is pushing ahead on its clear manifesto commitment to address the legacy of the past. The Northern Ireland Troubles Bill was introduced to Parliament to repeal and replace the Legacy Act. Grounded in a landmark joint framework with the Irish Government, this legislation establishes a reformed Legacy Commission to get answers for families, and puts in place vital protections and safeguards for veterans. We also launched two significant archival and digitisation projects in collaboration with The National Archives to increase transparency and public understanding of UK Government policy during the Troubles. In parallel, the department has continued to deliver operational and governance support to independent legacy inquiries, including the Pat Finucane Inquiry and the Omagh Bombing Inquiry, ensuring they are enabled to fulfil their crucial mandates.

Finally, the Government remains dedicated to protecting national security and strengthening community cohesion across Northern Ireland. Our security efforts are underpinned by our steadfast commitment to keeping communities safe. The Northern Ireland Office continues to collaborate closely on a regular basis with the Police Service of Northern Ireland (PSNI) and security partners to tackle the enduring threats of terrorism, paramilitarism, and organised crime. Through regular ministerial meetings on safety and harm we actively coordinate our strategic response with operational and devolved partners to monitor threat levels, address National Security risks, and reduce violence. In conjunction with the Irish Government, we appointed an Independent Expert to assess whether there is merit in, and support for, a formal process for the transition of paramilitary groups to disbandment.

Building on the foundations laid by Hilary Benn, we have also continued to work constructively with the Irish Government, fostering a strong partnership built on trust, honesty, and ambition. This renewed partnership has been consistently advanced through regular meetings of the British-Irish Intergovernmental Conference (BIIGC) to promote bilateral cooperation on political stability, security, and other matters of mutual interest.

The Right Honourable Sir Chris Bryant MP
Secretary of State for Northern Ireland

Permanent Secretary's Perspective on Performance



Dr Julie Harrison
Northern Ireland Office Permanent Secretary

In reflecting on the 2025-26 reporting period, I want to pay tribute to the expertise, resilience, and dedication of the whole team at the Northern Ireland Office. Over the past twelve months, the department has worked effectively within the UK Government and in Northern Ireland to deliver on the ambitious objectives set out in our 2025-26 Business Plan, and we have made significant progress on the areas highlighted by the Secretary of State in his foreword.

Crucially, this year we supported Ministers in delivering the Government's manifesto commitment to repeal and replace the Legacy Act, advancing primary legislation and working towards the establishment of a reformed Legacy Commission.

We have also worked closely with the Northern Ireland Executive to support the allocation of £235m of public service transformation funding.[1] Projects receiving funding include Primary Care Multi-Disciplinary Teams which have already expanded access to over 1 million patients, and the Speeding Up Justice programme, which has saved over 4,000 policing hours while reducing court processing times. This is being taken forward in parallel with work to support the delivery of the Executive's Budget Sustainability Plan, reinforcing budget responsibility and bolstering Northern Ireland's wider fiscal resilience to deliver better outcomes and value for money.

Our team has also successfully spearheaded new economic and civic initiatives that enhance economic growth, and strengthen intergovernmental relations, and East-West collaboration. This includes working with business and other government partners to shape the implementation of the UK Government's Industrial Strategy and the Defence Growth Deal in Northern Ireland, as well as supporting the East-West Council and Intertrade UK to boost

[1] https://www.northernireland.gov.uk/sites/default/files/2026-05/transforming-public-services-annual-report..PDF

trade within the UK. Furthermore, we launched the £1m Community Partnership Fund[2] alongside a new £1m Connect Fund which have a focus, respectively, on upskilling and empowering smaller grassroots community organisations across Northern Ireland, and strengthening civic ties and collaboration between community and voluntary groups in Northern Ireland and Great Britain.[3] This has led to some great collaborations and established relationships that will last beyond these individual projects and build on the great ideas that brought people together.

As Accounting Officer, ensuring value for money for the taxpayer is at the heart of my job. In 2025/2026 we rolled out a People Strategy focused on developing our skilled workforce, and progressed our digital services transformation, including the adoption of new AI technologies, to ensure that we are as agile and productive a department as we can be.

In delivering this agenda I am grateful for the continued support of the Non-Executive Directors and of the strong networks and trust that we have built as a department, which will allow us to perform effectively into 2026-27 and beyond.

Dr Julie Harrison

[2] https://www.gov.uk/government/news/1-million-community-partnership-fund-to-boost-community-and-voluntary-groups-in-northern-ireland

[3] https://www.gov.uk/government/publications/the-connect-fund ; https://www.gov.uk/government/news/connect-fund-to-award-additional-15-million-to-community-and-voluntary-groups

Performance Overview

Our Purpose

The UK Government is clear on the Northern Ireland Office's purpose and priorities for 2025/26, which are:

1. Deliver the NI Troubles Bill; and
2. Working with the Northern Ireland Executive to deliver political stability, economic growth, transform public services and ensure fiscal sustainability.

These priorities sit alongside the Secretary of State's statutory responsibilities and the department's work to support National Security.

Vision and Mission

The Northern Ireland Office's (NIO) strategic vision is to deliver a stable, prosperous and vibrant Northern Ireland. The department's work is structured around four interconnected strategic aims. The first three are focused on delivering outcomes for the people of Northern Ireland:

- **Promoting resilient institutions and supporting public service delivery and transformation:** to ensure continued political stability and support the effective, consistent functioning of the Good Friday Agreement institutions to deliver better outcomes for people in Northern Ireland.

- **Fostering economic growth, trade and investment:** to promote growth by coordinating targeted UK Government support and championing Northern Ireland as a trade and investment opportunity, domestically and overseas.

- **Building a safer, more reconciled society:** to contribute to a Northern Ireland society in which current and future generations feel safer and more reconciled.

Aim 4 is about our effectiveness as a department:

- **An agile and delivery-focused NIO:** to embed a culture of delivery by empowering our people, making best use of technology, and working flexibly to achieve our priorities.

Northern Ireland Office Structure

As at 31 March 2026, the Northern Ireland Office employed 160 staff across its offices in Belfast and London.

The departmental Board, and the Executive Committee, oversees and manages the work of the department. Each of these have responsibilities for making sure that the department carries out its work as efficiently as possible and meets legal and other obligations. Further information on the work of the Board and the department's Committee structures can be found in the Governance Report.

The department's organisation is centred on the delivery of key objectives and priorities. The department's senior leadership structure as at 31 March 2026 is shown below:

SENIOR MANAGEMENT TEAM - 31 March 2026



Julie Harrison
Permanent Secretary

Linda Hamilton
Director for Security, International and NI Politics

- **Lauren Kerr**, Deputy Director, Political and Community Relations
- **James Crawford**, Deputy Director, Security and Protection Group & Legacy Casework

Holly Clark
Chief Operating Officer

- **Clare Sloan**, Deputy Director, People & Sponsorship
- **Graeme Smith**, Deputy Director, Finance & Corporate Operations

Gillian Morton
Director for Growth, Public Service Transformation, and NI Fiscal Sustainability

- **Stephen Rusk**, Deputy Director, Transformation, Constitution & Rights
- **Simeon Hanfling**, Deputy Director, Fiscal, Economy & Trade

Ruth Sloan
Director for Strategy

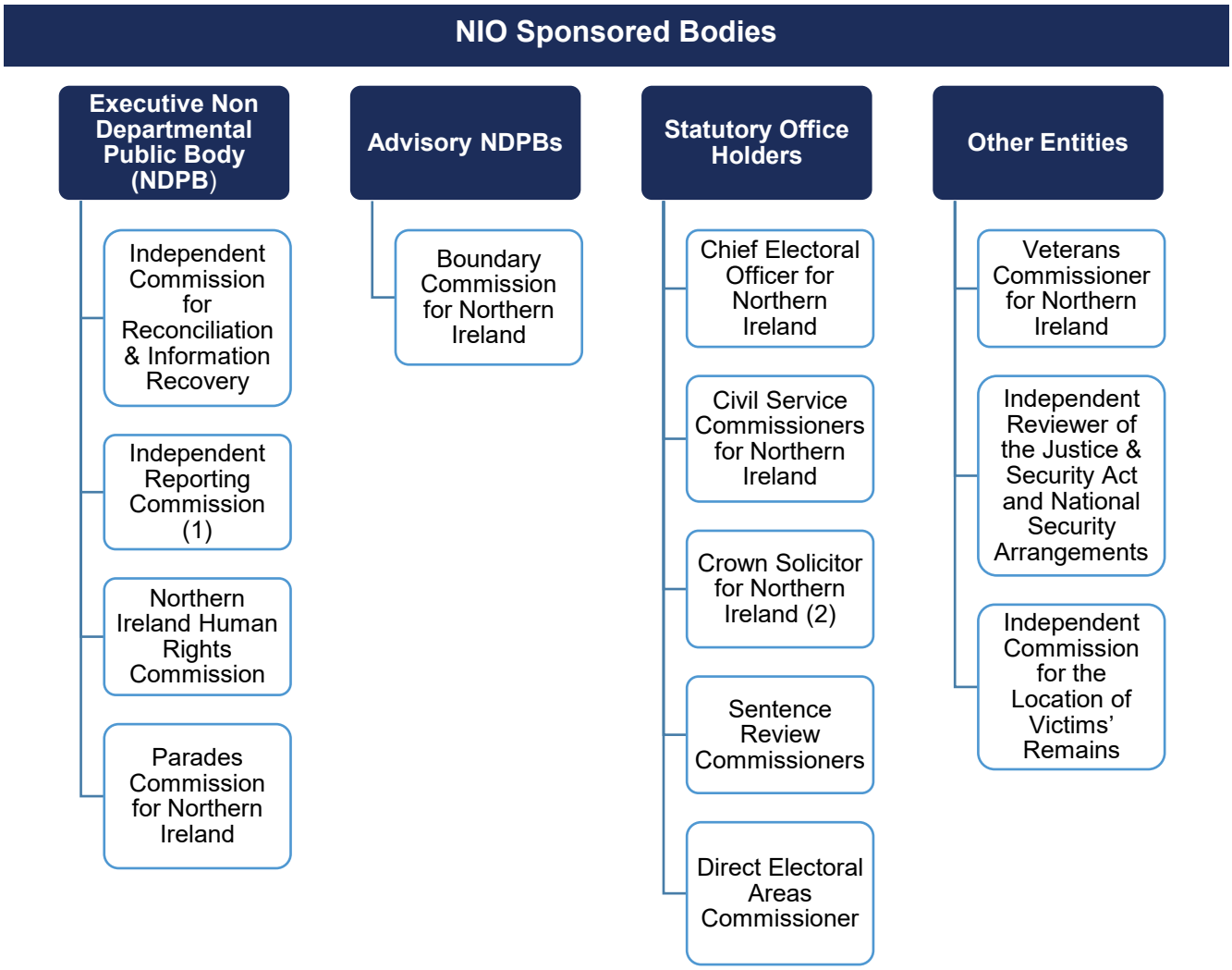
- **Chris Atkinson**, Deputy Director, Productive & Agile State
- **Sharon Carter**, Deputy Director, Legacy Policy
- **Darwin Templeton**, Deputy Director, Communications, Visits & Ceremonial
- **Tom Walker**, Principal Private Secretary and Deputy Director, Private Office

Sponsored Bodies

In addition to the core department, there are a range of matters that are managed through a network of associated bodies, such as the Northern Ireland Human Rights Commission, the Independent Commission for Reconciliation and Information Recovery, the Boundary Commission for Northern Ireland, and the Independent Reporting Commission (among others). These bodies and other entities differ considerably from each other in terms of their formal status, intended purpose, statutory or other responsibilities, the degree of independence from government, and size.

An overview of the department's sponsored bodies is shown below and further information about the department's governance structures is available at:

https://www.gov.uk/government/organisations/northern-ireland-office/about/our-governance



Notes:

(1) The Independent Reporting Commission is an International Treaty Body but for accounting purposes it is treated as an Executive NDPB.

(2) The Crown Solicitor is appointed by the Advocate General under Section 35 of the Northern Ireland Constitution Act 1973 but funded via the NIO which acts an Exchequer Department.

In addition to the bodies and entities sponsored by the NIO, the Secretary of State for Northern Ireland also makes appointments to the Equality Commission for Northern Ireland, an executive NDPB sponsored by The Executive Office, which is a department of the Northern Ireland Executive.

Performance Overview

With the Northern Ireland Executive firmly re-established and underpinned by a £19.3bn on average financial settlement per year, Northern Ireland began 2025-26 with a renewed foundation for stability and long-term planning.

To build on these developments, at the outset of 2025-26, the department focused on supporting the Executive's first phase roll out of £235m UKG funding to develop new public sector transformation initiatives.

Over the course of the year, the work of the Northern Ireland Office included delivering the Government's commitment to address the legacy of the past. The department introduced the Northern Ireland Troubles Bill to repeal and replace the Legacy Act, putting in place a reformed Legacy Commission. This legislation was underpinned by the Joint Framework with the Irish Government to ensure reciprocal cooperation and information sharing in a comprehensive way for the first time.

In addition, the department delivered its security responsibilities including oversight and independent scrutiny through the work of the Independent Reviewer of the Justice and Security Act, and National Security arrangements.

In advancing economic growth around the UK, the department supported development of the UK Industrial Strategy, progressed targeted initiatives like the City Region and Growth Deals (£617m of UK funding), and launched a £50m Defence Growth Deal.

The department also worked with our stakeholders in business to capitalise on Northern Ireland's unique dual market access. The department championed the benefits for Northern Ireland in the new international trade agreements with India and the US, alongside progressing a landmark Sanitary and Phytosanitary (SPS) agreement with the EU which focused on enhancing trade and protecting the UK internal market.

Concurrently, intergovernmental and East-West relations were strengthened through the ongoing delivery of the East-West Council, supporting Intertrade UK to boost internal trade, and launching a £1m Connect Fund for community groups to address shared UK challenges.

Looking ahead, key challenges remain, including supporting enhanced delivery of public service outcomes, fostering economic growth and ensuring the long-term sustainability of public finances, successfully embedding new legacy arrangements, and tackling the enduring threat and harms posed by paramilitarism and organised crime.

By continuing to build trust relationships within and outside Government, championing economic investment, supporting public service transformation and working to ensure continued political stability, the department is focused on supporting effective delivery into 2026-27 and beyond.

Key delivery highlights for the year 2025/26 include:

- Securing a multi-year spending package for the Northern Ireland Executive to deliver public services in Northern Ireland, £19.3bn per annum across the next three years.[4]
- Agreement between the UK and Irish Governments to a Joint Framework on Legacy and the introduction of the Northern Ireland Troubles Bill to repeal and replace the Legacy Act.
- The allocation of £129m UKG funding to support six new public sector transformation initiatives, including, special educational needs and primary care support.[5]
- Appointment of an Independent Expert to assess the transition of paramilitary groups to disbandment.
- Launch of the £1m Connect Fund for community groups to address shared UK challenges.[6]
- Launch of a £50m Defence Growth Deal and investment of over £30m from the UK Industrial Strategy to boost local science, tech, and defence sectors.[7]
- Establishment of Intertrade UK and securing £2.25m in funding for the next three years to advise on and boost trade within the United Kingdom.[8]

Progress against each of the four strategic aims are set out in the Performance analysis section below. Further information on work undertaken throughout the year, such as announcements and other publications is available at:

https://www.gov.uk/search/news-and-communications?organisations[]=northern-irelandoffice&parent=northern-ireland-office

[4] https://www.gov.uk/government/speeches/secretary-of-states-speech-to-the-british-irish-association-conference-in-oxford

[5] https://www.northernireland.gov.uk/sites/default/files/2026-05/transforming-public-services-annual-report..PDF

[6] https://www.gov.uk/government/news/1-million-community-partnership-fund-to-boost-community-and-voluntary-groups-in-northern-ireland ; https://www.gov.uk/government/publications/the-connect-fund ; https://www.gov.uk/government/news/nio-launches-engagement-for-change-fund-to-empower-community-and-voluntary-sector ; https://www.gov.uk/government/news/connect-fund-to-award-additional-15-million-to-community-and-voluntary-groups

[7] https://www.gov.uk/government/news/northern-ireland-start-up-boost-with-new-50-million-defence-growth-deal ; https://www.gov.uk/government/news/northern-ireland-science-and-tech-industries-boosted-by-over-30-million-from-uk-industrial-strategy

[8] https://questions-statements.parliament.uk/written-questions/detail/2026-06-26/13697/ ; https://www.gov.uk/government/news/northern-ireland-science-and-tech-industries-boosted-by-over-30-million-from-uk-industrial-strategy

Financial Summary

Spending summary highlights for 2025-26

Spend By Budget Classification	2025-26 £m	2024-25 £m	Variance £m
Resource DEL (Voted)	60.2	48.4	11.8
(Departmental operations including depreciation)			
Resource DEL (Non-Voted)	0.1	6.8	(6.7)
(Election Funding)			
AME	22.5	4.6	17.9
(Non-Cash accounting provisions)			
Capital DEL	4.0	12.4	(8.4)
(Expenditure on Departmental non-current assets)			
Non Budget (NI Executive funding)	24,776	23,411	1,365
Prior Period Adjustment – Resource DEL	0.7	-	0.7

Going Concern

The financial statements for 2025-26 have been prepared on a going concern basis.

The Autumn Budget announced in October 2024, approved a three year financial settlement as part of Phase 2 of the Spending Review. The settlement, announced in June 2025, outlines the departmental budgets for the financial years 2026-27 to 2028-29. The department has a statutory basis for its function and related funding and there is no reason this would not continue.

Based on the above assessment the accounting officer has concluded that it is appropriate to prepare the financial statements on a going concern basis and does not consider there are any material uncertainties around the core department or the departmental group's going concern status for a period of at least twelve months from when the financial statements are authorised for issue.

Funding

The department's activities are financed by Supply voted by Parliament. Each year the NIO is given Parliamentary approval for its expenditure when Parliament votes on the Main Supply Estimates. Subject to Parliament's agreement, the estimates may be amended during the year at the Supplementary Estimate stage. The estimates are published by His Majesty's Stationary Office (HMSO) and contain details of voted monies for all Government departments. The 2025-26 Supplementary Estimates are available at:

https://www.gov.uk/government/publications/supplementary-estimates-2025-26

Departmental Expenditure Limit (DEL)

The NIO DEL (budget) for 2025-26 was £63,617k including non-voted expenditure of £125k and covers expenditure arising from:

- overseeing the effective operation of the devolution settlement in Northern Ireland and representing the interests of Northern Ireland within the UK Government;
- expenditure on administrative services;
- ongoing expenditure arising from the Stormont House Agreement, the Fresh Start Agreement, New Decade New Approach and New Deal for Northern Ireland;
- Head of State related costs and VIP visits to Northern Ireland;
- Northern Ireland Human Rights Commission and other Reviews and Commissions arising from the Belfast (Good Friday) Agreement, the Northern Ireland Act 1998, the Northern Ireland Act 2000, the Northern Ireland Act 2009, political development and inquiries;
- work of the Parades Commission for Northern Ireland;
- the Chief Electoral Officer for Northern Ireland, elections and boundary reviews;
- Civil Service Commissioners for Northern Ireland;
- legal services, security, victims of the Troubles including the work of the Independent Commission for the Location of Victims Remains and arms decommissioning;
- compensation schemes under the Justice and Security (Northern Ireland) Act 2007 and Terrorism Act 2000;
- arrangements for the running of Hillsborough Castle and certain other grants;
- the Independent Reporting Commission; and
- the Independent Commission for Reconciliation and Information Recovery

The department's DEL budget for 2025-26 also includes any other non-cash costs.

The department also received income during the year arising from:

- Recoupment of electoral expenses;
- Fees and costs recovered or received for work done for other departments;
- Fees and costs recovered or received for the use of the NIO estate; and

- Contributions from third parties to fund grant programmes and monies from other departments to fund projects in Northern Ireland.

Annually Managed Expenditure (AME)

The department's AME allocation for 2025-26 was £49.7m. This was provided funding for departmental provisions alongside funding for the ICRIR's investigative activities.

Non-Budget Expenditure

Non-budget estimate totalling £27,253m was allocated to cover expenditure arising from:

- Providing appropriate funding to the Northern Ireland Consolidated Fund for the delivery of transferred public services as defined by the Northern Ireland Act 1998, Northern Ireland Act 2000 and the Northern Ireland Act 2009; and
- Grants to the Northern Ireland Consolidated Fund and transfers of EU funds.

The department's final resource Estimate for 2025-26 was £27,367m (2024-25: £25,446m) and the department's final capital Estimate for 2025-26 was £4.5m (2024-25: £14.21m).

Comparison of Estimate and Outturn

Resource

The total outturn shown in the Statement of Outturn against Parliamentary Supply of these Accounts reflects underspend on both the Resource DEL and Resource AME Estimates due to lower than anticipated expenditure on programmes. The net resource outturn for 2025-26 was £24,859m (2024-25: £23,470m) compared with the Estimate of £27,367m (2024-25: £25,446m).

This is a variance of £2,508m (2024-25: £1,976m) which was due to:

- £2,477m funds anticipated to be required by the Northern Ireland Executive were not drawn down from the Consolidated Fund.
- A £26m underspend in AME driven by potential provisions not requiring recognition and a lower than forecast spend by the ICRIR.
- Other underspends across the remainder of the department and its ALBs due to lower than anticipated expenditure on programmes and services.

Capital

The net capital outturn for 2025-26 was £3.96m (2024-25: £13.28m) compared with the Estimate of £4.54m (2024-25: £14.21m). This is a variance of £0.58m (2024-25: £0.93m). This variance mainly relates to activity on a cross HMG project not materialising for which the NIO were required to hold budget.

Net Cash Requirement

The net cash requirement (note SOPS3) outturn was £24,935m (2024-25 £23,565m) compared with the Estimate of £27,428m (2024-25: £25,551m). This is a variance of £2,493m (2024-25: £1,986m). This variance resulted from lower than anticipated drawdowns made by the Northern Ireland Executive during the financial year.

Decisions on how funding to the Executive is spent are managed by the devolved administration and funding is allocated to the Northern Ireland departments by the Department of Finance (DoF). Each of the Northern Ireland departments, including DoF, publishes their own financial statements. Additional information regarding the budgets of the Executive and the grants paid by the NIO to the Northern Ireland Consolidated Fund are included in an Annex at the end of this report.

Statement of Financial Position

The net assets at 31 March 2026 of £0.1m (2024-25: net liabilities of £85m) occurs primarily due to a reduction in accrued liability for PEACE PLUS.

This results in a negative net liability on the Statement of Financial Position. Funding for the programme will be fully met via HMT Estimates processes through Annually Managed Expenditure funding. The recognition of this liability does not raise any uncertainty in relation to the department's going concern status and will be fully repaid in financial year 2027–28.

The liabilities are disclosed net of assets, which principally comprise property, plant and equipment of which Hillsborough Castle and its surrounding estate is an asset of £84.1m (2024-25: £83.9m) as the remainder of the other assets and liabilities largely offset.

The financial assets include loans issued to DoF under the National Loans Fund, but these are balanced by corresponding amounts in current and non-current liabilities.

Hillsborough Castle's most recent valuation was carried out as at 31 March 2026 using indices supplied by Land and Property Services increasing the carrying value by c.£2m, less depreciation charged in year, to c.£84.1m.

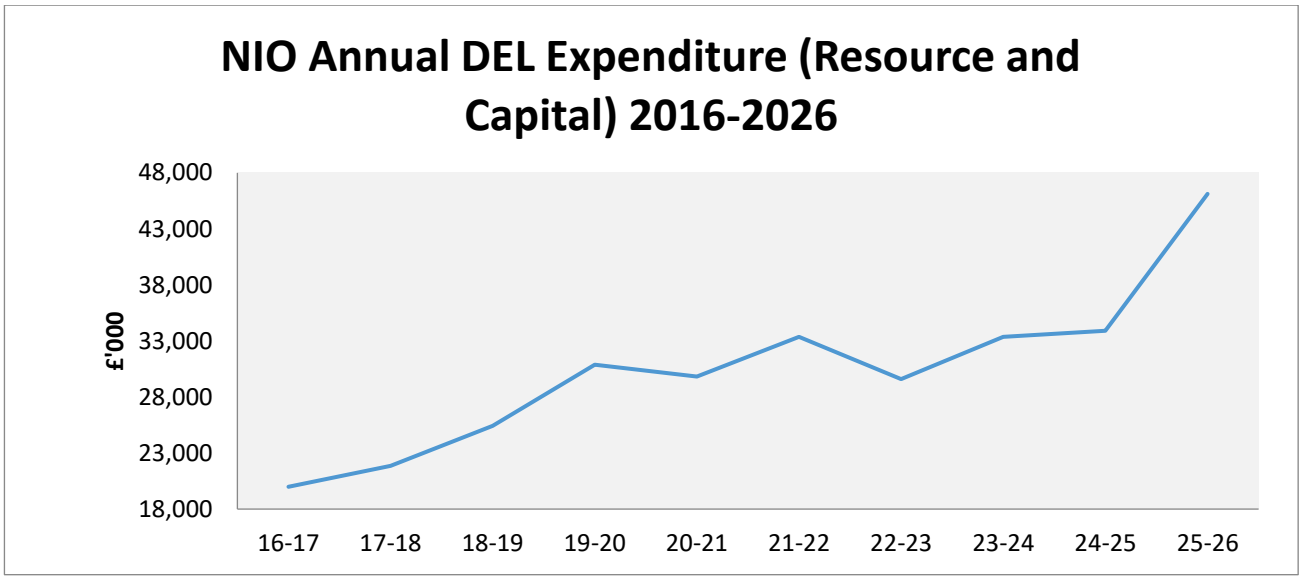
External Auditor

These accounts are audited by the Comptroller and Auditor General (C&AG) who is appointed by statute and reports to Parliament on the audit examination. His certificate is included in the Parliamentary accountability and audit report. The audit of the financial statements for 2025-26 resulted in a group audit fee of £491k (cash fee £278k, non-cash fee £213k) (2024-25: £445k; cash fee £235k, non-cash fee £210k).

