

Mr Matthew O'Toole
Chair of NI Assembly Finance Committee
Parliament Buildings
Stormont
Belfast
BT4 3XX

16 February 2024

Dear Matthew,

NIAO Budget 2024-25

Firstly my apologies for writing to you at short notice but I am aware of evidence given to your Committee on 14 February by Department of Finance (DoF) officials and further evidence will be given on 19 February. I also understand that your Committee will be considering a Budget Bill for 2023-24 and potentially a vote on account for 2024-25 expenditure based on prior year budgets in advance of fuller consideration of 2024-25 budgets.

You are aware of the budget that has been unconstitutionally enforced on my office, the NIAO, in the absence of a sitting Assembly and that I raised this matter formally in letters with relevant parties including the Secretary of State for Northern Ireland and the Department of Finance. I also gave evidence to the NI Affairs Committee on this.

Prior to the recent restoration of the Assembly, I was advised by the Department of Finance that I should plan to receive a budget in 2024-25 based on a flat cash position from 2023-24. You will appreciate I again raised my very serious reservations on this with the relevant parties, but received no response. Given the position I hold I considered it necessary, in the interests of prudent financial management, to try to plan to live within such a heavily constrained financial position next year (a net budget of £8,720k, against a previous Assembly's Audit Committee approved budget of £9,710k for the 2024-25 year).

Operationally this has meant taking significant restraining decisions, the key one being a recruitment freeze and not filling important vacant posts in my office. This position is frankly unsustainable with a restored Assembly and a situation where I am anticipating Assembly Members will be expecting a full and professional public audit service from NIAO, not just in relation to the Public Accounts Committee but also the wider operations and engagement of my office with the Assembly. I am looking forward therefore to presenting my budgetary requests to the Assembly's Audit Committee and hopefully receiving their support for a full and proper budget which would enable me to remove existing recruitment freezes and other restraints.

My immediate concern is that if I am reading the position correctly it will be some months ahead, possibly June, before there will be full clarity on a budget for 2024-25. The NIAO is a training organisation, employing apprentice and graduate trainee accountants, and you will appreciate the timing of recruitment for a significant portion of my staff is driven by the professional training timetables. A continued recruitment freeze until June, and allowing for months of recruitment to fully staff my office, will place the NIAO under considerable staffing pressures in an already challenging professional recruitment market. I am concerned we will be unable to meet the needs of an Assembly which will already have been functioning for four months and that the service I will be able to provide in future years will be significantly impacted by this apparent short term decision making being led by the DoF that I am being forced to work within.

Therefore if your Committee is considering a percentage vote on account for 2024-25 I would kindly ask that you consider this is not applied to a flat cash position for my office but at least to the position which the Assembly Audit Committee had agreed in the last mandate for 2024-25 i.e. £9,710k. This would enable me then to make some key decisions around recruitment without constraints to ensure I can staff my office to deliver what I anticipate the Assembly will and should expect from my office.

I acknowledge it is unusual for me to write directly to you but I hope you will appreciate why I have done this in the current circumstances and also appreciate the need for independence to be applied in the provision of the budget for my office. I will of course explain this to the Assembly Audit Committee at the first meeting I am called to.

Yours sincerely,



Dorinnia Carville

Comptroller and Auditor General

cc Diane Forsythe, Deputy Chair
Alan Chambers, Chair of NI Assembly Audit Committee
Daniel McCrossan, Chair of Public Accounts Committee
Peter Hall, Committee Clerk
Shane McAteer, Clerk
Nick Mitford, Clerk