The C&AG may also undertake other statutory activities that are not related to the audit of the department's accounts such as value for money reports. No such reports directly related to the activities of the NIO were published during the year.

Long Term Expenditure Trends

The graph below shows NIO annual DEL expenditure over the past 10 years:



The outturn figures have been adjusted to exclude the impact of significant one-off additional areas of expenditure when additional funding was provided e.g. the European Elections and Assembly Elections in 2014-15, 2016-17, 2019-20 and 2022-23, as well as General Elections in 2015-16, 2017-18, 2019-20 and 2024-25. The increase since 2016 represents additional funding for new areas of expenditure and to address additional pressures e.g. EU Exit, PEACE PLUS as well as increased capital expenditure on IT and infrastructure projects and the decline from 2019-20 largely due to reduced or paused expenditure on items due to Covid-19. In 2021-22 there was additional spend in relation to the Centenary year, EONI Canvass and relocating from Stormont House to Erskine House. In 2025-26 there was additional spend within programme activities namely inquiries.

Dr Julie Harrison
Accounting Officer
17 November 2026

Performance Analysis

This section summarises the Northern Ireland Office's progress during 2025-26 against the four strategic aims set out in the departmental Business Plan 2025-26.

Strategic Aim 1: Improving Northern Ireland's capability to deliver better public service outcomes

To support the growth of Northern Ireland's capability to deliver better outcomes for its people

Public services in Northern Ireland face significant challenges, with long healthcare waiting lists an example of where Northern Ireland is lagging behind the rest of the UK. We are committed to supporting the Executive so it can deliver on its priorities, with a particular focus on improving public services and outcomes for the people of Northern Ireland. The department is focused on ensuring the effective functioning of the Good Friday Agreement institutions. We continue to facilitate strong intergovernmental relationships and build on our productive working relationships with the Executive to support stable governance, which is key to enhancing public service delivery. Key highlights delivered during 2025-26 include:

Fiscal sustainability and long-term planning		Delivered a record financial settlement of £19.3bn on average per year. [9]
Public Sector Transformation		Supported the Executive to allocate £129m of UKG funding to deliver new public sector transformation initiatives, including those (among others) on special educational needs and primary care support.[10]
Diplomatic Relations		Developed strong diplomatic relations with our partners, such as strengthening our diplomatic presence in Washington and supporting British-Irish governmental relations
East-West Collaboration		Progressed shared UK-wide opportunities by delivering the East-West Council, supported Intertrade UK to boost internal trade, and launched the school twinning programme pilot, as well as the £1m Connect Fund for community groups to address shared UK challenges.
Election Processes		Supported development of the Representation of the People Bill to modernise the electoral system (in Northern Ireland and rest of UK). This includes lowering the voting age from 18 to 16 for UK general elections. Delivered work to pass the secondary legislation required to deliver Assembly and local elections in 2027.

[9] https://www.gov.uk/government/speeches/secretary-of-states-speech-to-the-british-irish-association-conference-in-oxford

[10] https://www.northernireland.gov.uk/sites/default/files/2026-05/transforming-public-services-annual-report..PDF

Strategic Aim 2: Promoting economic growth and investment

To promote growth through championing Northern Ireland as a trade and investment opportunity domestically and overseas.

The Northern Ireland economy is one of the strongest of any part of the United Kingdom demonstrating resilience and periods of strong growth in recent years. Potential for further growth and raising living standards is hampered by deep-seated structural weaknesses centred on low productivity, poor infrastructure, high economic inactivity and a shortage of skills. Together with our partners, the department is focused on ensuring that economic growth is UK-wide by progressing a coordinated UK Government approach, catalysing stakeholders to support growth, and championing economic opportunities. This includes championing Northern Ireland's unique dual market access and recent international trade deals to attract global investment, improve trade, and maximise opportunities from UK-wide initiatives. Key highlights delivered during 2025-26 include:

Industrial Strategy		Supported the development of the UK Government Industrial Strategy, which will provide investment of £30m in Northern Ireland for innovative tech projects and £2m for Queen's University Belfast's cyber AI tech hub.[11]
Local and Regional Growth		Progressed the £617m UK Government investment into Northern Ireland's City Region and Growth Deals to support economic growth and regional development in Belfast, Derry City & Strabane, Causeway Coast & Glens and Mid South West regions.[12] This is supported by a further £129m for Northern Ireland for a new Local Growth Fund for 2026-27 to 2028-29.[13]
Defence Innovation		Launched a £50m Defence Growth Deal to support small and medium-sized enterprises (SMEs) and start-ups, establishing a new Secure Innovation Hub.[14] This builds on the £1.6bn UK Government contract supporting Thales in Belfast to manufacture lightweight multi-role missiles for Ukraine's defence.[15]

[11] https://www.gov.uk/government/news/northern-ireland-science-and-tech-industries-boosted-by-over-30-million-from-uk-industrial-strategy

[12] https://www.gov.uk/government/news/reflecting-on-progress-and-advancing-prosperity-in-northern-ireland

[13] https://www.gov.uk/government/publications/local-growth-fund-scotland-wales-and-northern-ireland/local-growth-fund-scotland-wales-and-northern-ireland-technical-note

[14] https://www.gov.uk/government/news/northern-ireland-start-up-boost-with-new-50-million-defence-growth-deal

[15] https://www.gov.uk/government/news/historic-16bn-deal-provides-thousands-of-air-defence-missiles-for-ukraine-and-boosts-uk-jobs-and-growth

Trade and Windsor Framework		Supported Northern Ireland economic interests within major UKG trade agreements with India and the US, and progressed a Sanitary and Phytosanitary (SPS) agreement with the EU to smooth the flow of agri-food. The department also provided ongoing support for implementing and monitoring the Windsor Framework, including working with the Cabinet Office to secure £16.6m to deliver a UK Internal Market Package.[16]
Intertrade UK		Established and supported Intertrade UK with £2.25m in funding to advise on and boost trade within the United Kingdom.[17]

Strategic Aim 3: Building a safer, more reconciled society

To contribute to a Northern Ireland society in which current and future generations feel safer and more reconciled.

Since 1998, broader trends show that Northern Ireland has made substantive progress towards a more peaceful and reconciled society. Societal change, however, is a process. While the overall security situation is in no way comparable to the Troubles, the threat from terrorism remains substantial, and further transition is needed to reduce community divisions, facilitate better understanding and tolerance, and build mutual trust. By supporting the delivery of effective security, justice, and community interventions, while focusing on repealing and replacing the Legacy Act and promoting the expansion of integrated education, the department aims to build an environment which supports reconciliation, strengthens democracy, and fosters a sustainable and peaceful future. Key highlights delivered during 2025-26 include:

Addressing the legacy of the past		Introduced the Northern Ireland Troubles Bill (repealing and replacing the 2023 Legacy Act) to support ways of helping families to find answers about what happened to their loved ones during the Troubles. Agreed a Joint Framework with the Irish Government to ensure reciprocal cooperation in securing truth and accountability.
Understanding the past		Launched two archival projects that seek to provide greater accessibility, transparency and understanding of UK Government policy during the Troubles. This includes an initiative to digitise and publish open UK Government records, and an archival research project to examine UK Government policy towards Northern Ireland during the Troubles.

[16] https://www.gov.uk/government/news/reflecting-on-progress-and-advancing-prosperity-in-northern-ireland
[17] https://questions-statements.parliament.uk/written-questions/detail/2026-06-26/13697/

National Security		We provided £137m in continued funding for tackling paramilitarism and organised crime, and the Police Service of Northern Ireland's Additional Security Fund.[18] Furthermore, UKG appointed an Independent Expert (working jointly with the Irish Government) to conduct a scoping and engagement exercise assessing the transition of paramilitary groups to disbandment.
Integrated Education		Provided a £2m funding boost to support the expansion of integrated education.[19]
Independent Scrutiny and Governance		Supported reviews of justice measures to ensure they are appropriate for the needs of the security environment, including facilitating completion of the annual reports of the: ○ Investigatory Powers Commissioner's Office. ○ Independent Reviewer of National Security Arrangements (IRNSA). ○ Independent Reviewer of Justice and Security (Northern Ireland) Act 2007. ○ Independent Reporting Commission's report on progress towards ending paramilitarism. ○ Sentence Review Commissioners for Northern Ireland.

Strategic Aim 4: Enhancing delivery and ensuring a mission-focused NIO

Ensure that the NIO is delivery and mission-focused by improving efficiency, digital utilisation, equipping staff and maintaining an agile footing

Our aims and objectives are supported by our work to enhance performance and deliver departmental efficiency and effectiveness, in line with the Government's Productive and Agile State (PAS) objectives. By developing a transformation plan to embrace digital opportunities and ensuring our staff, technologies, and processes are agile and productive, the department is dedicated to supporting the tangible delivery of the Government's manifesto and better outcomes in line with public sector renewal. Key highlights delivered during 2025-26 include:

People and Capability		Progressed the implementation of our new People Strategy which is focused on embedding robust human resource practices, delivering line management capability training, and improving workforce planning to ensure staff are empowered and inclusive.
Digital and Innovation		Developed and progressed a digital services transformation strategy encompassing both Artificial Intelligence (AI) and broader departmental IT improvements.

[18] https://www.gov.uk/government/speeches/secretary-of-states-speech-to-the-british-irish-association-conference-in-oxford

[19] https://www.gov.uk/government/news/2-million-boost-for-integrated-education-in-northern-ireland

Financial Planning		Actively managed the departmental Spending Review 2025 bid to ensure the department remained equipped to meet its statutory responsibilities and deliver on the Government's priorities for Northern Ireland.
Skills Exchange		Progressed new processes to support skills exchange between the Northern Ireland Civil Service and the Home Civil Service.
Knowledge Management		Transferred 1017 historic physical files and 7 historic digital files to the National Archives, and consistently met deadlines to uphold the department's commitment to transparency in respect of FOI responses.
Workforce Planning Delivery		Implemented new strategic workforce planning processes to support continuous improvement and new systems for end-to-end recruitment, onboarding and off boarding.
Governance and Sponsorship		Ensured the effective sponsorship and governance oversight of all NIO funded entities (Non-Departmental Public Bodies and Offices), including onboarding of inquiries into a new sponsorship model and delivering all required appointments.

Corporate Performance

Recruitment Practice

All Civil Service recruitment in the Northern Ireland Office (NIO) is carried out in accordance with relevant employment legislation, including applicable equality and human rights laws, and the Recruitment Principles issued by the Civil Service Commission.

The NIO is committed to being an inclusive employer with a diverse workforce. The department encourages applications from the widest possible diversity of backgrounds, cultures, and experiences to join the department and is focused on building an organisation that understands and values staff with a range of backgrounds, ideas, skills, and experience, as they contribute to greater creativity, innovation, and effective decision making in meeting our strategic objectives.

Public Appointments

As at 31 March 2026, the NIO sponsored four executive Non-Departmental Public Bodies, an advisory Non-Departmental Public Body, and a range of smaller bodies, office holders and other entities. In addition, the NIO has responsibility for making appointments to the Equality Commission for Northern Ireland.

During the reporting period, the Secretary of State for Northern Ireland made the following appointments that were regulated by the Commissioner for Public Appointments:

- The re-appointment of a Commissioner to the Northern Ireland Human Rights Commission;
- The re-appointment of a Non-Executive Director for the Northern Ireland Office;
- Reappointment of two Commissioners to the Equality Commission for Northern Ireland and a further two new Commissioner appointments;
- A short-term extension to the appointment of the current Deputy Chief Commissioner of the Equality Commission for Northern Ireland and a further appointment a new Deputy Chief Commissioner from September 2026;

The Commissioner for Public Appointments publishes further information on the department's regulated appointments, including statistical information, which can be found at:

https://publicappointmentscommissioner.independent.gov.uk/publications/

In addition to regulated appointments, the Secretary of State for Northern Ireland also has responsibility for making appointments to a number of statutory and non-statutory positions in public life. In 2025-26, the Secretary of State for Northern Ireland made the following non-regulated or direct appointments:

- The appointment of a Chair and two Assessors to the Patrick Finucane Inquiry;
- The appointment of two new Civil Service Commissioners for Northern Ireland;
- The joint appointment of an Independent Expert on Paramilitary Group Transition to Disbandment.

The NIO routinely publishes details of all new and renewed appointments in the news section of our website. Further information on the appointments made during 2025-26 are available at:

https://www.gov.uk/search/news-and-communications?organisations%5B%5D=northern-ireland-office&parent=northern-ireland-office

Employee Consultation

The NIO recognises the importance of sustaining good employee relations to achieve its objectives. Facilitating a culture of constructive challenge and ongoing consultation with employees, and their representation, is central to that work.

Regular communication and consultation takes place with staff through a variety of channels, including the departmental intranet, weekly all staff meetings, staff bulletins, working groups, and other briefings. More formal consultation exercises also take place with staff, including through the Staff Engagement Group and the Unions, on matters such as organisational change, and changes to staff terms and conditions, when necessary.

During the year, the NIO delivered a wide range of initiatives across the department that help make the NIO a great place to work. This included launching the NIO People Strategy, rolling out Civil Service Line Manager Capability Training, new tools to support efficient and effective recruitment and onboarding and the launch of the NIO Anti-Bullying, Harassment and Discrimination Advisors. The NIO's Diversity, Inclusion and Wellbeing group also delivered a range of sessions and campaigns on Menopause Awareness, Neurodiversity, Ramadan Celebrations and Carers' Tea and Talk Sessions.

This year, the department continued to embed its People Board, which takes views from the Staff Engagement Group and has responsibility for discussing and taking action in relation to a range of People opportunities and issues on behalf of the NIO's Executive Committee.

There are other groups that our staff can access through our relationship with the Ministry of Justice and the wider Civil Service.

Staff Engagement

In 2025-2026, the department published the NIO People Strategy. This People Strategy focuses on three key themes: a skilled workforce now and in the future, the NIO as an empowering, inclusive and engaging place to work, and encouraging accountability for HR.

The NIO participates in the Civil Service Annual People Survey that captures employee views on a number of issues. The results from the People Survey form an evidence base to support the department's people priorities. The results of the annual Civil Service People Survey were published in December 2025. The report, which combines NIO results with those for all Territorial Offices is available at:

https://www.gov.uk/government/publications/civil-service-people-survey-2025-results

The 2025 Civil Service People Survey saw NIO employee engagement at 69%. This is higher than the Civil Service average (65%). The top three drivers of engagement were the extent to which people feel valued for their work, the extent to which it is safe to challenge and people feeling positive about the future of the organisation.

This year's People Survey showed four out of the nine Core Themes scoring 80% or above, which were 'My Team', 'Organisational Objectives', 'Inclusion & Fair Treatment' and 'My Work' scores. A People Survey Action Plan has been agreed by the NIO Board, focusing on themes including Line Manager Capability and Wellbeing.

Diversity and Inclusion

The NIO recognises the importance of embedding diversity in everything that the department does. The department has an active and enthusiastic diversity, inclusion and wellbeing network, who raise awareness on a range of topics including mental health.

In 2025-26, the NIO trained anti-Bullying, Harassment and Discrimination Advisors to strengthen our support for all staff.

The NIO is committed to:

- Eliminating discrimination, harassment, victimisation, and other conduct that is prohibited by, or under, equality legislation;
- Advancing equality of opportunity between persons who share a protected characteristic, and persons who do not share it; and
- Fostering good relations between persons who share a protected characteristic and persons who do not share it.

The NIO is committed to being an organisation where everyone is:

- Treated with fairness and respect;
- Able to contribute and develop; and
- Confident about how to ensure that the work they do supports equality of outcomes for everyone in society.

The NIO's people management policies and practices reflect the Civil Service Code and build on the equality legislation and legal obligations under Northern Ireland, and UK Law.

Employment, Training and Advancement of Disabled Persons

The NIO is committed to securing, retaining, and developing people with a disability. The department has adopted Ministry of Justice policies for staff-related matters, including making reasonable adjustments, where necessary, for staff with disabilities. During the year, the department continued to monitor and report progress against the published Disability Action Plan that articulates our vision, our priorities, and sets out our measures, to promote positive attitudes towards disabled people, and encourages the participation by disabled people in public life. The plan makes a clear statement of our commitment to implementing our equality duties in relation to disability.

Our Diversity Inclusion and Wellbeing Group includes advocates for the promotion of diversity and inclusion across the whole department, including a lead on disability issues.

Learning and Development

The NIO is committed to supporting the learning and development of all staff to enable them to do their jobs to the best of their ability and to develop the necessary skills for the present and future. The department encourages staff to take up a minimum of five days each year to focus on learning and development, and we maintain a ring-fenced budget year-on-year to support this goal.

Staff at all grades can make use of the Civil Service-Learning portal, as well as on-the-job and face to face learning. Learning for all colleagues is provided throughout the year, both on core competencies and leadership skills, and on business relevant learning. Line Managers monitor the progression of individual learning against agreed personal development plans, supported by the coaching focus of the department's performance development scheme.
As part of the Civil Service's commitment to equip all staff with the knowledge to use AI confidently and responsibly, the NIO delivered AI training to all employees, embedding the learning through regular communications, sharing tips and best practices.

Managing Attendance

Throughout the year the NIO kept a strong focus on the well-being of its staff. The majority of staff were able to fulfil their roles whilst working flexibly and being able to avail themselves of the ongoing hybrid working models. The department supports staff by promoting flexible working, as well as providing mental health and wellbeing information on work-life balance options, on the department's staff intranet.

Sickness absence figures for the reporting year are included in the Staff Report and show that the average working days lost for the department was 2.1 days (April 2025-March 2026). This figure compares to a Civil Service average working days lost figure of 8.2 days as at March 2025.

Pensions

Pension benefits are provided through the civil service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's state pension age (or 65 if higher). From that date all newly-appointed civil servants, and the majority of those already in service, joined the new scheme. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is divided into four sections: three providing benefits on a final salary basis (classic, premium and classic plus); and one providing benefits on a whole career basis (nuvos).

Those organisations within the boundary covered by the Scheme(s) meet the costs of the contributions paid by employers for their staff by the payment of Accrued Superannuation Liability Charges. This is charged to the Statement of Comprehensive Net Expenditure on an accrued basis annually.

The NIO is also required to meet the additional cost of benefits beyond the normal PCSPS (UK) and PCSPS (NI) benefits in respect of staff who retire early. The NIO provides in full for this cost, charged against the Statement of Comprehensive Net Expenditure, when the early retirement has been announced.

The pension benefits of NIO Board members and senior civil servants are outlined in the Remuneration Report.

Further details about the civil service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Health and Safety

The NIO recognises its obligations under Health and Safety at Work legislation for ensuring, so far as is reasonably practicable, the development of an effective health and safety regime. During the period, the department ensured that it continued to remain compliant with all specific recommendations in relation to health and safety, and provide a safe working environment for all.

All staff are required to complete annual mandatory health & safety training, and regular risk assessments of workstations are undertaken to comply with the Health and Safety (Display Screen Equipment) Regulations 1992, ensuring that the right interventions are made to increase the safety and wellbeing of all our colleagues. In addition, the department keeps its health and safety guidance under review and makes policies available to all staff on the department's intranet. During 2025-26, there were no accidents reported to the relevant authorities (nil in 2024-25).

Social, Community and Environmental Responsibility

The NIO, as part of its corporate responsibility agenda, actively promotes awareness of social, community and environmental issues on its staff intranet, and is committed to promoting inclusion, social mobility, and equality through its human resources and other corporate policies. A major contributor to this is the encouragement of volunteering, whether individually or in groups, including providing special leave for this purpose. Information on volunteering is made easily available to staff through the department's intranet.

The Civil Service has a long tradition of supporting staff to volunteer, and the NIO is committed to making a positive impact on the community in which it operates. The NIO offers up to five days' special leave for each member of staff to undertake volunteering. Staff can organise their own volunteering activity or can visit www.do-it.org.uk for ideas and information on volunteering.

Fraud/Whistleblowing/Raising a Concern

The NIO has robust arrangements in place for the prevention, detection and reporting of fraud, and is committed to the highest possible standards of openness, honesty, and accountability. Our arrangements follow the principles outlined in the HM Treasury's publication Managing Public Money, and Civil Service policies on whistleblowing or raising a concern about any suspicions on matters that staff think are wrong, illegal or endangers others, including fraud, bribery or corruption. An annual report on both fraud and whistleblowing activity is presented to the Audit and Risk Assurance Committee.

There were no cases of fraud during the year and there were no reported cases of whistleblowing during 2025-26 (none in 2024-25).

Estates Management Strategy

The NIO is a tenant within two UK Government hubs located in Erskine House, Belfast and Government Offices Great George Street (GOGGS), London. The accommodation is maintained under lease arrangements with HM Revenue and Customs (HMRC) and the Government Property Agency (GPA) respectively. Some accommodation, and a small office for Ministers, are also available at Hillsborough Castle, however, responsibility for the management and day-to-day running of Hillsborough Castle rests with the charity, Historic Royal Palaces.

Payment of Suppliers

The NIO paid on average 89% (80% in 2024-25) of invoices within five working days, 93% (89% in 2024-25) within 10 working days, and 96% (94% in 2024-25) within 30 working days, during the reporting period.

Better Regulation

The NIO is committed to producing less, and better, regulation in line with the government's general principles of regulation. As such, the department continually looks for ways to reduce regulation, where possible. As part of this process, the department is committed to actively promoting the better regulation agenda across the Northern Ireland departments and representing the needs of the devolved administration in Whitehall, and vice versa.

During the reporting period, the NIO published one consultation regarding the Proposed Amendments to the Control of Explosives Precursors etc. Regulations (Northern Ireland) 2014. All NIO consultations are available on our website at:

https://www.gov.uk/government/publications?departments%5B%5D=northern-ireland-office&publication_filter_option=consultations

Parliamentary Questions

The UK Government has committed to providing departmental Parliamentary Question statistics to the Procedure Committee of the House of Commons on a sessional basis. NIO statistics for 2025-26 are intended for publication on the Committee's website in due course.

Complaints to the Parliamentary Ombudsman

No complaints were made to the Parliamentary Ombudsman about the department during the reporting period (nil in 2024-2025).

Political and Charitable Donations

The NIO did not make any political or charitable donations in 2025-26 (nil in 2024-25).

Freedom of Information requests

Statistics on Freedom of Information requests in central government, including those for the NIO, are published quarterly at:

https://www.gov.uk/government/collections/government-foi-statistics

Transparency

The NIO, in line with the UK Government's transparency agenda, regularly publishes information on any significant areas of expenditure, and other items of public interest at:

https://www.gov.uk/government/latest?departments%5B%5D=northern-ireland-office

Sustainability Report

Task Force on Climate-related Financial Disclosures Framework (TCFD) Compliance Statement

The NIO has prepared climate-related financial disclosures for 2025-26 in accordance with the Financial Reporting Manual (FreM), HMT Treasury's Sustainability Reporting Guidance (SRG) and TCFD – aligned application guidance, which interprets and adapts the framework for the UK public sector.

In line with this guidance, NIO has assessed the applicability of climate related disclosure requirements in the context of its operating model and risk profile. The department does not identify climate change as a standalone Principal Risk within its Risk and Issues Register as it does not impact NIO's ability to deliver our strategic objectives. Therefore, we have complied with the TCFD guidance by including recommended disclosures on governance (a and b), risk management (a to c) and metrics and targets (b). We are not required to include disclosures for metrics and targets (a and c) or strategic disclosures (a to c) as climate is not considered a principal risk. We did not test if climate was otherwise a material component of another principal risk. Instead, climate-related factors are recognised as cross-cutting drivers influencing a range of operational, strategic and external risks. Where disclosures have been reported on a proportionate or explanatory basis, this reflects the department's assessment that climate change is not a standalone Principal Risk and the application of the "comply or explain" approach set out within the TCFD Application Guidance has been applied.

The Greening Government Commitments (GGCs) framework sets out actions by departments and their public bodies to improve the environmental impact of the government estate and its operations. The Department for Environment, Food and Rural Affairs (Defra) compiles, mandates and coordinates the GGC Framework. GGC targets were in place up to March 2025 under the 2021–25 framework, which has now ended. Defra is working on a new framework for 2025–30, to be published in due course. As part of the new framework, 2025–26 will form the baseline year to track progress each year.

The NIO does not own and is not the sole occupant of either of its buildings, 1 Horse Guards Road in London and Erskine House in Belfast. The buildings are shared with other UK Government departments and are provided by the Government Property Agency (GPA) as a managed service. The GPA is responsible for ensuring their estate delivers on the GGC targets. The organisations perform an assurance role to support the GPA. The GPA has an environmental management system accredited to ISO 14001, to monitor energy, waste and water use. This aligns with the Government Property Strategy 2022–30 mission to move to a smaller, better, and greener estate. The NIO exercises limited direct control over emissions associated with GPA managed buildings and infrastructure. By contrast, NIO has greater ability to influence emissions arising from areas such as business travel, procurement decisions and operational behaviours.

The GPA is running a net zero programme to reduce carbon emissions and energy use across its estate. The NIO is committed to minimising the impact we have on our environment and supporting the wider UK Government's Net-Zero commitment. Our approach encourages sustainable decision-making and establishes greener ways of working; increases inclusive staff engagement and communication of our ambitions; supports our building owners to meet Government targets and ensures people are making good choices; reduces waste, promotes recycling and sustainable repurposing of equipment, and greener procurement. NIO will continue to develop its climate-related reporting capability in line with evolving government guidance and reporting standards.

Governance

The Executive Committee (ExCo) has oversight of climate-related risk and opportunities and in assessing and managing climate-related risks. ExCo review climate-related matters at three meetings per annum, as a minimum. One of these instances coincides with the departmental budget setting process, to ensure climate matters have been reviewed as part of this process.

Given the areas the NIO has the ability to control in relation to its climate impact, climate related matters are reviewed on an annual basis by the Board, unless significant risks or opportunities materialise.

Strategy

The NIO has not complied with the recommended disclosures under the strategic pillar of TCFD. This reflects that the NIO does not consider climate change as a principal strategic risk, the absence of a dedicated TCFD or sustainability function, and the NIO's operating model which integrates climate considerations within existing policy, operational and risk management processes. The NIO direct operations are largely office based and, therefore, our direct climate and resilience impacts relate mainly to our estate, IT and consumables. The NIO has identified a range of potential climate-related impacts relevant to its operational activities. A full materiality assessment and classification across short, medium and long-term time horizons has not been undertaken nor has a comprehensive assessment of impacts on strategy and financial planning, consistent with full TCFD requirements, reflecting the department's proportionate application of TCFD guidance based on its assessment that climate is not a standalone principal risk.

Risk Management

Climate-related risks are managed through NIO's existing risk management, planning and governance processes rather than a standalone framework, reflecting their treatment as cross-cutting risk drivers and are integrated into wider risk management processes rather than treated as a standalone Principal Risk.

No dedicated TCFD or sustainability-specific role has been established or recruited during the year; instead, responsibilities are embedded within existing finance, estates and risk management arrangements, reflecting a proportionate approach to the NIO's current risk exposure. Risk identification and management will follow the process used for all risks to the department, whereby if appropriate they are included on the overarching risk register and reviewed through NIO governance mechanisms, as set out in the Corporate Governance Report. Risks including climate and sustainability risks are considered as part of programme and project business cases, which require consideration of environmental impacts and long-term sustainability.

Further detail on the NIO's governance, risk management and assurance arrangements is set out in the Governance Statement.

Given climate-related risks are not treated as a standalone Principal Risk, the recommended disclosures in relation to disclosure of metrics and targets used by the organisation to assess and manage climate related risks and opportunities are not provided.

Metric and targets

NIO's climate-related metrics currently focus on operational environmental performance, in line with Sustainability Reporting Guidance requirements. As climate change is not identified as a standalone Principal Risk, the department has not developed a full suite of strategy-linked climate risk metrics. This reflects a proportionate application of TCFD-aligned guidance based on the department's current risk profile and reporting maturity.

Greenhouse gas (GHG) emissions Scope 1 (direct), Emissions Scope 2 (energy indirect), Waste Organisation and Management.

We are a minority tenant in the shared buildings and have no direct control over our water, energy and land use or our waste management. We therefore do not collect this data or measure/report on our performance for scope 1 and 2 emissions as recommended under the guidance for the two buildings occupied. These are shared with other UK Government departments and are provided by the Government Property Agency (GPA) as a managed service. In 2025, the GPA developed a new sustainability strategy for its workplace services. The strategy focuses on areas such as minimising energy use.

The GPA's offices are designed to meet GGC sustainability targets to deliver on our commitments. They achieve these through sustainable design and construction aiming for ambitious EPC and BREEAM ratings where possible. The GPA has updated the Government Workplace Design Guide with an updated annex on net zero and sustainability and a new annex on biodiversity and nature recovery. Both publications demonstrate the GPA's commitment to protecting the environment on behalf of NIO.

No carbon offsetting has been done by the NIO.

Scope 3 (other indirect)

The table below sets out the areas on which the NIO (core only) has captured information on Scope 3.

	2025-26	2024-25	2023-24
Air Travel (CO2e tonnes)	134	239	396
Air miles	414,559	765,553	1,031,185
Rail Travel (CO2e tonnes)	0.51	0.67	0.50
Rail miles	9,641	13,156	8,807
Taxi Travel (CO2e tonnes)	1.7	1.59	2.41
Taxi miles	4,237	6,635	8,978
Car Travel (CO2e tonnes)	-	1.42	0.63
Hire Car Travel (CO2e tonnes)	0.04	4.85	5.11
Car Miles (total)	12,082	26,343	25,807
Paper (Reams)	264	230	200

The following hotel accommodation data has only started being collated from the 2025-26 financial year:

	No of Nights	CO2e tonnes
UK	775	8.64
Ireland	12	0.15
Europe	-	-
USA	5	0.08

Additionally, the NIO does not report on any emissions for any of our Arms' Length Bodies, as they fall below the requirements for TCFD and because the NIO does not have the ability to influence the emissions which they generate.

During 2025-26, business travel remained one of the most significant areas of direct operational influence, reflecting the nature of NIO's responsibilities and the importance of domestic and international engagement in support of government objectives. The department will continue to develop its understanding of influence-based emissions and wider value-chain impacts as sustainability reporting capability matures.

NIO's IT and digital services are provided by IT Assist. The network is cloud based, with no on-premises data centres. NIO ICT facilitates hybrid and remote working via the use of external networks and mobile tethering. The equipment, which is provided by IT Assist has accredited green credentials.

Procuring sustainable products and services

NIO is committed to sustainable procurement in line with Government frameworks, ensuring that environmental and social considerations are embedded within its purchasing activities. Following the introduction of the Procurement Act 2023, NIO has strengthened the social value criteria within its tendering processes and engages regularly with key suppliers to review delivery against their commitments.

Government sustainability targets are evolving (including future GGC frameworks). While performance data is reported, comprehensive forward targets aligned with climate risk management are not fully defined reflecting the department's proportionate approach and current reporting scope.

Adapting to climate change

The NIO continues to work with the GPA to develop and implement climate change adaptation measures across the building occupied. As the NIO does not own or control its estate, climate adaptation activity is delivered through GPA's Climate Change Adaptation Strategy, which includes a high-level climate risk assessment completed in 2024 and an outline adaptation action plan covering food risk, overheating, and site prioritisation. GPA leads on adaptation planning for government offices, and the NIO aligns its operational planning with these actions. The NIO does not maintain a standalone adaptation strategy, as this requirement does not apply to departments without landholdings.

Biodiversity and nature recovery

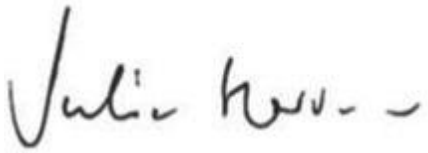
While NIO does not have landholdings, we recognise the intrinsic value of biodiversity and the critical role that natural capital plays in climate resilience. On an annual basis, employees receive five days of volunteer leave. Employees are encouraged to participate in local initiatives for causes they care about that align with NIO's corporate objectives, including supporting nature recovery and biodiversity across the UK.

Carbon Reduction Commitment

The NIO has put in place a number of measures necessary to adapt to future climate change. Where the NIO draws on services supplied by the Government Property Agency under contract to them, the Office's contribution to UK Government commitments on environmental impact and sustainability are met within those wider frameworks.

The NIO are committed to reducing their environmental impact by:

- Encouraging the use of video conferencing and dial-in facilities rather than travelling to meetings;
- Using recycled paper and other stationery;
- Using public transport rather than cars when travelling to meetings; and
- Ensuring that our printers and photocopiers are all energy efficient models which reduce paper wastage.



Dr Julie Harrison
Accounting Officer
17 November 2026

Accountability Report

Corporate Governance Report

Directors Report

NIO Lead Non-Executive Board Members Report



Les Philpott
Lead Non-Executive Board Member and Chair of the NIO Audit and Risk Assurance Committee

Introduction

This is my sixth and final report as the Northern Ireland Office's Lead Non-Executive Board member and Chair of the NIO Audit and Risk Assurance Committee (ARAC).

My report reflects on the work of the Board and the Committee over the last twelve months. It has been prepared in line with HM Treasury guidance, and is based on the information and assurances that were provided to the Board and the Committee during the year.

2025-26 Overview

During this reporting period, the department has made significant progress in delivering against the ambitious objectives set out in the 2025-26 Business Plan. Progress against these objectives are monitored through robust governance structures including Programme Delivery Boards that have evolved throughout the last reporting period to align with each of the four Business Plan Aims.

Throughout the reporting period, the Board and the ARAC have taken assurance from a variety of deep dives on key strategic and corporate matters alongside regular reports on performance and risk management. The Board's ongoing approach of undertaking deep dives at each meeting have been particularly helpful in improving the non-executive team's understanding of the departmental operating environment as well as providing an opportunity for the non-executives to test and scrutinise areas of the business plan and the use of resources.

A key focus of the departmental board's work during the reporting period has been to monitor the progress against the strategic aims and objectives set out in the 2025-2026 Business Plan, supporting the implementation of the Spending Review Outcome and maintaining strategic clarity. Over the coming 12 months, the Board remains committed to building on this progress throughout to support the mission to deliver a stable, prosperous and vibrant Northern Ireland. Further information on the department's achievements, challenges and risks is outlined in the Performance Report.

Board Membership and Effectiveness

The Board, chaired by the previous Secretary of State for Northern Ireland, the Rt Hon Hilary Benn MP, met three times during 2025-26; June, October and December 2025. The final meeting was delayed until mid-April 2026 due to Parliamentary Recess.

Throughout the reporting period, the Board considered a wide range of strategic and corporate issues, continuing its role in scrutinising performance and risk management which is aligned with the Departmental Business Plan.

A Board Effectiveness Review was undertaken at the end of the reporting period in March 2026, aligning with Cabinet Office guidance. The findings, reviewed at the June 2026 Meeting indicated that the Board is operating effectively. Reflecting on the identified key strengths, the Board agreed to an Action Plan containing five recommendations for continuous improvement, with actions underway to progress several observations. As Lead Non-Executive, I will monitor the implementation of the recommendations over the next reporting period ahead of an Independent Board Effectiveness Review planned for 2026/2027.

Audit and Risk Assurance Committee (ARAC)

The ARAC met five times during 2025-26, including a dedicated technical meeting in November 2025 to discuss and endorse the sign-off of the 2024-25 Annual Report and Accounts. I am pleased to report that the ARAC received an unqualified opinion and was presented to Parliament in December 2025.

In addition to scrutinising the Annual Report and Accounts, the Committee conducted regular deep dives into key functional risk areas and reviewed the work conducted by internal and external auditors. A key focus of the Committee over the last year has been continuing to monitor the arrangements following the adoption of a centralised sponsorship team through a new Sponsored Bodies Governance Dashboard approach which provided a risk analysis and reporting on each of the sponsored bodies alongside deep dives into specific areas of interest. Over the last 12 months, I have noted an improvement in relation to ALB reporting and oversight of sponsorship issues which will continue to evolve as the sponsorship team matures. I am confident that this will allow the ARAC to take a greater level of assurance on the arrangements in place. In addition, the Committee consistently challenged the

department's risk management approach to ensure that corporate risks were effectively mitigated and mapped to the NIO Business Plan Deliverables.

Throughout the reporting period, the Committee took assurance from reporting on both internal and external audit work. In addition, the Committee took assurance from the bi-annual Stewardship Statements provided by senior officials and sponsored bodies. The Committee is pleased to report that the overall internal audit opinion from the Government Internal Audit Agency (GIAA) reported a 'moderate' level of assurance for 2025-26 and we have noted the management actions in place to implement identified improvements.

A review of the Committee's effectiveness was commissioned in January 2026. Responses indicated that the Committee was operating effectively and feedback demonstrated that the Committee understands its role and has the right balance of skills and experience to discharge its functions appropriately. Reflecting on the findings, we are taking forward a number of recommendations as part of our dedication to continuous improvement.

Throughout the reporting period, I regularly engaged with the Permanent Secretary and Chief Operating Officer, who was a regular attendee at ARAC Meetings. I am confident that this arrangement continued to be effective and ensured that the Committee remained briefed on matters within its remit. I am satisfied that regular senior executive attendance effectively supports discussions relating to management of risk and delivery performance. Following each ARAC meeting, minutes were circulated to the Board and Executive Committee for information and I presented a quarterly report of the Committee's reflections and work directly to the Board at each meeting.

Relationships with Other Audit Committees

The Northern Ireland Office continues to sponsor four executive Non-Departmental Public Bodies (NDPBs):

- The Independent Commission for Reconciliation and Information Recovery (ICRIR);
- The Northern Ireland Human Rights Commission (NIHRC);
- The Parades Commission for Northern Ireland (PCNI); and
- The Independent Reporting Commission (IRC).

The ICRIR, NIHRC, and PCNI each operate independent and separate Audit Committees, however, due to its operational structure and limited budget responsibilities, the NIO ARAC provides direct governance oversight for the IRC, regularly reviewing its Corporate Plan, Risk Register and Annual Report and Accounts. I am pleased to report that all four NDPBs received unqualified opinions and their annual reports and accounts for 2025-26 were laid in Parliament in-year. Annual reports and accounts for 2025-26 for each body have also been recently laid in Parliament with unqualified opinions.

The Committee has continued to keep a watching brief on key issues affecting all sponsored bodies. As part of an annual commitment to engage with key stakeholders including NDPB Audit Committee Chairs, the Committee undertakes a visit to Belfast in September of each year which coincides with the September ARAC meeting. During my engagement with NDPB Audit Committee Chairs in September 2025, we discussed matters of common interest. In addition, I have undertaken further engagements where appropriate and continue to be invited to observe a number of ICRIR Audit Committee meetings.

Acknowledgements

As my term of office as the Northern Ireland Office Lead Non-Executive Board Member draws to a close on 31 March 2027, I would like to thank my fellow non-executive team members for their continued dedication and support throughout both my tenure and the current reporting period, alongside auditors and officials within the NIO for ensuring that effective assurance is continually provided to the Committee.

Les Philpott

Northern Ireland Office Ministers and Board Members as at 31 March 2026[20]

Ministers



The Rt. Hon. Hilary Benn MP
Secretary of State for Northern Ireland



Matthew Patrick MP
Parliamentary Under Secretary of State

Officials



Dr Julie Harrison
Permanent Secretary



Holly Clark
Chief Operating Officer

[20] Further details can be found on page 62.

Non-Executive Board Members



Les Philpott
Lead Non-Executive Board Member



Fiona Ross
Non-Executive Board Member

Further information about our governance is available on our website:
https://www.gov.uk/government/organisations/northern-ireland-office

Permanent Secretary

The Permanent Secretary for the NIO in 2025/2026 was Julie Harrison.

Other Reporting Entities

The names of the Chair and Chief Executive, or equivalent, of the Northern Ireland Office's other reporting entities as at 31 March 2026 were as follows:

Northern Ireland Human Rights Commission

Chief Commissioner: Alyson Kilpatrick
Director/Chief Executive: Dr David Russell

Parades Commission for Northern Ireland

Chief Commissioner: Professor Evelyn Collins CBE
Secretary: Ralph Roche

Independent Reporting Commission

Chief Commissioner: Not Applicable
UK Joint Secretary: Niamh Ó Maoláin

Independent Commission for Reconciliation and Information Recovery

Chief Commissioner: Sir Declan Morgan
Chief Executive Officer: Louise Warde Hunter

Further information on the performance and governance of each of these entities can be found in their respective Annual Reports & Accounts which are available on their websites.

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000 ("the GRAA"), HM Treasury has directed the Northern Ireland Office to prepare, for each financial year, consolidated resource accounts. These accounts must detail the resources acquired, held, or disposed of, and the use of resources, during the year by the department and its sponsored non-departmental and other sponsored bodies designated by order made under the GRAA by Statutory Instrument 2024 number 295. The 'departmental group' comprises the department and sponsored bodies listed at note 20 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, Statement of Changes in Taxpayers' Equity, and cash flows of the departmental group for the financial year.

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

- Observe the Accounts Direction issued by HM Treasury, 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 sponsored 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 Principal Accounting Officer and the Board confirms that this Annual Report and Accounts as a whole is fair, balanced, and understandable. The Principal Accounting Officer takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

HM Treasury appointed Julie Harrison as Principal Accounting Officer of the NIO with effect from 16 October 2023.

The Principal Accounting Officer of the department has also appointed the Chief Executives or equivalents of its sponsored non-departmental and other bodies as Accounting Officers of those bodies. During the reporting period, David Russell was Accounting Officer for the Northern Ireland Human Rights Commission and Ralph Roche was the Accounting Officer for the Parades Commission for Northern Ireland. While Louise Warde-Hunter was Accounting Officer for the Independent Commission for Reconciliation and Information during the reporting period, the Annual Report and Accounts for the year ended 31 March 2026 were signed by Ronnie Armour, who was the Accounting Officer at the date of signing. Additionally, there were several changes in-year to the Accounting Officer following the departure of Alex Midgley on 6th May 2025. Dianne Wilson was appointed as Interim Accounting Officer from 7 May 2025 until 15th June 2025 until Niamh Ó Maoláin took up the position as Accounting Officer for the Independent Reporting Commission from 16 June 2025 onwards.

The Principal 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 sponsored body, are set out in Managing Public Money, published by HM Treasury.

As the Principal 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 NIO's auditors are aware of that information. As far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance Statement

Introduction

The Northern Ireland Office (NIO) governance statement records the stewardship of the organisation, drawing together evidence on governance and risk management, to give a sense of how successfully the department has responded to the challenges and changes faced during the year.

As Principal Accounting Officer, this governance statement represents my assurance to Parliament that I am satisfied that the department's system of internal control is effective and supports good decision making. This statement is in accordance with HM Treasury guidance. It sets out the governance structures, the internal control and risk management procedures that have operated within the NIO during the financial year 2025-26, and up to the date of approval of the Annual Report and Accounts. The systems in place, as outlined in this statement, are designed to manage risk to a reasonable level rather than to eliminate all risks of failure to achieve policies, aims, and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness.

This statement covers the core department, with the following four sponsored public bodies producing their own governance statements, which are published in their Annual Report and Accounts:

- The Northern Ireland Human Rights Commission;
- The Parades Commission for Northern Ireland;
- The Independent Reporting Commission; and
- The Independent Commission for Reconciliation and Information Recovery

My relationship with the Accounting Officers of these bodies is set out in the respective Framework Agreements and designator letters.

Compliance with the Corporate Governance Code

The NIO abides by the principles and spirit of the principles set out in: *Corporate Governance in Central Government Departments: Code of Good Practice 2017*.

The Code recognises there is not a 'one size fits all model' for boards, and the 'comply or explain' mechanism enables departments to deviate from the principles and supporting provisions, if justifiable, for good governance of the department. Given that the department is considerably smaller than most central government departments, and has a limited budget and responsibilities by comparison, it would be disproportionate to implement some of the detailed provisions in the Code when good governance can be achieved by other, more proportionate means. I am satisfied that where the department deviates from the Code, that there is a proportionate and justifiable rationale to do so.

Northern Ireland Office Board

The NIO Board forms the collective strategic and operational leadership of the department, bringing together its ministerial and civil service leaders with senior non-executives from outside government. Its purpose is to provide advice, challenge, and assurance on the Departmental Business Plan, to monitor performance, and to advise on significant risks. Additionally, an independent Audit and Risk Assurance Committee (ARAC) and an Executive Committee (ExCo) support the Board.

During the reporting period, the Board met three times and considered a wide range of strategic and corporate issues, as well as scrutinising performance and risk management. The Board was fully engaged in monitoring the use of resources including how the department was responding to deliver the priorities in the Business Plan. Further information on performance during the year is reported in the Performance Analysis section of the report.

The Board took assurance from regular deep dives that scrutinised the delivery performance of various business areas, departmental strategies and sponsored bodies. A particular focus at each Board meeting was monitoring performance against the business plan and providing scrutiny on the corporate risk register. The Non-Executive Board Members also played a key role in challenging the comprehensiveness and accuracy of the risk register.

Further information on how the Board operated, assessed its effectiveness in-year, and assessed the quality of the information and support it received, can be found in the Lead Non-Executive Board Member's report.

Board Membership and Attendance

The table below sets out attendance for Board meetings attended by members from 1 April 2025 to 31 March 2026:

Membership Type	Name	Position	Date joined / departed Board	Eligible meeting	Absent
Minister	Hilary Benn	Secretary of State	-	3	0
	Fleur Anderson	Parliamentary Under Secretary of State	Departed September 2025	1	0
	Matthew Patrick	Parliamentary Under Secretary of State	Joined September 2025	2	0

Senior Officials	Julie Harrison	Permanent Secretary	-	3	0
	Will Gelling	Director General	Joined June 2025 / Departed November 2025	2	1
	Holly Clark	Chief Operating Officer	Joined November 2025	1	0
	Ruth Sloan	Chief Operating Officer / Strategy Director	Ceased Board role November 2025	2	0
Non-Executive	Les Philpott	Lead Non-Executive	-	3	0
	Fiona Ross	Non-Executive	-	3	0

Executive Committee

The Executive Committee (ExCo) is the senior leadership of the NIO, chaired by the Permanent Secretary and made up of all the department's Directors. It operates under delegated authority of the Board, and within the overall strategic context set by ministers, with particular responsibility for delivering on operational priorities, and setting the culture and tone for the department. It makes collective decisions on corporate issues and actively monitors departmental delivery and performance. ExCo also provides leadership on diversity and inclusion, and the health and wellbeing of departmental staff.

During the year, ExCo maintained a steadfast focus on driving corporate delivery, managing the department's budget pressures and overseeing the alignment of departmental risks with core business objectives. Operating within a tight fiscal framework, the Committee regularly scrutinised the Corporate Performance Dashboard and Risk Register to enhance financial accountability and ensure business plan milestones remained on a positive delivery trajectory.

The Committee also undertook a series of substantive deep dives into critical strategic and structural priorities. These included evaluating the departmental application and ethical risks of Artificial Intelligence, reviewing the long-term direction of the IT Platform Strategy and analysing the implementation of the Devolution Strategy. Furthermore, ExCo dedicated significant focus to the department's broader reconciliation framework, assessing domestic and external impacts to establish a deliberate, long-term action plan. Staff engagement and organisational health remained central to ExCo's agenda, culminating in comprehensive

reviews and action planning following the Civil Service People Survey 2025 results, alongside ongoing oversight of workforce planning strategies.

ExCo's work was supported by Programme Boards, chaired by Directors, which oversee and assess progress against the Business Plan including reviewing milestones, risks and outcomes and the People Board that provides ExCo with advice on the development of the department's People Strategy and other staffing matters.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) provides support to the Board and Principal Accounting Officer by providing an independent view of the risk, internal control, and governance arrangements, and assessing the comprehensiveness, reliability, and integrity of those assurances.

The Committee also reviews and makes recommendations to the Principal Accounting Officer on the preparation and sign-off of the annual accounts. In line with the requirements of the Corporate Governance in Central Government Departments: Code of Good Practice 2017 and HM Treasury's Audit and Risk Assurance handbook the ARAC is chaired by a non-executive board member. The current chair is the Lead Non-Executive Director, Les Philpott.

The table below sets out the attendance of members from 1 April 2025 to 31 March 2026:

Name	Date joined / departed	Eligible meetings	Absent
Les Philpott	-	5	0
Neil Sayers	-	5	0
Fiona Ross	-	5	1

During the reporting year, regular reports on the ARAC's work were provided to the Principal Accounting Officer and the Board. Further information on the membership and work of the ARAC can be found in the Lead Non-Executive Board Members Report.

Register of Interests

The NIO maintains a register of Board and Committee members' interests, with details of company directorships and other significant interests held by members. The register is a living document and all interests declared by members are considered by the Principal Accounting Officer, who must be satisfied that any potential conflict can be managed. Declarations of any new interests is a standing agenda item for all Board and Committee meetings.

The interests registered by Board members as at 31 March 2026 are set out below:

Name	Position / Interest
Julie Harrison	A close family member is employed by Kainos.
Ruth Sloan	None declared
Holly Clark	None declared
Les Philpott	Chair, Government Actuary's Department Chair, Marine Management Organisation Non-Executive Director, Benenden Healthcare Society Ltd Committee Member, Public Chairs' Forum Management Committee
Fiona Ross	Non-Executive Director, Network Rail Chair, National Paediatric Hospital Development Board Chair, Metrolink (TII Transport Infrastructure Ireland) Non-Executive Director, JK Funds Non-Executive Director, Evelyn Partners Non-Executive Director, SphereInvest Non-Executive Director, The National Treasury Management Agency Non-Executive Director, Ireland XO

The NIO's processes for registering outside interests and employments apply to all executive and non-executive members of the Board and Committees, and to all Senior Civil Servants working in the department. For those staff below the Senior Civil Service, the declaration and management of interests is in line with MoJ policies and the requirements of the Civil Service Management Code.

In addition to the requirements set out above for the register of interests, and in line with the current Declaration of Interests policy for Special Advisers, all Special Advisers have declared any relevant interests or confirmed they do not consider they have any relevant interests. The Principal Accounting Officer has considered these returns, and the following relevant interests are set out in public:

Name	Interest
Claire Tighe (current)	Ms Tighe is a Local Councillor for North Hanwell Ward at Ealing Borough Council.

Business Appointment Rules

In compliance with Business Appointment rules, the department is transparent in the advice given to individual applications for senior staff, including Special Advisers, and this information is published at:

https://www.gov.uk/search/transparency-and-freedom-of-information-releases?organisations%5B%5D=northern-ireland-office&parent=northern-ireland-office

During 2025-26, the department did not issue any decision on any application submitted under the Business Appointment Rules (nil in 2024-25).

Internal Audit

HM Treasury mandates that internal audit must give a year-end assurance on the effectiveness of a department's governance, risk, and internal control environment. This assurance is a source of evidence underpinning the Principal Accounting Officer's Governance Statement.

Internal audit services are provided to the NIO by the Government's Internal Audit Agency (GIAA) who work in accordance with Public Sector Internal Audit Standards. The work of internal auditors includes reviewing information and holding meetings with senior management, to look at the governance, risk, and internal control framework.

The Head of Internal Audit from the Government's Internal Audit Agency provides an annual assurance to the department's Principal Accounting Officer, by way of an independent opinion on the adequacy and effectiveness of governance, risk, and internal control arrangements. Their internal audit opinion is informed by the internal audit work carried out throughout the reporting period. Their annual work plan is developed in agreement with senior management, the Principal Accounting Officer and the NIO's Audit and Risk Assurance Committee and is informed by an analysis of the risks to which the NIO is exposed.

For the 2025-2026 reporting period, Internal Audits were conducted relating to Joiners, Movers and Leavers; Data & Insights; and Sponsorship of Arm's Length Bodies. Each of these audits received a 'moderate' rating with the exception of Data and Insights that received a 'limited' rating. Overall, the Government's Internal Audit Agency provided a 'Moderate' annual opinion on the framework of governance, risk management and internal controls within the Northern Ireland Office. This opinion confirms that while the department's overall risk, internal control, and governance frameworks remain consistent, some improvements are required to enhance the adequacy and effectiveness of the framework to ensure the department's key risks are being managed effectively.

Recommendations were focused on further strengthening of evidential record-keeping, governance structures and formalising monitoring and accountability mechanisms. It was

noted that capacity issues had impacted the Department's ability to promptly address certain recommendations. The department has faced some resource issues and action is being taken to address these as a matter of priority to further enhance our control environment and effectively manage risk in the coming financial year.

Risk Management

During the year, the Board reviewed risks associated with the delivery of its strategic priorities and objectives at each of its meetings. A continuing focus for the Department was responding to the evolving risk landscape and oversight of three critical overarching risk pillars including executive stability and fiscal challenges, legacy reform and implementation and delivery / capability of the Department and its Arm's Length Bodies. The Executive Committee (ExCo) continued to work collaboratively with Programme Boards to ensure that operational risks were effectively managed to ensure business delivery, and regularly reviewed risks with the highest ratings to ensure appropriate mitigations were in place.

At each meeting, the Audit Risk and Assurance Committee (ARAC) was presented with a summary of the departmental risk register and undertook deep dives into specific risk areas, including Northern Ireland economic and fiscal challenges, the stability of the NI institutions, legacy reform and cyber security. The ARAC's strong challenge function on the management of risk ensured that the department's assessment of each risk and mitigations were thoroughly and independently tested.

Throughout the period, the Department strengthened its integrated approach to risk management by restructuring Programme Boards to align with departmental structures and Business Plan aims. Programme Boards acted as central forums for overseeing business performance and managing lower-level (Tier 2) risks, escalating items to the Departmental Risk Register where appropriate. Continuing from the prior year, regular reviews were undertaken to ensure that the central register remained a live, decision-making tool. This included utilising the risk register to inform the department's new Strategic Business Plan and subsequent allocation of resources, as well as providing enhanced scrutiny on the progress and effectiveness of mitigation actions.

The department's Risk Management Policy applies the principles and concepts set out in HM Treasury's Orange Book and includes advice on maintaining risk registers, risk escalation, risk mitigation, communication processes, and information and tools for effective risk management is available to all staff on the departmental intranet. A further review of the Risk Management Policy is planned for the next reporting period, and the Chief Operating Officer and Director of Strategy continue to support the department's approach to managing risk at Board / Senior level.

In addition to the oversight arrangements outlined above, the NIO Board continues to take assurance from internal auditors and the ARAC on the adequacy and effectiveness of the overall risk management framework. This informs the department's wider assurance

framework and confirms that, overall, risk management practices are compliant with the principles set out in the Orange Book.

Information Assurance

During the year, information assurance and information security updates were provided to the Board, ExCo, and the ARAC.

Although the department does not handle large quantities of personal data, we maintain robust internal processes and provide training and guidance to all staff on General Data Protection Regulation (GDPR), Security Classifications and Data Handling. Our Data Protection Officer also provides advice and support to our sponsored bodies and monitors compliance.

Stewardship Statements

Each Deputy Director in the core department, and the senior official in each sponsored body, signs a bi-annual stewardship statement providing assurance to the Principal Accounting Officer on governance, risk management, and the operation of internal controls within their business areas. These stewardship statements clearly set out the internal controls that should be in place, and the steps taken to monitor the effectiveness of those controls, including effective risk mitigation and compliance with sound financial management principles.

The statements are normally reviewed in-year, and an assessment of the effectiveness of those controls is also carried out at the end of the reporting year. The Board and the ARAC review a summary report of the effectiveness of the internal control measures at mid-year and the year-end. For 2025-26, no significant concerns were identified following the end of year review.

Transparency Reporting

The NIO publishes monthly data on spend over £25,000, GPC payments over £500 and Workforce Management Information as well as publishing quarterly data on gifts, hospitality, meetings and travel for ministers, senior officials and special advisors alongside data on prompt payment and senior civil servants in post. For 2025-26 most of these datasets were published in accordance with the Cabinet Office publication timelines on gov.uk and were published on data.gov.uk. Further information can be found here:

https://www.gov.uk/search/transparency-and-freedom-of-information-releases?organisations%5B%5D=northern-ireland-office&parent=northern-ireland-office

Sponsored Bodies

During 2025-26, the Northern Ireland Office's senior management team regularly engaged with senior officials from our sponsored bodies; these meetings covered a wide range of operational and governance matters. Following the transition to a centralised sponsorship model in December 2024, the department has focused on embedding these arrangements throughout 2025 to strengthen oversight and provide consistent support to the wider NIO family of associated bodies. The centralised sponsorship team is now fully resourced and the Sponsored Body Forum has also been re-established to discuss matters of common interest, now meets on a six-monthly basis.

Throughout this regular engagement, assurances continue to be sought that each sponsored body are operating sound governance arrangements including the management of key risks as well as clear and transparent financial controls. This has also included the formal stewardship statement reporting process. The Board and the ARAC also received quarterly updates on governance and accountability matters and engaged directly with a number of sponsored bodies.

The Government Internal Audit Agency conducted an internal audit of ALB sponsorship in 2026. It concluded that the new centralised model has, "enhanced clarity, strengthened communication and improved consistency," in NIO sponsorship.

I took assurance from the ARAC, senior sponsors, the Chief Operating Officer, the centralised ALB Sponsorship team and the governance statements produced by the department's Non-Departmental Public Bodies (which are subject to review by both internal and external auditors) that appropriate governance and operational standards were maintained across the NIO's sponsored bodies during the 2025-26 period. In December 2025, Peter May began a review into ICRIR's corporate effectiveness and cultural health. The review report and associated NIO-ICRIR action plan were published in May 2026 and the review findings are being addressed through a joint oversight group. Additionally, following judicial review proceedings, an independent review of the Parades Commission's governance and decision-making procedures led by Sir John O'Hara KC was announced in September 2026.

Summary of Effectiveness

For the period 2025-26 and up to the date of the approval of this Annual Report, I am able to report that there were no significant weaknesses in the Northern Ireland Office's system of internal control of risk management, which affected the achievement of the department's key policies, aims and objectives.

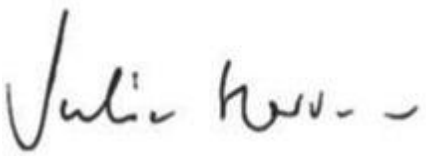
Throughout the reporting period, the NIO Board kept its effectiveness, its approach to risk management, and how it operated, under review. I am satisfied with the quality of the information presented to the Board, and that its leadership, performance, and approach to

business, provided effective support to ministers and senior officials in directing the business of the department.

In respect of the NIO's sponsored bodies that are required to publish separate audited accounts, no material issues have been reported to me, and all the department's sponsored bodies accounts were published at the date of this report.

In addition to the audited accounts for sponsored bodies, the department also has responsibility for electoral policy in Northern Ireland, and for publishing the expenses of the Returning Officer for Northern Ireland. These costs are consolidated and reported through the NIO Group Accounts (See Note 21).

No Ministerial directions were issued to me in my role as the Principal Accounting Officer for the Northern Ireland Office during the reporting period.



Dr Julie Harrison
Accounting Officer

17 November 2026

Remuneration and Staff Report

Overview

The remuneration and staff report summarises the department's policy on remuneration of ministers, executive board members, non-executive board members and staff. It also provides details of actual costs and contractual arrangements. The remuneration and staff report has been prepared in accordance with the requirements of the Financial Reporting Manual 2025-26 as issued by HM Treasury.

Remuneration policy

The remuneration of senior civil servants (SCS) is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. The Review Body on Senior Salaries also advises the Prime Minister from time to time on:

- the pay and pensions of MPs and their allowances
- peers' allowances
- the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975 (as amended)

In reaching its recommendations, the Review Body on Senior Salaries has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- regional and local variations in labour markets and their effects on the recruitment and retention of staff
- government policies for improving the public services, including the requirement on departments to meet the output targets for the delivery of departmental services
- the funds available to departments as set out in the government's departmental expenditure limits
- the government's inflation target

The Review Body on Senior Salaries takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body on Senior Salaries can be found at: www.gov.uk/government/organisations/review-body-on-senior-salaries.

Board members and senior civil servants remuneration

The salaries of NIO's departmental Board members (excluding the ministerial and non-executive members) are determined in line with the Cabinet Office SCS reward policy. Non-consolidated performance-related payments for senior civil servants are determined by the Executive Committee (SCS Pay Band 1 and 2).

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found here: https://civilservicecommission.org.uk.

Ministers' salaries and pension entitlements

This section and the related tables have been subject to audit

The salaries, taxable benefits in kind and pension entitlements of ministers are shown in the following tables. Salary figures include all allowances payable by the Office, whereas full-year equivalents are calculated net of allowances, bonuses and ex gratia Payments.

In respect of ministers in the House of Commons, departments bear only the cost of the additional Ministerial remuneration; the salary for their services as an MP £94,904 (from 1 April 2025) and various allowances to which they are entitled are borne centrally. However, the arrangement for ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their Ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the department and is therefore shown in full in the figures below.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the department and treated by HM Revenue and Customs as a taxable emolument. No minister received benefits in kind in 2025-26 or 2024-25.

Remuneration (salary and payments in kind)

Ministers	Salary (£)		Pension benefits (to nearest £1,000)[21]		Total (to nearest £1,000)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
The Rt Hon Hilary Benn MP, Secretary of State for Northern Ireland (from 5th July 2024)[22]	67,505	49,721 (FYE 67,505)	20,000	13,000	87,000	63,000
Matthew Patrick MP, Parliamentary Under Secretary of State (from 7th September 2025)[23]	12,617 (FYE 22,375)	-	3,000	-	16,000	-
Fleur Anderson MP, Parliamentary Under Secretary of State (from 9th July 2024 to 7th September 2025)[24]	15,351 (FYE 22,375)	16,300 (FYE 22,375)	4,000	4,000	20,000	20,000
The Rt Hon Chris Heaton-Harris MP, Secretary of State for Northern Ireland (from 6th September 2022 to 5th July 2024)	-	34,660 (FYE 67,505)	-	4,000		39,000
The Rt Hon Steve Baker MP, Minister of State for Northern Ireland Office (from 7th September 2022 to 5th July 2024)	-	15,636 (FYE 31,680)	-	2,000		18,000
Lord Caine Parliamentary Under Secretary of State (from 5th November 2021 to 5th July 2024)[25]	-	-	-	-	-	-

[21] The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

[22] Hilary Benn departed as Secretary of State for Northern Ireland on 20th July 2026.

[23] Matthew Patrick departed as Parliamentary Under Secretary of State on 22nd July 2026.

[24] Severance pay of £5,593 was due to Fleur Anderson on her departure in the financial year 2025-26 included within salary noted in the table above

[25] Lord Caine does not receive a salary for his work in the department. Severance pay due to Lord Caine on his departure was paid by HM Treasury

Pension Benefits

Ministers	Accrued pension at age 65 as at 31/3/26	Real increase in pension at age 65	CETV at 31/3/26	CETV at 31/3/25	Real increase in CETV
	£000	£000	£000	£000	£000
The Rt Hon Hilary Benn MP, Secretary of State for Northern Ireland (from 5th July 2024)	20-25	0-2.5	346	324	15
Matthew Patrick MP, Parliamentary Under Secretary of State (from 7th September 2025)	0-5	0-2.5	3	-	3
Fleur Anderson MP, Parliamentary Under Secretary of State (from 9th July 2024 to 7th September 2025)	0-5	0.2.5	8	5	3

Ministerial pensions

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute and the rules are set out in the Ministers' etc. Pension Scheme 2015 is available here:

https://mypcpfpension.co.uk/wp-content/uploads/2019/09/ministerial-pension-scheme-rules.pdf

Those ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report). A new MP's pension scheme was introduced from May 2015, although members who were aged 55 or older on 1st April 2013 have transitional protection to remain in the previous final salary pension scheme.

Benefits for ministers are payable from State Pension age under the 2015 scheme. Pensions are re-valued annually in line with Pensions Increase legislation both before and after retirement. The contribution rate from May 2015 is 11.1% and the accrual rate is 1.775% of pensionable earnings.

The figure shown for pension value includes the total pension payable to the member under both the pre- and post-2015 Ministerial pension schemes.

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. 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 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 Ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the Minister. It is worked out using common market valuation factors for the start and end of the period.

Senior Management's salary and pension entitlements

This section and the related tables have been subject to audit

Salary includes gross salary; performance pay or bonuses; 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. This report is based on accrued payments made by the department and thus recorded in these accounts.

Salary figures include all allowances payable by the department, whereas full year equivalents are calculated net of allowances, bonuses and ex-gratia payments.

Bonuses are based on performance levels attained and are made as part of the appraisal process. Permanent Secretary bonuses are determined by the Permanent Secretary Remuneration Committee within Cabinet Office.

The bonuses reported in 2025-26 relate to performance in 2024-25 and the comparative bonuses reported for 2024-25 relate to performance in 2023-24.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the department and treated by HM Revenue and Customs as a taxable emolument.

Single total figure of remuneration										
Senior Managers	Salary (£'000)		Bonus Payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000)[26]		Total (£'000)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25[27]	2025-26	2024-25
Permanent Secretary										
Dr Julie Harrison	175-180	160-165	-	-	-	-	62,000	62,000	235-240	225-230
Director General										
Dominic Wilson (to 30th April 2024)	-	10-15 (140-145 FYE)	-	-	-	-	-	13,000	-	20-25
Directors										
Chris Flatt (to 21st February 2025)	-	95-100 (100-105 FYE)	-	0-5	-	-	-	64,000	-	165-170
William Gelling (to 30th November 2025)	80-85 (FYE 115-120)	110-115	-	10-15	-	-	67,000	155,000	145-150	265-270
Dr Caroline Hacker (to 31st October 2025)	65-70 (FYE 110-115)	105-110	-	0-5	-	-	26,000	42,000	90-95	155-160
Holly Clark (from 10th November 2025)[28]	40-45 (FYE 105-110)	60-65 (100-105 FYE)	-	-	-	-	15,000	48,000	55-60	105-110
Ruth Sloan (from 6th November 2024)	100-105	35-40 (95-100 FYE)	-	-	-	-	40,000	15,000	140-145	50-55
Ciaran Hayes (from 12th May 2025 to 30th September 2025)	30-35 (FYE 100-105)	-	-	-	-	-	7,000	-	35-40	-
Gillian Morton (from 11th August 2025)	70-75 (FYE 110-115)	-	-	-	-	-	28,000	-	100-105	-
Linda Hamilton (from 24th October 2025)	50-55 (FYE 120-125)	-	-	-	-	-	21,000	-	70-75	-

[26] 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 or any increase or decreases due to a transfer of pension rights.

[27] Opening balances for pension disclosures for some members are not consistent with the closing balances reported in the prior year. This is due to the availability in 2025/26 of more up to date data relevant to the calculation of the prior year benefits.

[28] Holly Clark held the position of Director from 15 January 2024 to 24th October 2024 resuming the role from 10th November 2025

Non-Executive Directors

The department has two non-executive directors, details of whom can be found in the Corporate Governance Report. Non-executive director fees are non-pensionable.

Remuneration	Salary (£000)		Benefits in kind (to nearest £100)		Total (£000)	
	2025-26	2024-25	2025-26	2025-26	2024-25	2024-25
Les Philpott Lead Non-Executive Director	10-15	10-15	-	-	10-15	10-15
Fiona Ross	10-15	10-15	-	-	10-15	10-15

Pension Benefits

Senior Managers	Accrued pension at pension age at 31/03/26 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/26	CETV at 31/03/26[27]	Real increase in CETV
	£000	£000	£000	£000	£000
Dr Julie Harrison	5-10	2.5-5	154	90	45
William Gelling (to 30th November 2025)	35-40 plus a lump sum 90-95	2.5-5 plus a lump sum of 2.5-5	758	687	51
Dr Caroline Hacker (to 31st October 2025)	15-20	0-2.5	205	185	16
Holly Clark (from 10th November 2025)	35-40	0-2.5	657	627	8
Ruth Sloan	20-25	0-2.5	321	282	22
Ciaran Hayes (from 12th May 2025 to 30th September 2025)	30-35	0-2.5	551	530	1
Gillian Morton (from 11th August 2025)	0-5	0-2.5	25	0	20
Linda Hamilton (from 24th October 2025)	0-5	0-2.5	15	0	11

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – **classic, premium, and classic plus** provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and **alpha** are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each

year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the **partnership** pension account.

In **alpha**, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to **alpha** from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of **classic**, **premium**, and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. The pension figures in this report show pension earned in PCSPS or **alpha** – as appropriate. Where a member has benefits in both the PCSPS and **alpha**, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to **alpha**. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the "McCloud judgment").

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy[29] is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of **alpha** from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as "rollback".

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2025 and 31 March 2026, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count

[29] www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). 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).

Further details about the Civil Service pension arrangements can be found at: http://www.civilservicepensionscheme.org.uk

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 figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

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.

Fair Pay Disclosures [Audited]

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

	2025-26	2024-25
Band of Highest Paid Director Total Remuneration	£175,000 - £180,000	£160,000 - £165,000
Percentage change in performance pay and bonuses for highest paid Director	0%	0%
Median total pay and benefits ratio	3.6	3.4
Median total pay and benefits	£49,636	£48,407
Percentage change in Director total pay and benefits	8.9%	5.7%[30]
Ratio between highest paid director and 25th Percentile	4.3	4.1
25th Percentile total pay and benefits	£41,112	£39,259
Ratio between highest paid director and 75th Percentile	2.8	2.7
75th Percentile total pay and benefits	£63,343	£61,201

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 of pensions.

The median remuneration of the workforce was £49,636 (2024-25: £48,407). The salary component of the median was £49,636 (2024-25: £47,657). The change in median pay multiple remains the same due to an increase in median remuneration of the workforce resulting from an average 3.5% pay rise received in year. The lower quartile remuneration (representing the 25th percentile of the linear distribution) was £41,112 (the salary component of this was £40,862) (2024-25: £39,259) and the upper quartile remuneration (representing the 75th percentile of the linear distribution) was £63,343 (the salary component of this was £63,343) (2024-25: £61,201).

In 2025-26, no (2024-25, nil) employee received remuneration in excess of the highest-paid director. Remuneration ranged from £14,910 to £175,000 (2024-25: £17,353 to £165,000) as set out in page 66.

For employees of the entity taken as a whole, the average percentage changes from the previous financial year of salary and allowances was 11.04% (2024-25: -2.14%) and the percentage change in performance pay and bonuses payable was 13% (2024-25: -43%).

[30] The percentage change in directors total pay and benefits is based on the full year equivalent in 2023-24

Compensation for loss of office [Audited]

No compensation for loss of office was paid by the department during the financial year (2024-25: Nil).

Ministers [Audited]

One minister left under severance terms and received a compensation payment totalling £5,593 (2024-25: £24,166). Further details can be found on page 62.

Staff Report

Departmental Group Staff costs (Audited)	2025-26				£000	2024-25 £000
	Total	Permanently employed and inward seconded staff	Others	Ministers	Special Advisors	Total *(Restated note 24)*
Wages and salaries	32,483	28,868	3,410	205	-	27,416
Social security costs	3,816	3,569	236	11	-	2,441
Other pension costs	6,402	6,307	95	-	-	5,412
Sub Total	**42,701**	**38,744**	**3,741**	**216**	**-**	**35,269**
Less recoveries in respect of outward secondments	(204)	(204)	-	-	-	(464)
Total net costs	**42,497**	**38,540**	**3,741**	**216**	**-**	**34,805**

Special Advisers are temporary civil servants. In order to improve efficiency, the administration of staff costs for all Special Advisers across government was moved to the Cabinet Office in July 2019, with corresponding budget cover transfers. Therefore, special adviser costs are now reported in the Cabinet Office Annual Report and Accounts. Special Advisers remain employed by the respective departments of their appointing Minister.

Pensions

From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's state pension age (or 65 if higher). From that date all newly appointed civil servants, and the majority of those already in service, joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium and classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These are unfunded multi-employer defined benefit schemes in which the Northern Ireland Office is unable to identify its share of the underlying assets and liabilities.

Full actuarial valuations of both the PCSPS and PCSPS (NI) were carried out as at 31 March 2020. Details of the PCSPS and CSOPS can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions). Details of the PCSPS (NI) are available in the PCSPS (NI) resource accounts.

The Independent Commission for Reconciliation and Information Recovery participates in the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension scheme. The pension scheme is known as the Local Government Pension Scheme Northern Ireland and is a funded multi-employer defined benefit scheme. The benefits paid under the Scheme are based on length of membership and final salary. For membership accrued before 1 April 2009, benefits will accrue at a rate of 1/80th of the employee's final year pensionable pay and an automatic tax-free lump sum of three times their pension. For all membership accrued from 1 April 2009, benefits accrue at a rate of 1/60th of final pensionable pay for each year of service with no automatic lump sum (members can choose to give up some of their 49 pension to provide a lump sum). Additional Voluntary Contributions (AVC) can be made through the NILGOSC in-house AVC provider, Prudential.

The latest full actuarial valuation was 31 March 2025. The outcome of this valuation was used as the basis for the valuation at 31 March 2025 and to set the level of contributions for employers from 1 April 2026 to 31 March 2029.

Further details about the NILGOSC pension scheme can be found in note 18 and at www.nilgosc.org.uk.

For 2025-26, total employers' contributions of £6,294,060 (2024-25: £5,313,483) were payable at rates in the range 28.97% of pensionable pay for CSOPs, 28.7% to 34.2% per cent of pensionable pay for CSOPS (NI), based on salary bands, and 14.7% of pensionable pay for NILGOSC. The schemes' actuaries review employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the costs of the benefits accruing during 2025-26 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £9,552 (2024-25: £12,592) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age related and ranged from 8% to 14.75% pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings.

In addition, employer contributions of £384 (2024-25: £344), 0.5% of pensionable earnings, were payable to CSOPS and to the CSOPS (NI) 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 date were £2,374 Contributions prepaid at that date were £nil.

No person (2024-25: Nil) retired early on ill-health grounds. The total additional accrued pension liabilities in the year amounted to £nil (2024-25: £nil).

Staff Numbers [Audited]

The average number of full-time equivalent persons employed during the year was as follows:

	Total	Permanent Staff	Inward Secondments	Others	Ministers	2025-26 Number Special Advisors	2024-25 Number Total
NIO Core Department	**160**	126	30	-	2	2	162
NIO sponsored NDPBs	**274**	210	57	7	-	-	220
Other NIO sponsored ALBs*	**84**	18	66	-	-	-	109
Total	**518**	**354**	**153**	**7**	**2**	**2**	491

* These figures include staff employed in the Crown Solicitor's Office, by the Chief Electoral Officer for Northern Ireland and other sponsored bodies.

Staff Turnover (Unaudited)

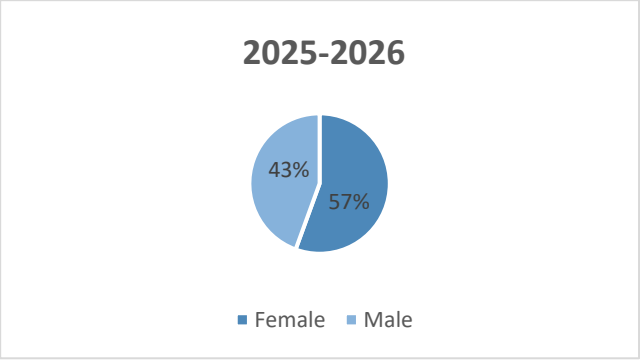
Staff turnover during 2025-26 was 9.5% (2024-25, 4.5%) (based on an average employee figure of 160 staff with 17 NIO staff having left the civil service during the year).

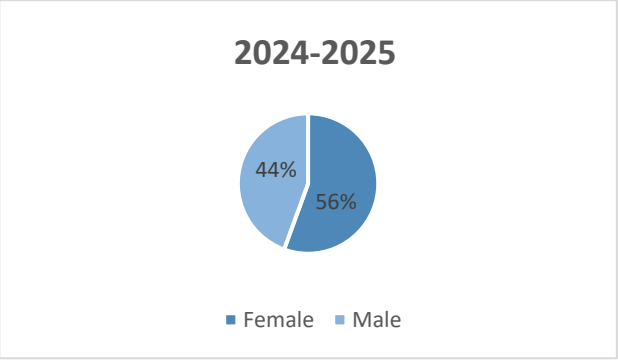
Staff Composition

Senior Civil Service by Grade

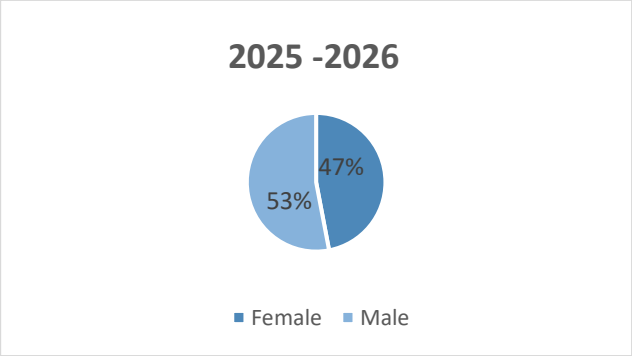
	2025-26	2024-25
Permanent Secretary	1	1
Director	4	4
Deputy Director	10	10
Total	**15**	**15**

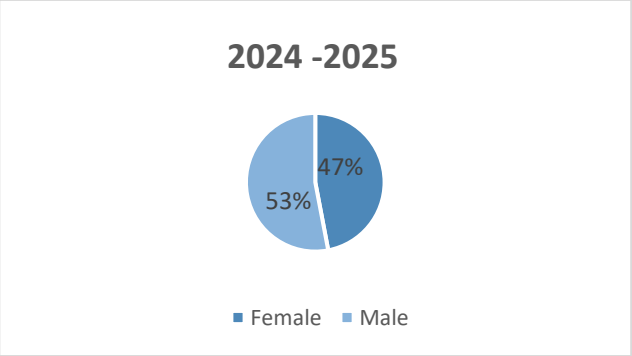
Staff Composition (Gender Analysis)





Senior Civil Service Staff Composition (Gender Analysis)





Sickness Absence

Throughout 2025-26, the department has continued to take a robust approach to managing attendance. There are a range of policies and procedures to support line managers to address this key area of their responsibilities. These policies are aimed at ensuring staff are afforded every opportunity of returning to the workplace as soon as possible. Data from the latest 12 month rolling period ending March 2025 shows that the Northern Ireland Office had an average working days lost figure of 2.1 (March 2025: 2.6).

Employment of People with Disabilities and Other Employee Matters

Employment training and advancement of disabled persons and other employee matters are reported on in the Directors' Report.

Consultancy Expenditure

The department incurred £141k of consultancy expenditure in 2025-26 primarily relating to programme communication support (2024-25: £510k).

Off-Payroll Arrangements

Highly paid off-pay worker engagements as at 31 March 2026, earning £245 per day or greater. The individuals were not Board members or Senior Officials with significant financial responsibility.

Number (No.) of existing engagements as of March 2026	**Core Department**	**ALBs**	**Departmental Group**
Of which No. that existed:			
less than 1 year	-	1	1
for between 1 to 2 years	-	-	-
for between 2 to 3 years	-	-	-
for between 3 to 4 years	-	-	-
for 4 or more years	-	-	-

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater.

	Core Department	ALBs	Departmental Group
No. of temporary off-payroll workers engaged during the year ended 31 March 2026	-	1	1
Of which:			
Not subject to off-payroll legislation	-	-	-
Subject to off-payroll legislation and determined as in-scope of IR35	-	-	-
Subject to off-payroll legislation and determined as out-of-scope of IR35x	-	1	1
No. of engagements reassessed for compliance or assurance purposes during the year	-	-	-
Of which: No. of engagements that saw a change to IR35 status following review	-	-	-

Number (No.) of existing engagements as of March 2026	Core Department	ALBs	Departmental Group
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	-	-	-
Total no. 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.	5	17	22

Reporting of Civil Service and other compensation schemes – exit packages [Audited]

Core Department			
Exit package cost band	**Number of compulsory redundancies[31]**	**Number of other departures agreed[31]**	**Total number of exit packages by cost band[31]**
>£10,000	- (-)	- (-)	- (-)
£10,000 - £25,000	- (-)	1 (-)	1 (-)
£25,000 - £50,000	- (-)	- (-)	- (-)
£50,000 - £100,000	- (-)	2 (-)	2 (-)
£100,000 - £150,000	- (-)	- (-)	- (-)
£150,000 - £200,000	- (-)	- (-)	- (-)
Total number of exit packages	- (-)	3 (-)	3 (-)
Total cost/£000	- (-)	£171 (-)	£171 (-)

Departmental Group			
Exit package cost band	**Number of compulsory redundancies[31]**	**Number of other departures agreed[31]**	**Total number of exit packages by cost band[31]**
>£10,000	- (-)	- (-)	- (-)
£10,000 - £25,000	- (-)	1 (-)	1 (-)
£25,000 - £50,000	- (-)	- (-)	- (-)
£50,000 - £100,000	- (-)	2 (-)	2 (-)
£100,000 - £150,000	- (-)	- (-)	- (-)
£150,000 - £200,000	- (-)	- (-)	- (-)
Total number of exit packages	- (-)	3 (-)	3 (-)
Total cost/£000	- (-)	£171 (-)	£171 (-)

Other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972. The table above shows the total cost of exit packages agreed and accounted for in 2025-26 (2024-25: nil). £171k exit costs were paid in 2025-26, the year of departure (2024-25: nil).

[31] Figures in brackets relate to the prior year 2024-25

Parliamentary Accountability and Audit Report

Statement of Outturn against Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Northern Ireland Office to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons. The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that Parliament gives statutory authority for entities to utilise.

The Estimate details supply and is voted on by Parliament at the start of the financial year. Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion. The format of the SOPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn. The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (note 2); a reconciliation of outturn to net cash requirement (note 3).

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided in the financial review section of 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 SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The Financial Summary, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures.

Summary of Resource and Capital Outturn 2025-26

Summary table, 2025-26, all Figures presented in £'000's

Type of Spend		Outturn			Estimate			Outturn vs Estimate, saving/ (excess)		Prior Year Outturn
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	2024-25
Departmental Expenditure Limit										
Resource	1.1	60,856	122	60,978	63,492	125	63,617	2,636	2,639	55,190
Capital	1.2	3,956	-	3,956	4,541	-	4,541	585	585	12,362
Total		**64,812**	**122**	**64,934**	**68,033**	**125**	**68,518**	3,221	3,224	**67,552**
Annually Managed Expenditure										
Resource	1.1	22,470	-	22,470	49,743	-	49,743	27,273	27,273	3,640
Capital	1.2	-	-	-	-	-	-	-	-	918
Total		**22,470**	**-**	**22,470**	**49,743**	**-**	**49,743**	27,273	27,273	**4,558**
Total Budget										
Resource	1.1	83,326	122	83,448	113,235	125	113,360	29,909	29,912	58,830
Capital	1.2	3,956	-	3,956	4,541	-	4,541	585	585	13,280
Total Budget Expenditure		**87,282**	**122**	**87,404**	**117,776**	**125**	**117,901**	**30,494**	**30,497**	**72,110**
Non-Budget Expenditure Resource	1.1	24,776,000	-	24,776,000	27,253,461	-	27,253,461	2,477,461	2,477,461	23,411,000
Total Budget and Non Budget		**24,863,282**	**122**	**24,863,404**	**27,371,237**	**125**	**27,371,362**	**2,507,955**	**2,507,958**	**23,483,110**

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on gov.uk, for detail on the control limits voted by Parliament.

Net Cash Requirement 2025-26

	SoPS Note	Outturn	Estimate	Outturn vs Estimate: saving/(excess)	Prior Year Outturn total, 2024-25
Net Cash Requirement	3	24,935,000	27,427,713	2,492,713	23,564,872

Administration Costs 2025-26

	SoPS Note	Outturn	Estimate	Outturn vs Estimate: saving/(excess)	Prior Year Outturn total, 2024-25
Administration costs	1.1	22,435	23,575	1,140	22,036

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote. Explanations for variations between estimate and outturn are set out in the financial review section of the Performance Report.

Notes to the Statement of Outturn against Parliamentary Supply 2025-26

SOPS 1 Outturn detail by Estimate line

SOPS 1.1 Analysis of resource outturn (£000's)

Type of Spend (Resource)	Resource Outturn							Estimate				
	Administration			Programme								
Spending in Departmental Expenditure Limits (DEL)	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total Including Virements	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2024-25
Voted Expenditure:												
A - Northern Ireland Office	29,131	(6,696)	22,435	22,692	(278)	22,414	44,849	48,042	(633)	47,409	2,560	33,679
B – NIHRC	-	-	-	3,157	-	3,157	3,157	3,183	-	3,183	26	2,800
C – PCNI	-	-	-	848	-	848	848	846	2	848	-	829
D – IRC	-	-	-	446	-	446	446	496	-	496	50	341
E - ICRIR	-	-	-	11,011	(118)	10,893	11,556	10,925	631	11,556	-	10,731
Total voted DEL	29,131	(6,696)	22,435	38,817	(396)	38,421	60,856	63,492	-	63,492	2,636	48,380
Non-voted Expenditure:												
F - Funding of elections	-	-	-	122	-	122	122	125	-	125	3	6,810
Total non-voted DEL	-	-	-	122	-	122	122	125	-	125	3	6,810
Total Spending DEL	**29,131**	**(6,696)**	**22,435**	**38,939**	**(396)**	**38,543**	**60,978**	63,617	-	63,617	**2,639**	**55,190**
Annually Managed Expenditure (AME)												
Voted												
G - Northern Ireland Office	-	-	-	9,639	-	9,639	9,639	36,601	-	36,601	26,962	(604)
H - ICRIR	-	-	-	12,831	-	12,831	12,831	13,142	-	13,142	311	4,244
Total voted AME	-	-	-	22,470	-	22,470	22,470	49,743	-	49,743	27,273	3,640
Non-budget												
I- Grant Payable to the Northern Ireland Consolidated Fund	-	-	-	24,776,000	-	24,776,000	24,776,000	27,253,461	-	27,253,461	2,477,461	23,411,000
Total non-budget	-	-	-	24,776,663	-	24,776,663	24,776,663	27,253,461	-	27,253,461	2,477,461	23,411,000
Total Resource	**29,131**	**(6,696)**	**22,435**	**24,837,409**	**(396)**	**24,837,013**	**24,859,448**	**27,366,821**	**-**	**27,366,821**	**2,507,373**	**23,469,830**

SOPS 1.2 Analysis of net capital outturn by Estimate line (£000's)

	Outturn			Estimate				
	Gross	Income	Net	Net	Virements	Net total compared to Estimate, adjusted for virements	Outturn vs Estimate saving/ (excess)	Prior Year Outturn Total, 2024-25
Spending in Departmental Expenditure Limits (DEL)								
Voted Expenditure:								
A - Northern Ireland Office	1,275	-	1,275	1,746	(9)	1,737	462	218
B – NIHRC	9	-	9	-	9	9	-	13
C – PCNI	-	-	-	-	-	-	-	-
D – IRC	-	-	-	-	-	-	-	-
E – ICRIR	2,672	-	2,672	2,795	-	2,795	123	12,131
Total Voted DEL	**3,956**	**-**	**3,956**	**4,541**	**-**	**4,541**	**585**	**12,362**
Non-voted Expenditure:								
F - Funding of elections	-	-	-	-	-	-	-	-
Total non-voted DEL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Annually Managed Expenditure (AME)								
Voted								
G – Northern Ireland Office	-	-	-	-	-	-	-	-
H – ICRIR	-	-	-	-	-	-	-	918
Total voted AME	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**918**
Prior Period Adjustment	-	-	-	-	-	-	-	-
Total non-budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total spending in DEL	**3,956**	**-**	**3,956**	**4,541**	**-**	**4,541**	**585**	**13,280**

The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on gov.uk. 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 tie the estimate back to the Estimates laid before Parliament.

SOPS 2 Reconciliation of outturn to net operating expenditure

	Note	2025-26 £'000 Outturn	2024-25 £'000 Outturn
Total resource outturn in Statement of Outturn Parliamentary Supply			
Budget	1.1	83,448	58,830
Non-budget	1.1	24,776,000	23,411,000
		24,859,448	23,469,830
Income payable to the Consolidated Fund		(233)	(212)
Prior Period Adjustment (Note 24)		(663)	-
Net expenditure in Consolidated Statement of Comprehensive Net Expenditure		**24,858,552**	**23,469,618**

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

SOPS 3 Reconciliation of Net Resource Outturn to Net Cash Requirement

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

	Note	Estimate	Outturn	2025-26 Net total outturn Compared with Estimate: saving/(excess)
		£000	£000	£000
Resource Outturn	SOPS 1.1	27,366,821	24,859,448	2,507,373
Capital Outturn	SOPS 1.2	4,541	3,956	585
Adjustments for ALBs:				
Remove voted resource and capital		(31,387)	(30,856)	(531)
Add Cash grant-in-aid		31,387	23,060	8,327
Accruals to cash adjustments:				
Adjustment to remove non-cash items:				
Depreciation/Amortisation	4	(5,240)	(2,883)	(2,357)
New Provisions and adjustments to previous provisions	15	(36,601)	(2,072)	(34,529)
Other non-cash items			(12,527)	12,527
Adjustments to reflect movements in working balances:				
Increase/(decrease) in receivables	13		9,742	9,742
(Increase)/decrease in payables			83,186	(83,186)
Lease payments	9		774	(774)
Use of provisions	15	98,317	3,294	95,023
		27,427,838	**24,935,122**	**2,492,716**
Removal of non-voted budget items:				
Consolidated Fund Standing Services	4	(125)	(122)	(3)
Net cash requirement		**27,427,713**	**24,935,000**	**2,492,713**

SOPS 4.1 Analysis of income payable to the Consolidated Fund

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

	Reference	2025-26 Outturn total £000		2024-25 Outturn total £000	
		Accruals	Cash	Accruals	Cash
Income outside the ambit of the Estimate		233	*233*	212	*212*
[Excess] cash surrenderable to the Consolidated Fund		-	-	-	-
Total amount payable to the Consolidated Fund		**233**	***233***	**212**	***212***

SOPS 4.2 Consolidated Fund Income

Consolidated Fund income shown in note 4.1 above does not include any amounts collected by the department where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from the group financial statements) were:

	2025-26 Outturn total £000	2024-25 Outturn total £000
Taxes and licence fees	-	-
Fines and penalties	-	-
Other income	145	129
Less:		
Costs of collection – where deductible	-	-
Uncollectible costs	-	-
Amounts Payable to the Consolidated Fund	145	129
Balance held at the start of the year	128	151
Payments into the Consolidated Fund	(128)	(152)
Balance held on trust at the end of the year	145	128

Parliamentary Accountability Disclosures [Audited]

Losses and Special Payments

There are no losses or special payments, individually or in aggregate in excess of £300,000, which would require separate disclosure during the year to 31 March 2026 (2024-25: 1: £1,046m), or that have been recognised since that date. All expenditure has been incurred in line with underlying Parliamentary authority.

Government functional standards [Unaudited]

The department follows the government functions standards and further details are provided within page 25.

Fees and Charges

An analysis of income from services provided to external and public sector customers is as follows:

	2025-26 £000			2024-25 £000		
	Income	Full Cost	Surplus/ (deficit)	Income	Full Cost	Surplus/ (deficit)
Crown Solicitor's Office	6,479	(6,063)	416	5,437	(5,521)	(84)
Total	**6,479**	**(6,063)**	**416**	**5,437**	**(5,521)**	**(84)**

In accordance with Managing Public Money, the department is required to disclose results for the areas of its activities where fees and charges are made. The foregoing analysis is not intended to meet the requirements of IFRS 8 Segmental Reporting. The Northern Ireland Office has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector information guidance.

The Crown Solicitor's Office (CSO) generates income for legal work undertaken for all clients. The financial objective is to recover all costs associated with delivering these services. A schedule of fees is determined at the beginning of each financial year based on estimated costs and forecast activity levels.

Remote Contingent Liabilities

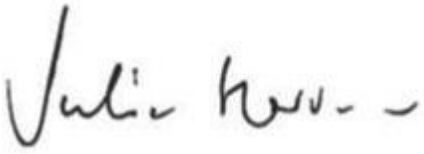
In addition to contingent liabilities disclosed in the financial statements, the department also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is remote but are still in scope of IAS 37. There were no remote contingent liabilities in 2025-26 (2024-25: nil).

Notation of Gifts

There were no gifts made over the limits prescribed in Managing Public Money or Managing Public Money Northern Ireland in 2025-26 (2024-25: nil).

Public Sector Bodies outside the Departmental Boundary

There were no public sector bodies outside the boundary of the department where the NIO had lead policy responsibility in the year 2025-26 (2024-25: nil).



Dr Julie Harrison
Accounting Officer
17 November 2026

The Certificate of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Office and of its Departmental Group for the year ended 31 March 2026 under the Government Resources and Accounts Act 2000. The Department comprises the core Department. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2025.

The financial statements comprise the Department's and the Departmental Group's:

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

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards.

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 its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary 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 Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the Department and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Department 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 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.

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

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

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. 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.

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 HM Treasury directions issued under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

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

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 by the Department and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury'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:

- maintaining proper accounting records;

- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Department and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Department 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 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 2000.

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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Department and its Group's accounting policies, key performance indicators and performance incentives.
- inquired of management, the Department's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Department and its Group's policies and procedures on:
    - identifying, evaluating and complying with laws and regulations;
    - detecting and responding to the risks of fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Department and its Group's controls relating to the Department's compliance with the Government Resources and Accounts Act 2000, Managing Public Money, the Northern Ireland (Loans) Act 1975 and Supply and Appropriation (Mains Estimates) Act 2025;
- inquired of management, the Department's head of internal audit and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations;
    - they had knowledge of any actual, suspected, or alleged fraud,
    - discussed with the engagement team and the relevant internal specialists, including pensions regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Department and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Department and Group's framework of authority and other legal and regulatory frameworks in which the Department and Group operate. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Department and its Group. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2025, Northern Ireland (Loans) Act 1975, employment law, pensions legislation and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies **18 November 2026**
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

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.

		2025-26 £000	2025-26 £000	2024-25 £000	2024-25 £000
		Core Department	Departmental Group	Core Department	Departmental Group *(Restated note 24)*
Income	5	(71,417)	(71,535)	(71,389)	(71,406)
Total operating income		**(71,417)**	**(71,535)**	**(71,389)**	**(71,406)**
Staff costs	3	21,769	42,497	22,704	34,805
Other expenditure	4	24,878,593	24,887,242	23,499,307	23,506,777
Grant in aid to NDPBs		23,060	-	18,218	-
Total operating expenditure		**24,923,422**	**24,929,739**	**23,540,229**	**23,541,582**
Net operating expenditure for the year ended 31 March 2026		**24,852,005**	**24,858,204**	**23,468,840**	**23,470,176**
Finance expense		83	348	50	105
Net expenditure for the year ended 31 March 2026		**24,852,088**	**24,858,552**	**23,468,890**	**23,470,281**
Other comprehensive net expenditure					
Items that will not be reclassified to net operating expenditure:					
Actuarial loss/(gain) from liability experience	17	-	361	-	(235)
Return on plan assets (excluding amounts included in net interest)	17	-	(141)	-	1
Actuarial (gain)/loss arising changes in financial assumptions	17	-	(44)	-	-
Actuarial loss/(gain) arising from changes in demographic assumptions	17	-	22	-	-
Adjustment arising from asset ceiling (unrecognised surplus)	17	-	(170)	-	234
Adjustment arising from minimum funding requirement (IFRIC 14)	17	-	335	-	-
Net gain on revaluation of property, plant and equipment	6	(2,098)	(2,231)	(1,965)	(1,970)
Comprehensive net expenditure for the year ended 31 March 2026		**24,849,990**	**24,856,684**	**23,466,925**	**23,468,311**

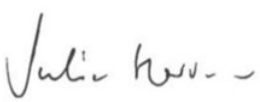
The above income and expenditure is derived from continuing operations.
The notes on pages 101-144 form part of these accounts.

Consolidated Statement of Financial Position as at 31 March 2026

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

	Note	31 March 2026 £000 Core Department	31 March 2026 £000 Departmental Group	31 March 2025 £000 Core Department	31 March 2025 £000 Departmental Group *(Restated note 24)*
Non-current assets					
Property, plant and equipment	6	85,898	93,000	85,997	90,935
Right of use assets	7	1,648	9,988	1,158	10,407
Intangible assets	8	74	74	121	121
Financial assets	11	1,713,277	1,713,277	1,619,542	1,619,542
Total non-current assets		**1,800,897**	**1,816,339**	**1,706,818**	**1,721,005**
Current assets					
Trade and other receivables	13	17,330	4,693	7,588	4,974
Financial assets	11	131,919	131,919	124,457	124,457
Cash and cash equivalents	12	141,725	142,346	180,970	181,897
Total current assets		**290,974**	**278,958**	**313,015**	**311,328**
Total assets		**2,091,871**	**2,095,297**	**2,019,833**	**2,032,333**
Current Liabilities					
Trade payables and other liabilities	14	371,885	377,036	395,081	398,981
Lease liabilities	9	859	1,506	850	4,967
Provisions	15	1,430	1,430	1,556	1,556
Total current liabilities		**374,174**	**379,972**	**397,487**	**405,504**
Non-current assets plus/less net current assets/liabilities		**1,717,697**	**1,715,325**	**1,622,346**	**1,626,829**
Non-current liabilities					
Trade payables and other liabilities	14	1,713,277	1,713,277	1,702,319	1,702,319
Lease liabilities	9	809	5,008	287	4,973
Retirement Benefit Obligation	17	-	335	-	-
Provisions	15	3,478	4,471	4,574	5,567
Total non-current liabilities		**1,717,564**	**1,723,091**	**1,707,180**	**1,712,859**
Net assets/(liabilities)		**133**	**(7,766)**	**(84,834)**	**(86,030)**
Taxpayers' equity/deficit					
General fund		(49,016)	(57,138)	(132,987)	(134,273)
Revaluation reserve		49,149	49,372	48,153	48,243
Total equity/(deficit)		**133**	**(7,766)**	**(84,834)**	**(86,030)**

Dr Julie Harrison
Accounting Officer
17 November 2026



The notes on pages 101-144 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 departmental group 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 departments' future public service delivery.

	Note	2025-26 £000 Core Department	2025-26 £000 Departmental Group	2024-25 £000 Core Department	2024-25 £000 Departmental Group *(Restated note 24)*
Cash flows from operating activities					
Net expenditure		(24,852,088)	(24,858,552)	(23,468,890)	(23,470,281)
Adjustment for non-cash transactions	4	16,298	17,484	4,259	5,427
(Increase)/decrease in trade and other receivables	13	(9,742)	281	(2,718)	257
(Decrease) in trade payables	14	(116,663)	(120,677)	(116,931)	(107,743)
Less: *movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure*		31,565	34,760	14,599	7,521
Use of provisions	15	(3,294)	(3,294)	(766)	(766)
Net cash (outflow) from operating activities		**(24,933,924)**	**(24,929,998)**	**(23,570,447)**	**(23,565,585)**
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(6)	(310)	(105)	(4,932)
Purchase of intangible assets	8	-	-	(27)	(27)
Loans to other bodies	11	(225,654)	(225,654)	(220,000)	(220,000)
Repayment from other bodies – capital	11	124,457	124,457	125,077	125,077
Repayment from other bodies – interest	5	61,797	61,797	55,157	55,157
Net cash (outflow)/inflow from investing activities		**(39,406)**	**(39,710)**	**(39,898)**	**(44,725)**
Cash flows from financing activities					
From the Consolidated Fund (Supply) – current year		24,895,688	24,895,688	23,549,048	23,549,048
From the Consolidated Fund (non-supply)				6,810	6,810
Loans received from the National Loans Fund	11	225,654	225,654	220,000	220,000
Repayments of loans from the National Loans Fund – Capital	11	(124,457)	(124,457)	(125,077)	(125,077)
Repayments of loans from the National Loans Fund – Interest	4	(61,797)	(61,797)	(55,157)	(55,157)
Payment of lease liabilities	9	(774)	(5,034)	(810)	(993)
Finance charge	9	83	348	50	105
Finance income on pension asset	17	-	118	-	18
Finance expense on pension obligation	17	-	(51)	-	(6)
Net cash inflow from financing activities		**24,934,397**	**24,930,469**	**23,594,864**	**23,594,748**
Net (decrease)/increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**(38,933)**	**(39,239)**	**(15,481)**	**(15,562)**
Payments of amounts due to the Consolidated Fund		(312)	(312)	(182)	(182)
Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**(39,245)**	**(39,551)**	**(15,663)**	**(15,744)**
Cash and cash equivalents at the beginning of the period	12	180,970	181,897	196,633	197,641
Cash and cash equivalents at the end of the period	12	141,725	142,346	180,970	181,897

The notes on pages 101-144 form part of these accounts.

Statement of Changes in Taxpayers Equity for the Year Ended 31 March 2026 (Core Department)

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 change 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.

	Note	General Fund	Revaluation Reserve	Taxpayers' Equity
		£000	£000	£000
Balance at 31 March 2024		**(237,000)**	**47,250**	**(189,750)**
Net Parliamentary Funding - drawn down		23,549,048	-	23,549,048
Net Parliamentary Funding – deemed		196,482	-	196,482
Consolidated Fund Standing Services	4	110	-	110
Consolidated Fund	4	6,810	-	6,810
Unspent Supply payable to the Consolidated Fund	14	(180,659)	-	(180,659)
Excess receipts due to the Consolidated Fund	14	(160)	-	(160)
Changes in taxpayers' equity for 2024-25		**23,571,631**	**-**	**23,571,631**
Transfers between reserves		1,062	(1,062)	-
Net gain on revaluation of property, plant and equipment	6	-	1,965	1,965
Non-cash charges - auditor's remuneration	4	210	-	210
Net expenditure for the year		(23,468,890)	-	(23,468,890)
Total recognised income and expense for 2024-25		**(23,467,618)**	**903**	**(23,466,715)**
Balance at 31 March 2025		**(132,987)**	**48,153**	**(84,834)**
Net Parliamentary Funding - drawn down		24,895,688	-	24,895,688
Net Parliamentary Funding – deemed		180,659	-	180,659
Consolidated Fund Standing Services	4	122	-	122
Unspent Supply Payable to the Consolidated Fund	14	(141,347)	-	(141,347)
Excess Cash payable to General Fund	14	(378)	-	(378)
		24,934,744	**-**	**24,934,744**
Changes in taxpayers equity for 2025-26				
Transfers between reserves – in year		1,102	(1,102)	-
Net gain on revaluation of property, plant and equipment			2,098	2,098
Net Expenditure for the Year		(24,852,088)	-	(24,852,088)
Auditors Remuneration	4	213	-	213
Total recognised income and expense for 2025-26		**(24,850,773)**	**996**	**(24,849,777)**
Balance at 31 March 2026		**(49,016)**	**49,149**	**133**

The General Fund serves as the chief operating fund and is used to account for all financial resources except those required to be accounted for in the Revaluation Reserve. The Revaluation Reserve records the unrealised gain or loss on revaluation of assets.

The notes on pages 101-144 form part of these accounts.

Statement of Changes in Taxpayers Equity for the Year Ended 31 March 2026 (Departmental Group)

This statement shows the movement in the year on the different reserves held by the departmental group analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change 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.

	Note	General Fund	Revaluation Reserve	Taxpayers' Equity
		£000	£000	£000
Balance at 31 March 2024		**(236,904)**	**47,335**	**(189,569)**
Net Parliamentary Funding - drawn down		23,549,048	-	23,549,048
Net Parliamentary Funding – deemed		196,482	-	196,482
Consolidated Fund Standing Services	4	110	-	110
Consolidated Fund	4	6,810	-	6,810
Unspent Supply payable to the Consolidated Fund	14	(180,659)	-	(180,659)
Movement in excess receipts to the Consolidated Fund		(160)	-	(160)
		23,571,631	**-**	**23,571,631**
Changes in taxpayers equity for 2024-25				
Transfers between reserves		1,071	(1,062)	9
Net gain on revaluation of property, plant and equipment	6	-	1,970	1,970
Non-cash charges - auditor's remuneration	4	210	-	210
Actuarial gain on pension scheme		(235)	-	(235)
Return on Revaluation of pension scheme assets		1	-	1
Restriction of pension surplus		234	-	234
Net expenditure for the year *(Restated)*		(23,470,281)	-	(23,470,281)
		(23,469,000)	**908**	**(23,468,092)**
Balance at 31 March 2025 ***(Restated note 24)***		**(134,273)**	**48,243**	**(86,030)**
Net Parliamentary Funding - drawn down		24,895,688	-	24,895,688
Net Parliamentary Funding – deemed		180,659	-	180,659
Consolidated Fund Standing Services	4	122	-	122
Unspent Supply Payable to the Consolidated Fund		(141,347)	-	(141,347)
Movement in excess receipts to the Consolidated Fund		(378)	-	(378)
		24,934,744	**-**	**24,934,744**
Changes in taxpayers equity for 2025-26				
Transfers between reserves		1,093	(1,102)	(9)
Net gain on revaluation of property, plant and equipment	6	-	2,231	2,231
Non-cash charges - auditor's remuneration		213	-	213
Actuarial loss on pension scheme	18	(169)	-	(169)
Return on revaluation on pension scheme assets	18	141	-	141
Adjustment loss due to minimum funding requirement	18	(335)	-	(335)
Net expenditure for the year		(24,858,552)	-	(24,858,552)
Total recognised income and expense for 2025-26		**(24,857,609)**	**1,129**	**(24,856,480)**
Balance at 31 March 2026		**(57,138)**	**49,372**	**(7,766)**

The notes on pages 101-144 form part of these accounts.

Notes to the Departmental Accounts

Statement of Accounting Policies

1. Basis of preparation

The financial statements have been prepared in accordance with the 2025-26 *Government Financial Reporting Manual* (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (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 Northern Ireland Office for the purpose of giving a true and fair view has been selected. The particular policies adopted by the department are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The financial statements have been prepared pursuant to Section 6(4) of the Government Resources and Accounts Act 2000.

The financial statements are stated in sterling, which is the department's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£000).

The financial statements for 2025-26 have been prepared on a going concern basis.

The Autumn Budget announced in October 2024, approved a three year financial settlement as part of Phase 2 of the Spending Review. The settlement, announced in June 2025, outlines the departmental budgets for the financial years 2026-27 to 2028-29. The department has a statutory basis for its function and related funding and there is no reason this would not continue.

Based on the above assessment the accounting officer has concluded that it is appropriate to prepare the financial statements on a going concern basis and does not consider there are any material uncertainties around the core department or the departmental group's going concern status for a period of at least twelve months from when the financial statements are authorised for issue.

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.

1.2 Basis of consolidation

The accounts comprise a consolidation of the core department and its four designated NDPBs; the Parades Commission, the Northern Ireland Human Rights Commission, the Independent Reporting Commission and the Independent Commission for Reconciliation & Information Recovery on a line by line basis. Counterparty transactions have been eliminated on consolidation in accordance with relevant accounting standards.

1.3 Property, plant and equipment

Property, plant and equipment comprise heritage assets, art and antiques, leasehold improvements, fixtures and fittings, vehicles, plant and machinery, computer equipment, office equipment, security equipment and assets under construction.

The department's heritage assets comprise Hillsborough Castle, its contents and its surrounding estate.

In addition, the department occupies a number of properties within the Northern Ireland Executive Estate and the Civil Estate in Great Britain for which rent is paid. Terms of occupancy of these buildings are outlined in agreements known as the Memoranda of Terms of Occupancy (MOTOs).

Consolidation of asset categories

The property, plant and equipment note requires the amalgamation of asset categories under the Plant and Machinery heading. The asset categories represented by this heading include:

- Plant and machinery
- Motor vehicles
- Furniture and fittings
- Office equipment
- Security equipment

1.3.1 Valuation of property, plant and equipment

Expenditure on property, plant and equipment creating a single tangible asset over £5,000 is capitalised. Within the core department the grouping of a range of property, plant and equipment has also been undertaken in respect of some personal computers, printers, office furniture and equipment. The above thresholds are subject to grouping conventions, where appropriate.

Property, plant and equipment are stated at fair value, which is deemed to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All non-heritage property, plant and equipment are restated to fair value each year by reference to indices compiled by the Office for National Statistics (ONS).

Assets under construction are shown at cost, and relate to assets which are incomplete but for which the department has incurred a liability.

In compliance with IAS 16, subsequent expenditure on an asset which does not meet the criteria of enhancement or improvement is expensed through the Consolidated Statement of Comprehensive Net Expenditure.

Upward revaluations are credited to the revaluation reserve and permanent reductions in the value of property, plant and equipment are charged to the Consolidated Statement of Comprehensive Net Expenditure. Any subsequent revaluation of assets is credited to the Consolidated Statement of Comprehensive Net Expenditure to the extent that it reverses previous revaluation decreases recognised as an expense in the Consolidated Statement of Comprehensive Net Expenditure.

1.4 Heritage assets

In accordance with the Financial Reporting Manual (FReM) as issued by HM Treasury, heritage assets are capitalised and recognised in the Statement of Financial Position at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Hillsborough Castle is depreciated as set out in Note 1.6 and subject to quinquennial professional valuations with indices supplied by Land and Property Services used in the intervening years.

Hillsborough Castle is a facility used as a Royal residence and is considered as a specialised operational asset. The most recent professional full valuation of Hillsborough Castle has been carried out by Land and Property Services (LPS) – Department of Finance NI as at 31 March 2022, in line with standards published by the Royal Institute of Chartered Surveyors (RICS). The most recent valuation was carried out as at 31 March 2026 using indices supplied by Land and Property Services. The basis of valuation is current value in existing use. Current Value has regard to the service potential that an asset provides in support of the entity's service delivery. The measurement approach used to arrive at the Current Value of 'in use' assets for specialised operational assets is Depreciated Replacement Cost as defined in RICS Guidance Note: Depreciated Replacement Cost Method of Valuation for Financial Reporting (effective January 2019).

Arts and antiques are not depreciated and are subject to quinquennial professional valuations. The last professional valuation was carried out as at 31 March 2022 by Ross' Auctioneers and Valuers.

When heritage assets are revalued, the carrying amount is adjusted to the revalued amount and the accumulated depreciation is eliminated against the gross carrying amount of the asset.

1.5 Intangible assets

Expenditure on computer software licences lasting more than one year and costing more than £5,000 is capitalised and classified as intangible assets. Software licences are amortised over the shorter of the term of the licence and the useful economic life.

1.6 Depreciation/Amortisation

Property, plant and equipment and intangible assets, with the exception of land, are depreciated/amortised at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point at which the asset is brought into use.
Estimated useful lives, which are reviewed regularly, are:

Asset category	Useful Life
Heritage assets	50 years
Art and Antiques	No Depreciation
Leasehold improvements	10 years (or the life of the lease, whichever is least)
Plant and machinery	3 - 25 years
Information Technology	2 - 16 years
Assets under construction	No depreciation
Intangible assets (software licences)	2 - 10 years

1.7 Realised Element of Depreciation from Revaluation Reserve

Depreciation is charged to expenditure on the re-valued amount of property, plant and equipment. An element of depreciation therefore arises due to the increase in valuation and is in excess of the depreciation that would be charged on the historical cost of assets.

On disposal of a previously revalued asset, the amount relating to this excess is a realised gain on disposal and is transferred from the Revaluation Reserve to the General Fund.

1.8 Impairment

Impairments are recognised in accordance with IAS 36 Impairment of Assets as adapted by the FReM.

An impairment reflects a diminution in the value of an asset as a result of a clear consumption of economic benefits or service potential. At each reporting date, the department assesses all assets for indications of impairment. If any such indications exist, the assets in question are tested for impairment by comparing the carrying value of those assets with their recoverable amounts.

If the recoverable amount of an asset is less than its carrying value, the carrying value of the asset is reduced to its recoverable amount. The recoverable amount of an asset is the higher of its ‘fair value less costs to sell’ and ‘value in use’ (as defined above).

When an asset's carrying value decreases as a result of a permanent diminution in the value of the asset due to a clear consumption of economic benefit or service potential, the decrease is charged directly to net operating costs in the CSoCNE. If the asset has previously been revalued, any remaining revaluation reserve balance (up to the level of the impairment loss) is released to the General Fund.

At each reporting date we review impairment losses recognised in previous years. Any reversal of an impairment loss is recognised in the CSoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised, with any remaining amount recognised in the revaluation reserve.

1.9 Employee Benefits

From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's state pension age (or 65 if higher). From that date all newly appointed civil servants, and the majority of those already in service, joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium and classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65. These defined benefit schemes are unfunded. 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 schemes of the amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the pension schemes.
Further details regarding the above schemes are contained in the Remuneration Report.

From 1 April 2024, The Independent Commission for Reconciliation and Information Recovery employees became members of the Local Government Pension Scheme (Northern Ireland) (NILGOSC), a funded defined benefit pension scheme providing pension benefits for employees of Northern Ireland local authorities and other admitted bodies. All employees were admitted to the NILGOSC scheme upon commencement of employment. Employees who joined prior to 1 April 2024 were admitted to the NILGOSC scheme on 1 April 2024 and their entitlement backdated to joining date.

In accordance with IAS19 (Employee Benefits) scheme managers/trustees are required to undertake a sensitivity analysis for each significant actuarial assumption as at the end of the reporting period, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at that date. This analysis, including details of the methods and assumptions used in preparing the sensitivity analysis, are set out in note 17.

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market-led approach. The latest actuarial valuation of the scheme was at 31 March 2025. Pension scheme assets are measured using market value. Pension scheme

liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term to the liability. Pension scheme assets are only recognised on the Statement of Financial Position if there are expected future economic benefits to the Commission. The increase in the present value of the liabilities of the Commission's defined benefit pension scheme arising from employee service in the period is charged to the Statement of Comprehensive Net Expenditure so as to recognise the cost of pensions over the employees' working lives. Actuarial gains and losses are recognised in Other Comprehensive Net Expenditure. In accordance with IAS19 when an entity has a surplus in a defined benefit plan, it shall measure the net defined benefit asset at the lower of:
(a) the surplus in the defined benefit plan and
(b) the asset ceiling, determined using the discount rate.

The asset ceiling is the "present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan". Staff who are on loan to the Commission from other entities will continue in the pension schemes of their parent entity, the cost of which is recharged to the Commission as part of staff costs.

1.10 Early departure costs

The department is required to meet the additional cost of benefits beyond the normal PCSPS, PCSPS (NI), Civil Service and Other Pension Scheme (CSOPS) UK and CSOPS (NI) benefits in respect of employees who retire early, from the date of their retirement until they reach normal pensionable age. The department provides in full for this cost when the early retirement programme has been announced and this is binding on the department.

1.11 Financing and Operating income

Financing

The department is primarily resourced by funds approved by Parliament through the annual Supply process. Resources are drawn down each month to meet expenditure requirements.

Operating Income

Operating income is income which relates directly to the operating activities of the department. It principally comprises monies received in respect of EU grants and National Loans Fund interest.

Operating income also includes charges provided on a full-cost basis to external customers, as well as public repayment work, i.e. professional services provided by the CSO.

Revenue is recognised when performance obligations, as set out in client's contracts are met.

Revenue includes recoverable expenses but excludes value added tax.

Revenue is recognised at an amount that depicts the transaction price of the transfer of professional services to a customer. The majority of the revenue is derived from contracts

where consideration is based on time and materials. For these contracts performance obligations are satisfied over time and revenue is recognised as services are provided as the pre-agreed rate, provided there is an enforceable right to payment for performance completed to date.

Invoices are issued in accordance with the terms of the engagement, usually monthly.

Operating income includes not only accruing resources but also income to the Consolidated Fund which in accordance with the FReM is treated as operating income. Operating income is stated net of VAT.

Operating income is split under the following headings depending on its classification:

- Administration income
- Programme income

It excludes funding from Parliamentary Vote, loans from the National Loans Fund and advances from the Contingencies Fund.

1.12 Administration and Programme expenditure

The classification of expenditure as administration or as programme follows the definitions set out in HM Treasury's *Consolidated Budgeting Guidance*. Broadly, administrative expenditure reflects the costs of running the department while programme costs relate directly to service delivery activities.

1.13 Grants payable and paid

The Core department recognises the grants due to its executive Non-Departmental Public Bodies, (the Northern Ireland Human Rights Commission, the Independent Reporting Commission, the Parades Commission and the Independent Commission for Reconciliation & Information Recovery), in the period in which they are paid.

The Core department processes receipts and payments on behalf of the Parades Commission and the Independent Reporting Commission. Grant-in-aid paid during the year is calculated by recording the details of payments processed and cash that has been paid out. NIHRC and ICRIR receive a cash grant-in-aid as NIO do not make payments on their behalf.

The department also makes a small number of grants to a variety of public sector, private sector and voluntary bodies and these are recognised in the period in which there is reasonable assurance that they will be paid and that the conditions attaching them will be complied with.

1.14 Leases

Government bodies typically lease properties used for administrative purposes for reasons of efficiency and flexibility. For other types of asset, 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.
Although agreements between UK government bodies are not legally enforceable, any intra-UK government lease agreements are treated as if they constituted a legally enforceable contract, and therefore a lease liability and a corresponding right-of-use asset are recognised.

Leases are recognised in line with IFRS 16. The standard requires recognition of assets and liabilities for all leases in the Statement of Financial Position (SoFP), with exemption given to low value and short-term leases, i.e those with lease terms of less than 12 months. The standard results in the recognition of a right-of-use asset, representing a right to use the underlying leased asset and a lease liability, representing an obligation to make lease payments. The standard was adopted from 1 April 2022.

Measurement of right-of-use asset

The right-of-use asset and lease liability is recognised at the commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of the lease.
The right-of-use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases (consistent with the principles for subsequent measurement of property, plant and equipment) except for those which meet one of the following criteria:

- A longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates; and;
- The fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.
- The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis of those of property, plant and equipment. IAS 36 “Impairment of Assets” is used to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Measurement of lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and dilapidation costs, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HMT.

The lease payment is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in estimate of the amount expected to be payable under residual value guarantee, or if the there is a change in the assessment of whether an option to purchase, extend or terminate is exercised.

Lease payments included in the measurement of the lease liability comprises of the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option when it is reasonably certain to be exercised, lease payments in an optional renewal period if it is reasonably certain an extension option will be exercised, and penalties for early termination of a lease unless it is reasonably certain that the lease will not be terminated early.

Dilapidation costs, are an estimate of the expenditure required to return vacated leased buildings to the original condition at the date of commencement of the lease. The dilapidation estimate is calculated through one of two options:

- Fit-out works are materially complete at year end. In this instance a third-party expert is engage to conduct a survey and produce a report estimating the future dilapidation costs.
- Fit-out works that are ongoing at year end. In this instance a dilapidation estimate is obtained from the property landlord and pro-rated against the square meterage of the leased space, or cost estimate per square foot will be taken from the most recent dilapidation valuation report and applied to the square meterage in the building that has fit-out works to completed, to estimate the future expenditure to return that space to its original condition.

When the lease liability is re-measured, a corresponding adjustment is made to the right-of-use asset or recorded in the SoCNE if the carrying amount of the right-of-use asset is zero.

1.15 Provisions

The department provides for legal or constructive obligations which are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation. For any provisions extending beyond one year a nominal discount rate of 3.64% as quoted in *PES (2025) 9 Discount Rates for General Provisions, Post Employment Benefits, Financial Instruments and Leases (under IFRS 16): Announcement of Rates* has been used.

1.16 Contingent liabilities

Contingent liabilities are disclosed in the notes to the financial statements in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.* 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 Parliament separately noted.

Remote contingent liabilities outside the scope of IAS 37 but requiring Parliamentary reporting in accordance with the requirements of *Managing Public* Money are disclosed in the Parliamentary Accountability and Audit section of the Accountability Report.

1.17 Value Added Tax

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

1.18 Notional charges

Notional charges, in respect of services received from other government bodies, are included to reflect the full economic cost of services.

1.19 Staff Costs

Under IAS19 *Employee Benefits*, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the costs of any untaken leave as at the year end. The cost of untaken leave has been determined using data from staff leave records.

1.20 Financial Instruments

IFRS 9 requires an entity to recognise a financial asset or a financial liability in its Statement of Financial Position when it becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities which arise from the purchase and sale of non-financial items such as goods or services, which are entered into in accordance with the Northern Ireland Office's normal purchase, sale or usage requirement, are recognised when, and to the extent to which, performance occurs. All other financial assets and liabilities are recognised when the Northern Ireland Office becomes party to the contractual provisions to receive or make cash payments. Financial liabilities are derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

For any financial instrument extending beyond one year a nominal discount rate of 2.45% as quoted in *PES (2025) 9 Discount Rates for General Provisions, Post Employment Benefits, Financial Instruments and Leases (under IFRS 16): Announcement of Rates* has been used.

Financial Assets

Loans and receivables

Loans and receivables comprise trade receivables, other receivables and loans that have fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method net of impairment. Interest is recognised by applying the effective interest rate. The effective interest rate is a method of calculating the amortised cost of a financial asset and of allocating the interest revenue or expense over the relevant period using the estimated future cash flows.

IFRS 9 requires an entity to produce an expected loss impairment model for financial instruments held. Under the FReM, balances with core central government departments, the Government's Exchequer Funds (including the National Loans Funds) are excluded from recognising impairments.

The department's main financial instrument is loans from the National Loans Fund. There is no loss allowance for these loans as NLF loans can only be made where there is a reasonable expectation that they will be serviced and repaid on the due dates as the NLF is not legally allowed to make a loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

Financial Liabilities

Trade and other payables

Financial liabilities within trade and other payables are recognised at fair value, which is usually the original invoiced amount.

Loans and other borrowings

Loans and other borrowings are initially recognised at fair value plus directly attributable transaction costs

1.21 Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the department's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts are discussed below.

(i) – Provisions

Provisions have been made for obligations which will be payable at a future date. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

Dilapidations provisions are recognised reflecting the best estimate made by a third party supplier of the obligatory costs due to the lessor upon exiting the premises currently occupied under leasehold agreement by the department. In the financial year 2024-25 the Independent Commission for Reconciliation and Information Recovery recognised a dilapidation provision for their London site on the basis equal to the cost of the fit out works completed in that period. During the financial year 2025–26 an independent external surveyor completed a review of the dilapidation assessment provision and suggested a settlement figure that was in line with the provision.

The NIO has recognised a remediation provision, the details of which are not given to avoid prejudicing the department in disclosing sensitive information.

This remediation provision reflects the best estimate made by management of the future costs, as required by IAS 37.

Litigation provisions are recognised reflecting the best estimate made by management and Counsel's legal advice of the future costs required to settle the obligation, as required by IAS 37.

(ii) – Foreign Exchange (FX)

In line with HMT Foreign Exchange guidance, the department uses spot transactions for FX matters. The department adheres to the requirement to use the Bank of England (BoE) for any transactions that are greater than £2m equivalent, which is the most cost-effective and gives access to competitive margins and prices for government bodies. As set out in the Guidance for the Management of Foreign Exchange Exposure (Guidance for the Management of Foreign Exchange Exposure - GOV.UK (www.gov.uk)), the department will review this approach on an annual basis to evaluate if it remains the most appropriate strategy for managing FX risk.

(iii) – Work in Progress

The Crown Solicitor's Office accrues for the income relating to the cost of solicitor activity in relation to cases that have not completed at the reporting date. This is an estimate of the fees earned as a result of work undertaken up to the reporting date using an estimate of cost based on a combination of actual bills issued, solicitor time recording, average billing and an assessment of the progress on the case to date. Account has been taken of the estimated recoverability of the receivable in the calculation. Any differences between the amount charged to the client upon the completion of the case and the value recognised as work in progress will be accounted for in the accounting period when the client invoice is raised.

(iv) - Post retirement benefits

The Independent Commission for Reconciliation and Information Recovery accounts for pensions and other post-retirement benefits in line with IAS19. In determining the pension cost and the defined benefit obligation of the pension scheme, a number of assumptions are used by the Actuary. These include the discount rate, salary growth, price inflation, the expected return on the schemes investments and mortality rates. Further details are contained in the staff report and note 17.

1.22 Third Party Assets

The Crown Solicitor's Office holds various funds on behalf of its clients. These relate to ongoing legal processes. These balances are not recognised in the Statement of Financial Position but are disclosed in Note 20 to these Accounts.

1.23 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2026

The department has reviewed the standards, interpretations and amendments to published standards that became effective during 2025-26 and which are relevant to its operations.

1.24 Accounting standards, interpretations and amendments to published standards not yet effective

Management has reviewed new accounting standards that have been issued but are not yet effective and have not been early adopted for these accounts. Based on this review, management does not expect the adoption of these standards to have a material impact on the financial statements at the time they become effective.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements* and is effective for annual reporting periods beginning on or after the 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 for public sector bodies through the FReM.

IFRS 19 – *Subsidiaries without Public Accountability*: 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 through the FreM

2. Statement of Operating Costs by Operating Segment

The department organises itself by group and reports income and expenditure by group to the Board each month. In 2025-26 the NIO revised their operating segments. The current groups are:

- Director of Strategy (DS)
- Director for Security and NI Politics (DSNP)
- Director of Public Services & Economic Growth (DPSEG)
- Corporate Operations Group (COG)
- Centrally Managed (CM)

Information on amounts paid to the Northern Ireland Consolidated Fund (NICF) is included as a separate operating segment below.

Information on income and expenditure for all ring-fenced funds and bodies (BDS) within the NIO departmental boundary are included as a separate operating segment below.

The Board received management information containing a summary of spend on a quarterly basis throughout the year. Information on a similar basis is reproduced in the table below.

The department does not consider that assets and liabilities can be meaningfully allocated to segments and manages and reports on assets and liabilities in total. Therefore, no breakdown of assets and liabilities is given.

								2025-26
	£000 NICF	£000 BDS	£000 DS	£000 DSNP	£000 DPSEG	£000 COG	£000 CM	£000 Total
Gross expenditure	24,776,000	45,217	632	1,598	41	3,607	15,957	**24,843,052**
Receipts	-	(7,092)	-	-	-	-	-	**(7,092)**
Total net operating expenditure	**24,776,000**	**38,125**	**632**	**1,598**	**41**	**3,607**	**15,957**	**24,835,960**

								2024-25*
	£000 NICF	£000 BDS	£000 DS	£000 DSNP	£000 DPSEG	£000 COG	£000 CM	£000 Total
Gross expenditure	23,411,000	34,023	697	1,733	49	3,393	14,188	**23,465,083**
Receipts	-	(5,798)	-	-	-	-	-	**(5,798)**
Total net operating expenditure	**23,411,000**	**28,225**	**697**	**1,733**	**49**	**3,393**	**14,188**	**23,459,285**

**2024-25 figures have been realigned to the 2025-26 operating segments*

Note 2.1 Reconciliation between Operating Segments and Consolidated Statement of Comprehensive Net Expenditure

	2025-26 £000 Total	2024-25 £000 Total *(Restated)*
Total net expenditure by operating segment	**24,835,960**	**23,459,285**
Reconciling items:		
AME and non-voted expenditure not included in analysis	22,592	10,996
Total net expenditure per statement of comprehensive net expenditure	24,858,552	23,470,281

3. Staff costs

More detail on staff numbers can be found in the Remuneration and Staff Report.

Core staff costs					2025-26	2024-25
					£000	£000
	Total	Permanently employed and inward seconded staff	Others	Ministers	Special Advisors*	Total
Wages and salaries	15,913	13,187	2,521	205	-	17,616
Social security costs	1,998	1,859	128	11	-	1,562
Other pension costs	4,062	4,062	-	-	-	3,990
Sub Total	**21,973**	**19,108**	**2,649**	**216**	**-**	**23,168**
Less recoveries in respect of outward secondments	(204)	(204)	-	-	-	(464)
Total net costs	**21,769**	**18,904**	**2,649**	**216**	**-**	**22,704**

Departmental Group Staff costs (Audited)					2025-26	2024-25
					£000	£000
	Total	Permanently employed and inward seconded staff	Others	Ministers	Special Advisors	Total *(Restated note 24)*
Wages and salaries	32,483	28,868	3,410	205	-	27,416
Social security costs	3,816	3,569	236	11	-	2,441
Other pension costs	6,402	6,307	95	-	-	5,412
Sub Total	**42,701**	**38,744**	**3,741**	**216**	**-**	**35,269**
Less recoveries in respect of outward secondments	(204)	(204)	-	-	-	(464)
Total net costs	**42,497**	**38,540**	**3,741**	**216**	**-**	**34,805**

*Special Advisers are temporary civil servants. In order to improve efficiency, the administration of staff costs for all Special Advisers across government was moved to the Cabinet Office in July 2019, with corresponding budget cover transfers. Therefore, special adviser costs are now reported in the Cabinet Office Annual Report and Accounts. Special Advisers remain employed by the respective departments of their appointing Minister.

4. Other Expenditure

		2025-26 £000		2024-25 £000	
	Note	Core Department	Departmental Group	Core Department	Departmental Group *(Restated note 24)*
Other Expenditure					
Communications, office supplies and services		1,510	2,609	1,878	2,532
Events and conferences		49	67	19	24
Legal costs		12,167	12,401	6,226	6,737
Maintenance and utilities		3,784	5,037	2,437	3,295
Professional fees		1,701	3,185	1,963	4,082
Audit Fees - ALBs		-	278	-	235
Other contracted out services		415	884	369	397
Subscriptions to professional bodies		153	209	166	208
Training costs		112	283	124	331
Travel, subsistence and hospitality		807	1,541	936	1,467
All other expenditure*		1,366	2,376	4,341	5,340
Non-cash items					
Depreciation	6/7	2,836	4,394	2,655	3,823
Amortisation	8	47	47	72	72
Loss on disposal	6/7	147	147	4	4
Exchange rate and other discounting		10,860	10,860	(124)	(124)
Movement in Provisions in year	15	2,072	2,072	286	286
Auditor's remuneration and expenses		213	213	210	210
Impairment		-	-	1,046	1,046
Rentals under operating Leases:					
Hire of plant and machinery		2	8	-	1
Expense on short-term and low-value leases		142	421	402	514
		38,383	47,032	23,010	30,480
Northern Ireland Consolidated Fund:					
Grant		24,776,000	24,776,000	23,411,000	23,411,000
National Loans Fund interest		61,797	61,797	55,157	55,157
EU grants		2,413	2,413	10,140	10,140
		24,840,210	24,840,210	23,476,297	23,476,297
Total Expenditure		**24,878,593**	**24,887,242**	**23,499,307**	**23,506,777**
Consolidated Fund:					
Election Funding		122	122	6,920	6,920
Consolidated Fund		-	-	(6,810)	(6,810)
Consolidated Fund Standing Services		(122)	(122)	(110)	(110)
		-	-	-	-

* 2024-25 Other expenditure included significant expenditure for 2024 General Election for printing and stationery c£313k and postage c£3m.

During the year the department did not purchase any non-audit services from its auditor, the National Audit Office (2024-25: nil).

By statute the remuneration and associated employers' earnings-related National Insurance Contributions of the Chief Electoral Officer (CEO) are met directly from the Consolidated Fund Standing Services, rather than Parliamentary Supply. These costs are included under Consolidated Fund Standing Services. As the cash for the CEO's salary does not pass through the department's accounts, the expenditure is accounted for as a non-cash item.

Pension benefits for the CEO are on a broadly by-analogy to the Civil Service and Others Pension Scheme (CSOPS) basis. This provides for benefits on a final salary basis accruing at 1/80th of pensionable salary for each year of service and an automatic lump sum of three times the pension. The actual payments come from the Consolidated Fund under section 14 (8) of the Electoral Law Act (NI) 1962.

The Chief Electoral Officer is both the electoral registration officer for all 18 constituencies in Northern Ireland and returning officer for all elections and referenda in Northern Ireland. The cost of running Parliamentary Elections is funded by the UK Consolidated Fund. Further details of spend can be found in note 21.

5. Income

Operating income not within the budget (i.e. surrenderable to the Consolidated Fund) is analysed for resource budget purposes between that which is included in public expenditure and that which is not. In 2025-26, all operating income was within the budget (2024-25: all operating income was within the budget).

Note: Programme income relates to the following transactions with the Northern Ireland Consolidated Fund:

- Interest receivable on loans made by the Northern Ireland Office to the Northern Ireland Consolidated Fund. The Northern Ireland Office uses this interest to pay interest due to the NLF in respect of the loans made to the Northern Ireland Office, equal to the amount of loan made from the Northern Ireland Office to the Northern Ireland Consolidated Fund.
- Income from the EU, which is received by the Northern Ireland Office to be paid over directly to the Northern Ireland Consolidated Fund. Both amounts are offset by an equal and opposite expense as shown in note 4.

	2025-26 £000	2025-26 £000	2024-25 £000	2024-25 £000
	Core Department	Departmental Group	Core Department	Departmental Group
Administration income:				
Professional Fees	6,479	6,479	5,437	5,437
Other administrative income	450	450	69	69
	6,929	**6,929**	**5,506**	**5,506**
Programme income:				
Other	278	396	586	603
National Loans Fund interest	61,797	61,797	55,157	55,157
Income from EU for NI programmes	2,413	2,413	10,140	10,140
	64,488	**64,606**	**65,883**	**65,900**
Total	**71,417**	**71,535**	**71,389**	**71,406**

6. Property, plant and equipment – Departmental Group

	Heritage Assets £000	Antiques £000	Leasehold Improvements £000	Plant & Machinery £000	Information Technology £000	Total £000
Cost or valuation						
At 1 April 2025	89,452	1,767	7,674	456	1,825	**101,174**
Additions	-	-	2,588	6	105	**2,699**
Disposals	-	-	(11)	(85)	(1,057)	**(1,153)**
Revaluations	2,298	-	161	3	7	**2,469**
At 31 March 2026	**91,750**	**1,767**	**10,412**	**380**	**880**	**105,189**
Depreciation						
At 1 April 2025	5,569	-	2,613	425	1,632	**10,239**
Charged in year	1,857	-	685	26	250	**2,818**
Disposals	-	-	-	(80)	(1,026)	**(1,106)**
Revaluation	204	-	27	2	5	**238**
At 31 March 2026	**7,630**	**-**	**3,325**	**373**	**861**	**12,189**
Carrying Amount At 31 March 2026	**84,120**	**1,767**	**7,087**	**7**	**19**	**93,000**
Carrying Amount At 31 March 2025	**83,883**	**1,767**	**5,061**	**31**	**193**	**90,935**
Of the total:						
Department	**84,120**	**1,767**	**1**	**6**	**4**	**85,898**
Other designated bodies	**-**	**-**	**7,086**	**1**	**15**	**7,102**
Carrying amount at 31 March 2026	**84,120**	**1,767**	**7,087**	**7**	**19**	**93,000**

Note 6 (cont.)

	Heritage Assets	Antiques	Leasehold Improvements	Plant & Machinery	Information Technology	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2024	**87,363**	**1,767**	**2,912**	**508**	**3,049**	**95,599**
Additions	-	-	4,754	-	84	**4,838**
Disposals	-	-	(3)	(58)	(284)	**(345)**
Impairment	-	-	-	-	(1,046)	**(1,046)**
Revaluations	2,089	-	11	6	22	**2,128**
At 31 March 2025	**89,452**	**1,767**	**7,674**	**456**	**1,825**	**101,174**
Depreciation						
At 1 April 2024	**3,620**	**-**	**1,667**	**444**	**2,175**	**7,906**
Charged in year	1,810	-	946	34	360	**3,150**
Disposals	-	-	(2)	(57)	(282)	**(341)**
Impairment	-	-	-	-	(634)	**(634)**
Revaluations	139	-	2	4	13	**158**
At 31 March 2025	**5,569**	**-**	**2,613**	**425**	**1,632**	**10,239**
Carrying Amount At 31 March 2025	**83,883**	**1,767**	**5,061**	**31**	**193**	**90,935**
Carrying Amount At 31 March 2024	**83,743**	**1,767**	**1,245**	**64**	**874**	**87,693**
Of the total:						
Department	**83,883**	**1,767**	**153**	**19**	**175**	**85,997**
Other designated bodies	**-**	**-**	**4,908**	**12**	**18**	**4,938**
Carrying amount at 31 March 2025	**83,883**	**1,767**	**5,061**	**31**	**193**	**90,035**

All of the assets above are fully owned, there are no finance arrangements in place. Heritage assets and antiques comprise Hillsborough Castle, its contents and its surrounding estate. Hillsborough Castle is a facility used as a Royal residence and is considered as a specialised operational asset. It has historical importance as the principal seat in Ireland of the Marquesses of Downshire for well over 200 years. The present building dates from the 1770s with 19th and 20th century additions. It passed into public ownership in the 1920s and was used, until direct rule, as the residence of the Governors of Northern Ireland. Currently, the Castle is the venue for official functions including supporting many Royal and other distinguished visitors. In 2014, the department entered into new arrangements with Historic Royal Palaces (HRP) to ensure that the Castle was opened up to the public and run on as efficient a basis as possible. For the period of the 25 year licence granted to HRP (from 20th March 2017), capital expenditure on the Castle is incurred by and treated as an asset of HRP not NIO, however, the underlying asset rests with NIO.

The most recent professional full valuation of Hillsborough Castle has been carried out by Land and Property Services (LPS) – Department of Finance NI as at 31 March 2022, in line with standards published by the Royal Institute of Chartered Surveyors (RICS) and the

antiques were valued by John Ross and Company as at 31 March 2022 for the purposes of these accounts. Valuations are carried out every five years. The most recent valuation of Hillsborough Castle was carried out as at 31 March 2026 using indices supplied by Land and Property Services.

7. Right of Use Leased Assets

Following the adoption of IFRS16 in the 2022-23 financial accounts, leases are recognised on the statement of financial position as right of use assets. Note 1.14 provides further information.

Right of Use Leased Assets – Core Department

2025-26	Leasehold Improvements £000	Plant & Machinery £000	Total £000
Right of use assets			
Cost or valuation			
At 1 April 2025	2,387	77	2,464
Additions*	1,199	23	1,222
Variation on re-measurement	-	-	-
Disposals	(412)	(18)	(430)
At 31 March 2026	3,174	82	3,256
Depreciation			
At 1 April 2025	1,296	10	1,306
Charged in year	594	38	632
Disposals	(330)	-	(330)
At 31 March 2026	1,560	48	1,608
Carrying amount at 31 March 2026	1,614	34	1,648
Carrying amount at 31 March 2025	1,091	67	1,158

*Additions relate to the two leases for vehicles and two new building leases entered into during the financial year.
Included within note 4 other expenditure, expenses relating to short-term and low-value leases totalled £142k in year

Right of Use Leased Assets – Departmental Group

2025-26	Leasehold Improvements £000	Plant & Machinery £000	Information Technology £000	Total £000
Right of use assets				
Cost or valuation				
At 1 April 2025	12,401	81	8	12,490
Additions*	1,236	23	-	1,259
Variation on re-measurement	(2)	-	-	(2)
Disposals	(412)	(18)	-	(430)
At 31 March 2026	13,223	86	8	13,317
Depreciation				
At 1 April 2025	2,063	12	8	2,083
Charged in year	1,537	39	-	1,576
Disposals	(330)	-	-	(330)
At 31 March 2026	3,270	51	8	3,329
Carrying amount at 31 March 2026	9,953	35	-	9,988
Carrying amount at 31 March 2025	10,338	69	-	10,407

*Additions relate to the two leases for vehicles and two new building leases entered into during the financial year.
Included within note 4 other expenditure, expenses relating to short-term and low-value leases totalling £421k in year

8. Intangible assets – Departmental Group

The department's intangible assets comprise purchased software licences with a finite life.

	Software Licences 2025-26 £000	Software Licences 2024-25 £000
Cost or valuation		
Opening balance	318	325
Additions	-	25
Disposals	-	(32)
Closing balance	**318**	**318**
Amortisation		
Opening balance	197	157
Charged in year	47	72
Disposals	-	(32)
Closing balance	**244**	**197**
Carrying Amount at 31 March 2026 and 2025	**74**	**121**
Carrying Amount at 31 March 2025 and 2024	**121**	**168**
Of the total:		
Department	74	121
Other designated bodies	-	-
	74	**121**

9. Leases

Following the adoption of IFRS16 in the 2022-23 financial accounts, the department's leases are now recognised on the Statement of Financial Position, with the exception of leases which are less than 12 months or are considered low value (less than £1,000).

On initial application, the lease liability is measured at the present value of the remaining lease payments using the incremental borrowing rate at the date of initial application. The incremental borrowing rate is either:

- The interest rate implicit in the lease; or
- HM Treasury discount rate where interest rates implicit in the lease cannot be readily determined.

Lease Liabilities – Core Department

2025-26		Leasehold Improvements	Plant & machinery	Total
Lease Liabilities	**Note**	**£000**	**£000**	**£000**
At 1 April 2025		(1,115)	(22)	(1,137)
Additions*		(1,045)	(23)	(1,068)
Variation on re-measurement		(154)	-	(154)
Interest on lease liabilities		(82)	(1)	(83)
Cash Payment		756	18	774
At 31 March 2026		(1,640)	(28)	(1,668)
		Total future lease payments under leases are given in the table below for each of the following periods:		
No later than one year		(839)	(20)	(859)
Later than one year and not later than five years		(801)	(8)	(809)
Balance at 31 March 2026		(1,640)	(28)	(1,668)

*Additions relate to the two leases for vehicles and two new building leases entered into during the financial year.
** Included within note 4 other expenditure, expenses relating to short-term and low-value leases totalled £142k in year

Lease Liabilities – Departmental Group

2025-26		Leasehold Improvements	Plant & machinery	Total
Lease Liabilities	**Note**	**£000**	**£000**	**£000**
At 1 April 2025		(9,914)	(26)	(9,940)
Additions*		(1,045)	(23)	(1,068)
Variation on re-measurement		(192)	-	(192)
Interest on lease liabilities		(347)	(1)	(348)
Cash Payment		5,015	19	5,034
At 31 March 2026		(6,483)	(31)	(6,514)
		Total future lease payments under leases are given in the table below for each of the following periods:		
No later than one year		(1,485)	(21)	(1,506)
Later than one year and not later than five years		(2,871)	(10)	(2,881)
Later than five years		(2,127)	-	(2,127)
Balance at 31 March 2026		(6,483)	(31)	(6,514)

* Additions relate to the two leases for vehicles and two new building leases entered into during the financial year.
** Included within note 4 other expenditure, expenses relating to short-term and low-value leases totalling £421k in year

10. Financial Instruments

As the cash requirements of the department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the department's expected purchase and usage requirements and the department is therefore exposed to little credit, liquidity or market risk.

11. Investments and loans in other public sector bodies

Department of Finance & Personnel On-lent National Loans Fund Loans

	2025-26 £000	2024-25 £000
Balance at 1 April	1,743,999	1,649,076
Additions	225,654	220,000
Repayments	(124,457)	(125,077)
Balance at 31 March	**1,845,196**	**1,743,999**

The balances represent the principal element of National Loans Fund advances on lent by the Secretary of State for Northern Ireland to the Northern Ireland Executive. Interest has as overall nil net impact on the Statement of Financial Position.

The balances above can be further analysed as:

	2025-26 £000	2024-25 £000
Current assets	131,919	124,457
Non-current assets	1,713,277	1,619,542
Balance at 31 March	**1,845,196**	**1,743,999**

12. Cash and cash equivalents

	2025-26 £000 Core Department	2025-26 £000 Departmental Group	2024-25 £000 Core Department	2024-25 £000 Departmental Group
Balance at 1 April	180,970	181,897	196,633	197,641
Net change in cash balance	(39,245)	(39,551)	(15,663)	(15,744)
Balance at 31 March	**141,725**	**142,346**	**180,970**	**181,897**
The following balances at 31 March are held at:				
Government Banking Service	139,165	139,165	180,000	180,000
Commercial banks and cash in hand	2,560	3,181	970	1,897
Balance at 31 March	**141,725**	**142,346**	**180,970**	**181,897**

13. Trade receivables, financial and other assets

	2025-26 £000 Core Department	2025-26 £000 Departmental Group	2024-25 £000 Core Department	2024-25 £000 Departmental Group (Restated note 24)
Amounts falling due within one year:				
VAT receivables	38	38	154	154
Trade receivables	1,859	1,859	3,300	3,300
Other receivables	13,333	162	3,297	96
Prepayments and accrued income	2,100	2,634	837	1,424
Total	**17,330**	**4,693**	**7,588**	**4,974**

14. Trade payables and other liabilities

	2025-26 £000 Core Department	2025-26 £000 Departmental Group	2024-25 £000 Core Department	2024-25 £000 Departmental Group
Amounts falling due within one year:				
Taxation and social security	1,333	1,385	952	989
Trade and other payables	7	130	22	70
Accruals and deferred income	96,901	99,458	88,680	91,916
Property, plant and equipment accruals	-	2,419	-	579
Current element of lease liabilities	859	1,506	850	4,967
Current element of repayment of National Loans Fund	131,919	131,919	124,457	124,457
Amounts issued from the Consolidated Fund but not spent at year end	141,347	141,347	180,659	180,659
Consolidated Fund extra receipts due to be paid to the Consolidated Fund	378	378	311	311
	372,744	**378,542**	**395,931**	**403,948**
Amounts falling due after more than one year:				
Leases	808	5,008	287	4,973
Accruals and deferred income	-	-	82,777	82,777
Repayment of National Loans Fund	1,713,277	1,713,277	1,619,542	1,619,542
Total	**2,086,829**	**2,096,827**	**2,098,537**	**2,111,240**

15. Provisions for liabilities and charges

	Remediation Work		Litigation Claims		Leasehold Dilapidation		Total	
	Core	Dept. Group	Core	Dept. Group	Core	Dept. Group	Core	Dept. Group
Balance at 1 April 2025	5,041	5,041	648	648	441	1,434	6,130	7,123
Provided in the year	492	492	1,728	1,728	-	-	2,220	2,220
Provisions not required written back	-	-	(126)	(126)	(22)	(22)	(148)	(148)
Provisions utilised in the year	(1,696)	(1,696)	(1,498)	(1,498)	(100)	(100)	(3,294)	(3,294)
Balance at 31 March 2026	**3,837**	**3,837**	**752**	**752**	**319**	**1,312**	**4,908**	**5,901**

Analysis of expected timing of discounted flows:

	2025-26 £000 Core Department	2025-26 £000 Departmental Group	2024-25 £000 Core Department	2024-25 £000 Departmental Group
Not later than one year	1,430	1,430	1,556	1,556
Later than one year and not later than five years	1,315	1,315	2,612	2,612
Later than five years	2,163	3,156	1,962	2,955
Balance at 31 March 2026	**4,908**	**5,901**	**6,130**	**7,123**

Departmental Group

	Remediation Work	Litigation Claims	Leasehold Dilapidations	Total 2025-26 £000
Not Later than one year	359	752	319	1,430
Later than one year and not later than five years	1,315	-	-	1,315
Later than five years	2,163	-	993	3,156
Balance at 31 March 2026	**3,837**	**752**	**1,312**	**5,901**

All provisions represent the best estimate of the expenditure required to settle the obligation at the date of approval of the financial statements.

15.1 Provision for Litigation Claims: £752k (2024-25: £648k)

The opening provision includes a provision for £100k relating to a civil damages claim which is subject to closed material proceedings and the details of which are not given to avoid prejudicing the outcome of ongoing proceedings. The provision for legal costs reflects the mid-point in the range of estimated costs, as required by IAS 37. There were no required changes to the provision in the 2025-26 financial year.

In addition, the opening provision includes a provision for £432k relating to a judicial review, the details of which are not given to avoid prejudicing the outcome of ongoing proceedings. During the financial year 2025-26 £329k was utilised and increase to the provision of £369k following Counsel's legal advice.

The remaining opening provisions of £116k relates to various ongoing legal challenges. The provisions for legal costs and damages reflects the department's best estimate following Counsel's legal advice or the mid-point in the range of estimated costs, as required by IAS 37. During the 2025-26 financial year £25k was utilised and £23k removed following Counsel's legal advice

A new provision has been created for £112k relating to ongoing legal challenges. The provision of legal fees reflects the department's best estimate following Counsel's legal advice.

15.2 Provision for Leasehold dilapidation: £1,312k (2024-25: £1,434k)

The opening provision reflects the estimated future costs to make good the premises occupied by the department upon exiting the relevant lease for five premises. The dilapidations reports were commissioned during the 2020-21 financial year and a provision recognised. Following a further dilapidations report received during the year 2025-26 and vacation of two premises, a utilisation and reduction in the required provision is reflected in 2025-26 financial statements. The remaining provision created during the 2024-25 financial year for £918k was created following the occupation of new premises by the Independent Commission for Reconciliation and Information Recovery (ICRIR).

A dilapidation survey was conducted on the Belfast based premises in June 2025. The results of this survey were used to estimate the provision for dilapidation costs and in addition to calculate the provision for the London premises. The London works are now complete, and a survey was commissioned to estimate the dilapidation costs for this work and the provision updated accordingly. The amount included below represents the best estimate of the expenditure required to settle the obligation at the date of approval of the financial statements.

Sensitivity analysis

The dilapidations provision is sensitive to the cost per square metre assumptions used. The approximate impact of changing this key assumption for each of our locations is set out below. In each case, only the assumption mentioned is altered, all other assumptions remain the same.

Cost per square metre assumption (£/sqm)

Adjustment to £/sqm	+£150/sqm	Base figure £000	-£150/sqm
Belfast (£000)	501	419	338
	19.44%		(19.44%)
London (£000)	592	499	406
	18.57%		(18.57%)

15.3 Provision for remediation work: £3,837k (2023-24: £5,041k)

The NIO recognised a remediation provision in the 2021-22 financial year, the details of which are not given to avoid prejudicing the department in disclosing sensitive information.

During the financial year 2025-26 further work was undertaken and the estimate of remediation work required was revised to reflect a greater understanding of future costs and outcomes. The remediation provision of £3,837k (2024-25: £5,041k) reflects the best estimate made by management of the future costs. Management will continue to monitor progress of outcomes and variables identified as required by IAS 37.

16. Contingent liabilities disclosed under IAS 37

Listed below are the department's contingent liabilities that have not been recognised as provisions because their existence will only be confirmed by the occurrence of one or more uncertain future events, not wholly within the department's control.

(a) Internment and potential claims for compensation

As at 31 March 2026, there are Internment cases pending against the department or the Secretary of State which could result in damages against the department for false imprisonment of individuals who are claiming their detention was unlawful. It is not possible to effectively quantify the level of potential liability at this point within a reasonable range.

(b) Employment and personnel cases

There are a small number of cases pending against the department. It has not been possible to accurately estimate the value of these cases and there is continuing uncertainty over the expected date of settlement in respect of these cases at the reporting date.

(c) Others

There are a substantial number of other cases pending against the department or the Secretary of State for which it is not possible to quantify any potential liability at this point. The cases largely relate to legacy and security matters and it is not possible to effectively quantify the level of potential liability at this point.

17. Retirement Benefit Obligation

The Independent Commission for Reconciliation and Information Recovery (ICRIR) participates in the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension scheme and makes contributions for employees each month. The pension scheme is known as the Local Government Pension Scheme Northern Ireland and is a funded multi-employer defined benefit scheme.

NILGOSC is the corporate body responsible for the administration of the scheme. The Scheme Actuary, AON, is responsible for carrying out full valuations every three years. The latest full actuarial valuation was 31 March 2025. The outcome of this valuation was used as the basis for the valuation at 31 March 2025 and to set the level of contributions for employers from 1 April 2026 to 31 March 2029.

The Commission accounts for pensions and other post-retirement benefits in line with IAS19. In determining the pension cost and the defined benefit obligation of the pension scheme, a number of assumptions are used by the Actuary. These include the discount rate, salary growth, price inflation, the expected return on the schemes investments and mortality rates.

	2025-26	2024-25
	£000	£000
Pension Asset/Liability	**(335)**	**-**

The disclosures below relate to the funded liabilities within the Northern Ireland Local Government Officers' Superannuation Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (Northern Ireland) (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations (Northern Ireland) 2014' (as amended) and 'The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014' (as amended).

Funding/Governance Arrangements

The funded nature of the LGPS requires the Commission and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. For 2025-26 the contribution rates were 14.7% employers' and ranging between 5.5% and 10.5% employees'.

The last actuarial valuation was at 31 March 2025 and the contributions to be paid until 31 March 2025 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate.

The Northern Ireland Local Government Officers' Superannuation Committee is responsible for the governance of the Fund.

Assets

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return over the accounting period. The Fund holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Committee) is shown in the disclosures. The Committee may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Risks

Asset volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields at the accounting date. If assets underperform this yield this will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to the accounting figures.

Changes in bond yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in corporate bonds).

Inflation risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.

Life expectancy
The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Exiting employers
Employers which leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the Employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further, the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS19 purposes were:

a) Principal Financial Assumptions (% per annum)

	2025-26	2024-25
	Years	**Years**
Duration of liabilities (years)	19.5	21.1
	%PA	**%PA**
Discount rate	6.2	5.8
CPI Price Inflation (Pension Increase)	2.8	2.5
Salary Increases	**4.3**	**3**

b) Mortality Assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2022 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

	2025-26	2024-25
Males		
Pensioner Member aged 65 at accounting date	22	21.6
Active Member aged 45 at accounting date	22.3	22.2

Females		
Pensioner Member aged 65 at accounting date	25.3	24.5
Active Member aged 45 at accounting date	25.6	25.2

c) Asset Allocation

The approximate split of assets for the Fund as a whole is shown in the table below.

	Asset Split		
	At 31 March 2026 (%)		
	Quoted	**Unquoted**	**Total**
Equities	43.1	-	43.1
Property	-	9.7	9.7
Government	21.4	-	21.4
Corporate bonds	4.1	-	4.1
Multi Asset Credit	13.2	-	13.2
Cash	2.7	-	2.7
Other	-	5.8	5.8
Total	**84.5**	**15.5**	**100.0**

d) Reconciliation of Funded status to Statement of Financial Position (SoFP)

	31 March 2026 £000	**31 March 2025 £000**
Fair Value of Assets	3,055	766
Present value of funded defined benefit obligation	(2,977)	(532)
Funded Status	78	234
Unrecognised Asset	(78)	(234)
Additional liability due to minimum funding requirement	**(335)**	**-**
Asset/(Liability) recognised	**(335)**	**-**

This table above shows the funded status as a £78k surplus. IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction provides guidance on the recognition of the surplus through both reduced contributions and through refunds from the plan. The actuary, AON, have completed the calculation of the potential surplus that could be recovered through reduced contributions in the future, determining an asset ceiling of £0. Additionally, refunds are only possible when an employer exits the fund and will depend on the exit terms in force at the date of exit. Given the uncertainty of when the Commission may exit the fund and the conditions and terms prevalent at that point being unknown, the likelihood and value of any refund is also unknown. The surplus has therefore not been recognised in the Statement of Financial Position at 31 March 2026.

The pension fund was in surplus by £0.078 million at 31 March 2026. However, in accordance with IAS19 and IFRIC 14, the surplus was not recognised as the Commission could not demonstrate an unconditional right to realise economic benefits from that surplus. In addition, an IFRIC 14 minimum funding requirement liability of £0.335 million was recognised. This liability represents the present value of future deficit recovery contributions payable under the Fund's agreed funding plan that are not expected to be recoverable through future contribution reductions or refunds.

The split of the liabilities at the last valuation date between the various categories of members was as follows:

Member Category	%
Active Members	99%
Deferred Pensioners	1%
Pensioners	0%

e) Breakdown of Amounts Recognised in Statement of Comprehensive Net Expenditure (SoCNE) and Other Comprehensive Expenditure (OCE)

	31 March 2026 £000	31 March 2025 £000
Operating Cost		
Current Service Cost*	1,396	518
Past Service Cost (including curtailments)	-	-
Settlement Cost	-	-
Financing Cost		
Interest on net defined benefit liability/(asset)	(53)	(12)
Interest on unrecognised asset	14	-
Total Pension Expense Recognised in the SoCNE	**1,357**	**506**

Re-measurements in Other Comprehensive Expenditure		
Return on plan assets (in excess of) / Below that recognised in net interest	(141)	1
Actuarial (gains) / losses due to change in financial assumptions	44	(227)
Actuarial (gains) / losses due to change in demographic assumptions	22	(6)
Actuarial (gains) / losses due to liability experience	361	(2)
Adjustment loss / (gain) in respect of unrecognised asset	(170)	234
Adjustment loss (gain) due to minimum funding requirement	335	-
Total Amount Recognised in Other Comprehensive Expenditure	**363**	**-**
Total Amount Recognised	**1,720**	**506**

*The current service cost includes an allowance for the administration expenses of £0.038m.

f) Changes to Present Value of Defined Benefit Obligation during the Accounting Period

	31 March 2026	31 March 2025
	£000	£000
Opening defined benefit obligation	**532**	**-**
Current service cost	1,396	518
Interest expense on defined benefit obligation	51	6
Contributions by participants	721	261
Actuarial (gains) / losses due to changes in financial assumptions	(44)	(227)
Actuarial (gains) / losses due to changes in demographic assumptions	22	(6)
Actuarial (gains) / losses due to liability experience	361	(2)
Net benefits paid out	(62)	(18)
Past service costs (including curtailments)	-	-
Net increase in liabilities from disposals/acquisitions	-	-
Settlements	-	-
Closing defined benefit obligation	**2,977**	**532**

g) Changes to the Fair Value of Assets during the Accounting Period

	31 March 2026	31 March 2025
	£000	£000
Opening fair value of assets	**766**	**-**
Interest income on assets	104	18
Re-measurement gains / (losses) on assets	141	(1)
Contributions by the employer	1,385	506
Contributions by participants	721	261
Net benefits paid out	(62)	(18)
Net increase in liabilities from disposals/acquisitions	-	-
Settlements	-	-
Closing fair value of assets	**3,055**	**766**

h) Actual Return on Assets

	31 March 26	31 March 2025
	£000	£000
Interest income on assets	104	18
Re-measurement gain / (loss) on assets	141	(1)
Actual return on assets	**245**	**17**

i) Sensitivity Analysis

The results shown above are sensitive to the assumptions used. The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2026 and the projected services cost for the year ending 31 March 2027 are set out below. In each case, only the assumption mentioned is altered, all other assumptions remain the same and are summarised in the notes above. Sensitivity of unfunded benefits (where applicable) are not included on materiality grounds.

Discount rate assumption			
Adjustment to discount rate	**+0.1 p.a.**	**Base Figure**	**-0.1 p.a.**
Present value of total obligation (£000)	2,920	2,977	3,037
% change in present value of total obligation	(1.9%)	-	2.0%
Projected service cost (£000)	1,411	1,470	1,530

Approximate % change in projected service cost	(4.0%)	-	4.1%
Rates of General Increase in Salaries			
Adjustment to salary increase rate			
Present value of total obligation (£000)	2,977	2,977	2,977
% change in present value of total obligation	0.0%	-	0.0%
Projected service cost (£000)	1,470	1,470	1,470
Approximate % change in projected service cost	0.0%	-	0.0%

Rate of increase to pensions and rate of revaluation of pension accounts			
Adjustment to pension increase rate	**+0.1 p.a.**	**Base Figure**	**-0.1 p.a.**
Present value of total obligation (£000)	3,037	2,977	2,920
% change in present value of total obligation	2.0%	-	(1.9%)
Projected service cost (£000)	1,530	1,470	1,411
Approximate % change in projected service cost	4.1%	-	(4.0%)
Post retirement mortality assumption*			
Adjustment to mortality assumption	**-1 year**	**Base Figure**	**+1 year**
Present value of total obligation (£000)	3,042	2,977	2,909
% change in present value of total obligation	2.2%	-	(2.3%)
Projected service cost (£000)	1,521	1,470	1,419
Approximate % change in projected service cost	3.5%	-	(3.5%)

*A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is one year older than them.

j) Estimated Profit and Loss/Surplus or Deficit in Future Periods

The figures below are provided based on the assumption as at 31 March 2026 outlined above.

Funded LGPS Benefits - Expected Amounts Charged to SoCNE	31 March 2027
	£000
Current service cost*	1,470
Interest on the net defined benefit liability/(asset)	(36)
Total	**1,434**

* Projected service cost includes allowance for administration expenses of £0.039m and estimated payroll costs of £9.829m in the period ending 31 March 2027.

The pension cost shown in next year's accounts might be different to that shown above for the following reasons:

- Actual payroll may be different to that used in the calculations. The difference in payroll will particularly affect the current service cost;
- Past service costs may not be zero (this cost is that resulting from benefit augmentations or unreduced early retirement of individual members before age 60 or on the grounds of efficiency);
- Curtailment/settlement events may occur; and
- Actual cash-flows over the next year may differ from those assumed.

k) Funded Benefits

The following data has been used in evaluating the figures noted above:

Active Members as at 31 March 2025	Number	Total Pay £000
Total	123	**6,812**

Funded cash-flow data provided	Months Provided	Amount Provided £000	Amount Used £000
Employer – Normal Contributions	11	1,270	-
Employer – Additional capital contributions	12	-	-
Employer – Early retirement strain on fund payments	11	-	-
Total contributions by the employer			**1,385**
Employee – Normal contributions	11	661	-
Employee – Added years contributions	11	-	-
Total Contributions by participants		-	**721**

Transfers in			-
Other Income			-
Transfers out			-
Retirement lump sums			-
Other outgo			-
Death in service lump sums*			-
Benefits paid (i.e.) pension paid			-
Net benefits paid out **			**62**

* Calculated over the year to be £0.024m.

** Figure includes an allowance for expenses of £0.038m.

l) Fund Return

The fund Is not formally unitised for the purpose of allocating assets between employers on a monthly basis. Assets have therefore been calculated for this report using the roll-forward method as set out in the Covering Report for non-unitised funds.

The gross Fund return has been calculated using the method set out in the covering report.

An allowance has been made for investment management expenses by reducing the provided fund returns by 0.3% p.a. based on the fund's experience.

The overall Fund return from the 2025 Valuation date 9.3% and this return has been used to roll forward the assets notionally allocated to the Employer at the 2025 Valuation We have used known Fund returns for the period ending 31 December 2025 and index returns for the remainder of the accounting period. The index returns between 31 December 2025 and 31 March 2026 have been calculated as –0.2%.

18. Related-party transactions

The Northern Ireland Office funds the Northern Irish government and is the parent department of four constitutionally separate entities. During the year the NIO has had a number of material transactions with these entities and with other entities which, for financial reporting purposes, are regarded as related parties. These include the Northern Ireland Human Rights Commission, the Northern Ireland Parades Commission, the Independent Reporting Commission and the Independent Commission for Reconciliation and Information Recovery.

In addition, the Northern Ireland Office has had a number of material transactions with other government bodies, including the Department of Finance (NI), and HM Treasury with regard to National Loans Fund.

No Board members, key managerial staff or other related parties have undertaken any other material transactions with the NIO during the year. The remuneration report sets out compensation paid to management.

19. Third-party assets

Funds are required in advance from clients to enable settlement of awards for damages and contributions toward the cost of court proceedings. The Crown Solicitor's Office places these funds on deposit until the final costs of a case have been calculated and settled. These are not departmental assets, as the funds are held on behalf of third parties and as a consequence do not appear in these Accounts. As at 31 March 2026, these amounted in total to £1,074k (2024-25: £1,213k).

20. Entities within the Departmental boundary

The entities within the boundary during 2025-26 were as follows:

Executive
Parades Commission for Northern Ireland*
Northern Ireland Human Rights Commission*
Independent Reporting Commission*
Independent Commission for Reconciliation and Information Recovery*

Non-executive / Advisory
Boundary Commission for Northern Ireland
Chief Electoral Officer for Northern Ireland
Civil Service Commissioners for Northern Ireland
Crown Solicitor for Northern Ireland
Sentence Review Commissioners
Independent Commission for the Location of Victims' Remains
District Electoral Areas Commissioner (ad-hoc)
Independent Reviewer of Police and Military Powers under the Justice and Security Act 2007
Remission of Sentences Act Commissioners
Independent Chairman of the Northern Ireland Committee on Protection (non-statutory)
Veteran's Commissioner (non-statutory)
Independent Reviewer of National Security Arrangements in Northern Ireland (non-statutory)

*Separate Annual Accounts are produced by these entities and are available at:
http://www.nihrc.org
https://www.ircommission.org
https://www.icrir.independent-inquiry.uk
https;//www.paradescommission.org

21. Returning Officers' Expenses (RoE)

The Secretary of State for Northern Ireland has responsibility for electoral policy in Northern Ireland. As a result, the responsibility for setting the expenses of the Returning Officer for Northern Ireland rests with the Secretary of State for Northern Ireland. The electoral administration system in Northern Ireland is administered centrally by the Chief Electoral Officer for Northern Ireland who is an office holder independent of government. He is assisted by the staff of the Electoral Office for Northern Ireland (the "EONI"), the administrative structure created to support him in the discharge of his duties.

The Chief Electoral Officer is both the electoral registration officer for all 18 constituencies in Northern Ireland and returning officer for all elections and referenda in Northern Ireland. The cost of running Parliamentary Elections is funded by the UK Consolidated Fund, as was European elections. Funding for the Northern Ireland Assembly Elections is provided to the Northern Ireland Office by the Northern Ireland Executive through agreed funding mechanisms. The costs of local elections are funded by local authorities.

The Secretary of State for Northern Ireland is accountable to Parliament for all expenditure by the Chief Electoral Officer.

The 2024 General Election was held on the 4th July 2024. The costs paid during the year relate to elections held in the 2024-25 year as outlined below:

Statement of Comprehensive Net Expenditure	**2025-26** £	**2024-25** £
2024 General Election		
Expenditure – conduct of the poll	-	6,810,000
Net Expenditure	-	6,810,000
Net expenditure for the year ended 31 March	**-**	**6,810,000**

Election Expenses

	Total 2025-26 £	2024 General Election £	Total 2024-25 £
Belfast East	-	362,653	362,653
Belfast North	-	370,366	370,366
Belfast South	-	370,331	370,331
Belfast West	-	377,535	377,535
East Antrim	-	366,565	366,565
East Londonderry	-	379,137	379,137
Fermanagh & South Tyrone	-	388,254	388,254
Foyle	-	367,388	367,388
Lagan Valley	-	409,451	409,451
Mid Ulster	-	370,425	370,425
Newry & Armagh	-	368,341	368,341
North Antrim	-	391,515	391,515
North Down	-	373,322	373,322
South Antrim	-	383,793	383,793
South Down	-	380,970	380,970
Strangford	-	372,209	372,209
Upper Bann	-	405,920	405,920
West Tyrone	-	371,825	371,825
Total	**-**	**6,810,000**	**6,810,000**

22. Events after the reporting period date

In accordance with IAS 10, events after the reporting period are considered up to date at which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

After the reporting period the department received notification of ongoing negotiations in relation to matters previously treated as provisions. As a result, the Department is liable for legal costs and damages, resulting in a present obligation and recognition of a current liability at the end of the reporting period for costs incurred up to 31 March 2026. In accordance with IAS 37 a liability has been created for costs incurred in the 2025/26 reporting period. Details of values are not disclosed to avoid prejudicing the outcome of ongoing legal discussions.

23. Capital Commitments

The department had no capital commitments as at 31 March 2026 (2024-25: £1.5m).

24. Prior Period Restatement

An error was identified in the 2024–25 consolidated financial statements relating to VAT incurred on non-business activities of £662,763 in ICRIR. A detailed review undertaken by ICRIR finance in June 2026 established that ICRIR was not included within a Treasury Order under Section 33E, allowing recoverability of VAT. ICRIR concluded that the VAT debtor balance of £662,763 was not legally recoverable because ICRIR had not been designated in a Treasury Order.

Consequently, the department is required to treat this balance as irrecoverable VAT and account for the 2024–25 balance as a prior-period error under IAS8.

A Prior Period Adjustment (PPA) has been completed to account for this error. The effect of the restatement on each financial statement is as follows:

Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2025 (extract):

Departmental Group	31 March 2025 £000	Adjustment 31 March 2025 £000	Restated 31 March 2025 £000
Staff costs	34,609	196	34,805
Other expenditure (net operating expenditure)	23,506,310	467	23,506,777

Consolidated Statement of Financial Position for the year ended 31 March 2025 (extract):

Departmental Group	31 March 2025 £000	Adjustment 31 March 2025 £000	Restated 31 March 2025 £000
Current Assets			
Trade & other receivables	5,637	(663)	4,974
General Fund	(133,610)	(663)	(134,273)

Consolidated Statement of Cash Flows for the year ended 31 March 2025 (extract):

Departmental Group	31 March 2025 £000	Adjustment 31 March 2025 £000	Restated 31 March 2025 £000
Cashflows from operating activities			
Net expenditure	(23,469,618)	(663)	(23,470,281)
(Increase)/Decrease in trade and other receivables	(406)	663	257

Statement of Changes in Taxpayers Equity for the year ended 31 March 2025 (Departmental Group) (extract):

	General Fund £000	Adjustment £000	Restated General Fund £000
Net expenditure for the year	(23,469,618)	(663)	(23,470,281)
Balance as at 31 March 2025	**(133,610)**	**(663)**	**(134,273)**

ANNEX I: REGULATORY REPORTING 2025-26 (Unaudited)

Spending by Northern Ireland Office & Northern Ireland Executive 2020-21 to 2026-27

	2020-21 Outturn £'000	2021-22 Outturn £'000	2022-23 Outturn £'000	2023-24 Outturn £'000	2024-25 Outturn £'000	2025-26 Plans £'000	2025-26 Outturn [5] £'000	2026-27 Plans [3] [6] £'000
Northern Ireland Office Expenditure								
Resource expenditure within Administration Costs	22,147	21,002	24,118	21,990	22,036	23,510	22,435	20,767
Other resource expenditure	6,568	14,105	16,571	16,202	33,154	44,339	37,880	53,317
Northern Ireland Office Resource [2]	**28,715**	**35,107**	**40,689**	**38,192**	**55,190**	**67,849**	**60,315**	**74,084**
Northern Ireland Office Capital	852	1,594	413	2,625	12,362	2,815	3,956	10,792
Northern Ireland Office Resource + Capital DEL [2] [3]	**29,567**	**36,701**	**41,102**	**40,817**	**67,552**	**70,664**	**64,271**	**84,876**
less depreciation & impairments	*- 2,106*	*- 2,193*	*- 3,480*	- 3,926	- 4,941	- 5,240	- 4,441	0
Northern Ireland Office DEL [4]	**27,461**	**34,508**	**37,622**	**36,891**	**62,611**	**65,424**	**59,830**	**84,876**
Northern Ireland Executive Expenditure (The Northern Ireland Block) [5]								
Resource	15,525,442	14,438,455	14,321,579	15,506,839	16,191,382	19,273,945	19,035,568	16,849,869
Capital	1,716,054	1,820,544	1,896,296	2,108,785	2,002,226	2,261,201	2,230,147	2,411,410
Total Resource + Capital	**17,241,496**	**16,258,999**	**16,217,875**	**17,615,624**	**18,193,608**	**21,535,146**	**21,265,715**	**19,261,279**
less depreciation & impairments	*-640,941*	*-319,149*	*-596,666*	*-704,302*	*-569,073*	*-2,379,893*	*-2,150,592*	0
Northern Ireland Executive DEL [3]	**16,600,555**	**15,939,850**	**15,621,209**	**16,911,322**	**17,624,535**	**19,155,253**	**19,115,123**	**19,261,279**

(1) Totals may not sum due to roundings.
(2) Including depreciation & impairments.
(3) Up to and including 2025-26, Departmental Expenditure Limit (DEL) budgets were expressed as resource and capital less depreciation & impairments. As a result the resource and capital numbers included in this table did not sum to total DEL, the difference being depreciation & impairments. From 2026-27 onwards, depreciation and impairments were reclassified from DEL to Annually Managed Expenditure (AME) and are therefore no longer included within DEL. Consequently, DEL figures for 2026-27 onwards are not directly comparable with earlier years unless this classification change is taken into account.

(4) Up to and including 2025-26: Resource + capital - depreciation & impairments (includes Student Loans impairments). From 2026-27 onwards: resource + capital.

(5) Northern Ireland Office outturn data represents final outturn and will accord with the accounts published elsewhere in this document. The Northern Ireland Executive data shows provisional outturn as some Northern Ireland Executive departments have yet to finalise their accounts.

(6) Budget 2026 position.

Cash grant paid to the Northern Ireland Consolidated Fund 2024-25: Provision and Final outturn

	Original Provision £ million	Final Provision £ million	Outturn £ million
Northern Ireland Executive Block Grant (DEL)	17,883.8	18,590.2	18,193.6
Annually Managed Expenditure (exc. Regional Rates and RRI Borrowing)	15,094.6	16,642.8	13,976.7
Expenditure Financed by Regional Rates	1,235.7	703.8	710.2
Expenditure Financed by RRI Borrowing	220.0	220.0	220.0
Non-Domestic Rates	1.8		
Total Managed Expenditure (DEL, AME & Other AME)	**34,435.9**	**36,156.8**	**33,100.4**
Less:			
Non Cash charges	-8,120.8	-9,095.1	-6,682.1
Non Voted (DEL,AME & Other AME)	-5,854.0	-5,724.4	-5,612.7
NDPB Resource Consumption Excl Non cash	-10,835.5	-11,559.0	-11,700.1
Add:			
NDPB Cash Grant in Aid	12,402.0	13,415.8	12,529.9
Voted Other Expenditure outside DEL	711.7	511.5	488.0
Utilisation of Provisions	1,773.6	2,005.4	1,941.6
Movement in debtors/creditors	497.3	807.0	455.6
Total Supply Expenditure	**25,010.1**	**26,518.0**	**24,520.6**
Interest Payable	55.2	58.3	58.3
District Council Rates	815.9	814.4	814.4
Repayment of Principal of RRI Loans	116.3	113.8	113.8
Other Services	11.2	11.5	11.6
Loans Issued			15.5
Sums Repaid			22.3
Temporary Investments			2,296.0
Advances from the Consolidated fund			39.8
NICF Balance			0.5
Total Expenditure	**26,008.7**	**27,516.2**	**27,892.9**
Income			
RRI Borrowing	220.0	220.0	220.0
District Rates	815.9	814.4	814.4
Regional Rates	814.5	817.6	778.2
Interest Receivable	26.8	27.2	27.2
Loan Repayments Received			42.9
Internal Departmental Funds			4.1
Temporary Investments			2,296.0
Advances from NI Consolidated Fund			39.8
Miscellaneous receipts of which:	**198.2**	**256.4**	**259.2**
NICF Balance	*0.2*	*0.2*	*0.2*
Continental Shelf	*1.6*	*1.2*	*1.2*
Misc - NIHE, Land Annuities etc	*7.4*	*3.4*	*3.7*
Excess Accruing Resources	*0.0*	*0.0*	*0.0*
CFERS	*189.0*	*251.5*	*254.0*
EU CFERS	*0.0*	*0.0*	*0.0*
Total Income	**2,075.4**	**2,135.6**	**4,481.9**
Cash Grant payable to Northern Ireland Consolidated Fund by Northern Ireland Office [3]	**23,933.3**	**25,380.6**	**23,411.0**

(1) Totals may not sum due to roundings.
(2) Resource and capital DEL including depreciation.
(3) Northern Ireland Act 1998, Section 58.
(4) All components of this calculation refer to expenduture incurred by/income received by the Northern Ireland Executive.

Cash grant paid to the Northern Ireland Consolidated Fund 2025-26: Provision and Estimated outturn

	Original Provision £ million	Final Provision £ million	Estimated Outturn [5] £ million
Northern Ireland Executive Block Grant (DEL)	19,512.2	21,536.5	21,536.5
Annually Managed Expenditure (exc. Regional Rates and RRI Borrowing)	16,076.4	15,745.3	15,745.3
Expenditure Financed by Regional Rates	732.3	740.0	740.0
Expenditure Financed by RRI Borrowing	225.7	225.7	225.7
Total Managed Expenditure (DEL, AME & Other AME)	**36,546.6**	**38,247.4**	**38,247.4**
Less:			
Non Cash charges	-7,964.1	-9,147.6	-9,147.6
Non Voted (DEL,AME & Other AME)	-6,094.5	-6,118.0	-6,118.0
NDPB Resource Consumption Excl Non cash	-11,882.4	-12,319.9	-12,319.9
Add:			
NDPB Cash Grant in Aid	13,545.2	14,050.0	14,050.0
Voted Other Expenditure outside DEL	545.2	625.9	625.9
Utilisation of Provisions	1,858.2	2,062.2	2,062.2
Movement in debtors/creditors	1,102.5	1,190.9	1,190.9
			0.0
Total Supply Expenditure	**27,656.7**	**28,590.9**	**28,590.9**
Interest Payable	60.1	63.9	63.9
District Council Rates	860.5	862.5	862.5
Repayment of Principal of RRI Loans	122.3	119.8	119.8
Other Services	12.4	12.4	12.4
Total Expenditure	**28,711.9**	**29,649.4**	**29,649.4**
Income			
RRI Borrowing	225.7	225.7	225.7
District Rates	860.5	862.5	862.5
Regional Rates	854.6	859.7	859.7
Interest Receivable	25.6	25.2	25.2
Miscellaneous receipts of which:	**160.5**	**22.9**	**22.9**
NICF Balance	*0.5*	*0.5*	*0.5*
Continental Shelf	*1.2*	*1.3*	*1.3*
Misc - NIHE, Land Annuities etc	*0.0*	*3.2*	*3.2*
Excess Accruing Resources	*157.0*	*0.0*	*0.0*
CFERS	*0.0*	*17.9*	*17.9*
EU CFERS	*1.8*	*0.0*	*0.0*
Total Income	**2,126.8**	**1,996.0**	**1,996.0**
Cash forecasting error	-0.3		
Net general pressures reserve claim		-400.0	-400.0
Underspend of cash grant			2,477.5
Cash Grant payable to Northern Ireland Consolidated Fund by Northern Ireland Office [3]	**26,584.8**	**27,253.5**	**24,776.0**

(1) Totals may not sum due to roundings.
(2) Resource and capital DEL including depreciation.
(3) Northern Ireland Act 1998, Section 58.
(4) All components of this calculation refer to expenduture incurred by/income received by the Northern Ireland Executive.
(5) A detailed breakdown of the 2025-26 outturn for Northern Ireland Executive Expenditure is not yet available.

Calculation of Grant Payable to Northern Ireland Consolidated Fund 2026-27

	Original Provision £ million
Northern Ireland Executive Block Grant (DEL)	19,141.0
Annually Managed Expenditure (exc. Regional Rates and RRI Borrowing)	16,806.6
Expenditure Financed by Regional Rates	771.6
Expenditure Financed by RRI Borrowing	231.5
Total Managed Expenditure (DEL, AME & Other AME)	**36,950.6**
Less:	
Non Cash charges	-9,147.6
Non Voted (DEL,AME & Other AME)	-6,118.0
NDPB Resource Consumption Excl Non-cash	-12,319.9
Add:	
NDPB Cash Grant in Aid	14,050.0
Other Voted Expenditure outside DEL	625.9
Utilisation of Provisions	2,062.2
Movement in debtors/creditors	1,190.9
Total Supply Expenditure	**27,294.1**
Interest Payable	66.9
District Council Rates	895.6
Repayment of Principal of RRI Loans	130.5
Other Services	13.1
Total Expenditure	**28,400.2**
Income	
RRI Borrowing	231.5
District Rates	895.6
Regional Rates	902.1
Interest Receivable	21.4
Miscellaneous receipts of which:	**189.4**
NICF Balance	*0.9*
Continental Shelf	1.3
Misc - NIHE, Land Annuities etc	3.3
Excess Accruing Resources	0.0
CFERS	183.9
EU CFERS	0.0
Total Income	**2,240.0**
Cash Grant payable to Northern Ireland Consolidated Fund by Northern Ireland Office [3]	**26,160.2**

Notes
(1) All items forming this calculation refer to expenduture incurred by/income received by the Northern Ireland Executive.
(2) Totals may not sum due to roundings.
(3) Northern Ireland Act 1998, Section 58.

ANNEX II: ALB REPORTING 2025-26 (Unaudited)

	Total Operating Income £000	Total Operating Expenditure £000	Net Expenditure for the year (including financing) £000	Permanently Employed Staff		Other Staff	
				Number of Employees	Staff Costs £000	Number of Employees	Staff Costs £000
NIO Core incl. other NIO sponsored bodies	(71,417)	24,923,505	24,852,088	240	21,554	4	216
NIHRC	(33)	3,191	3,158	28	2,034	10	290
PCNI	-	848	848	6	573	6	19
IRC	-	446	446	3	253	4	98
ICRIR	(118)	25,191	25,073	182	12,717	35	4,743

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