



An Agency within the Department for
Infrastructure

Gníomhaireacht laistigh den Roinn

Bonneagair

An Agency within the Department for

Infrastructure

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Annual Report and Statement of Accounts

FOR THE YEAR ENDED
31 MARCH 2026



DRIVER AND VEHICLE AGENCY

ANNUAL REPORT AND STATEMENT OF ACCOUNTS 2025-26

**For the year ended
31 March 2026**

Laid before the Northern Ireland Assembly under
Article 8 (6)(b) of the Financial Provisions
(Northern Ireland) Order 1993
by the Comptroller and Auditor General for
Northern Ireland
on 3 July 2026.



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Performance Report

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1. PERFORMANCE REPORT

Chief Executive's Foreword

I am pleased to present the DVA Annual Report and Accounts for 2025-26.

Our priorities in the past year have been shaped by our commitment to delivering high-quality services, meeting the needs of our customers and ensuring value for money. During 2025-26 we continued our focus on three key areas: Our Services; Our Infrastructure and Assets; and Our Organisation. I am proud to report that we achieved all 16 of our key performance targets as agreed by our Minister and outlined in our Business Plan. This was a significant achievement.

Vehicle testing volumes remained high, with 1.15 million tests conducted and over 1.2 million appointment slots made available. Continued use of Temporary Exemption Certificates (TECs) has helped manage demand for MOTs and enabled us to maintain the waiting time for a private car MOT at an acceptable level.

Demand for driving tests was also high with over 70,000 tests conducted, the highest number conducted since 2008-09. The average waiting time for the year was below the Agency's target of 35 days. We also have been working with the Department on finalising the Graduated Driver Licensing scheme, a new road safety scheme aimed at reducing the over-representation of new, mainly young, drivers killed or seriously injured in road traffic collisions.

We achieved all our licensing and enforcement key targets. Our enforcement teams carried out extensive checks across a range of vehicles, helping to ensure compliance with statutory requirements and keep our roads safer for everyone.

Progress was also made on our Infrastructure programme, including completion of the construction of a new test centre at Mallusk. We also awarded a new contract for the 'Vehicle Testing Solution', which will enable us to bring the new test centres at Hydebank and Mallusk into operation, replace equipment at the existing test centres and progress our plans to introduce a fully compliant diesel emissions test for cars and light goods vehicles at the earliest opportunity.

I would like to thank staff across the Agency for their continued dedication and professionalism in delivering these services. The Strategic Management Board and I are grateful for their commitment throughout the year.

Looking ahead, we will continue to focus on delivering safe, efficient, and customer focused services that meet the standards expected by the public.

A handwritten signature in black ink that reads "Jeremy Logan". The signature is written in a cursive style with a clear, legible font.

Jeremy Logan
25 June 2026
Chief Executive

Non-Executive Board Member Report

Governance

The non-executive members of the Board and Audit and Risk Assurance Committee (ARAC) completed a full cycle of board and committee meetings through the year, helping to provide an independent review of the Agency's operation and management. In that, they were strongly supported and facilitated by the senior management of the Agency and the scrutiny of both Internal Audit and the Northern Ireland Audit Office.

Operational Performance

For the financial year ended in March 2026, the Agency continued to focus on delivery of the critical driver and vehicle testing services, achieving high levels of performance in each of these services. This year the Agency has delivered performance that meets the targets set for these services. Maintaining this level of performance continues to dominate much of the discussion in Board meetings and in the work of the ARAC. The Agency continues to benefit from the introduction of limited temporary exemptions and the recruitment of additional staff. The key infrastructure projects have progressed well, building much needed capacity. The management team are to be commended for their continued focus ensuring that the impact on the public is minimised. It is recognised that these measures have come at a cost with the Agency incurring additional expenditure. The financial impact of such actions remains under close review.

Business Improvement

The ambitious programme of investment in infrastructure and processes continued to progress during the year, notably the new test centre at Mallusk.

A key concern for the Agency is the delay in opening Hydebank for vehicle testing. Following the award of the equipment contract to a new supplier, opening is now expected in the next year. The Board continues to manage the situation and is working to minimise the impact of any resultant delays.

The Business Improvement Board was established in 2021 to oversee issues and drive the delivery of benefits realised from the Transformation Programme. The Agency's ARAC continually monitored progress in this area, with regular reports presented to both the Senior Management Board and the ARAC to enable timely action and provide support where

necessary.

Audit and Risk Assurance Committee (ARAC)

The Committee continued to provide independent assurance to the Board and Accounting Officer. Key areas of focus remain:

- Capability of the internal control, with a view of exposure to fraud and corruption;
- Value for money;
- Integrity of the financial reporting processes;
- Strength of the risk management process;
- Corporate governance.

Within its remit, and taking account of exceptional business conditions, the Committee was encouraged by the focus on risk and took assurance from the full programme of audits undertaken.

Conclusion

The Agency through the leadership of its CEO demonstrates a willingness to respond quickly to the challenges presented. Through the management and governance structures it is vigilant to potential risks and is proactive in driving improvement. It strives to provide the best possible service within its remit. I wish to extend my thanks to the team for their professionalism and congratulate them on the achievements of the year.

Enda McKeever

Non-Executive Board Member

1.1 OVERVIEW

Introduction

This commentary sets out the Agency’s main objectives, outlines the organisational context within which we operated and provides a detailed report on performance during 2025-26.

History and Statutory Background

The Driver & Vehicle Agency (DVA) was created under the Review of Public Administration on 1 April 2007, by the merger of Driver and Vehicle Licensing NI (DVLNI) and the Driver & Vehicle Testing Agency (DVTA).

The Chief Executive is the Agency Accounting Officer and reports through the Permanent Secretary of the Department for Infrastructure (DfI) to the Minister for Infrastructure. The Minister has overall political responsibility and accountability for all the Department’s activities.

From 3 February 2025, the Department (including the Agency) was under the direction and control of the Minister for Infrastructure, Liz Kimmins MLA.

Vision



Vision

The Agency’s vision is
‘Safer Drivers, Safer Vehicles’.

Mission Statement

The mission of the DVA is “To contribute to road safety, law enforcement and a cleaner environment by promoting compliance of drivers, vehicles and transport operators through testing, licensing, enforcement and education.”

Programme for Government (PfG)

The Northern Ireland Act 1998 and the Belfast (Good Friday) Agreement require the Executive to seek to agree a programme of work. There is no prescribed form or function

that such a programme must take, and the contents and purpose of any Programme for Government (PfG) is a decision for an Executive to take.

The NI Executive's Programme for Government (PfG) 2024-27 'Our Plan: Doing What Matters Most' was published on 3 March 2025. It includes nine high level immediate priorities and recognises the underpinning nature of infrastructure and the importance of funding to address and maintain Northern Ireland's deteriorated critical infrastructure. DfI plays a fundamental role as an enabler of the achievement of several of the priorities outlined in the Programme for Government (PfG) and by delivering on the Executive's Building New Foundations ambitions.

DfI's responsibilities are grouped into three key delivery areas: Water, Transport and Planning. For Transport, one of the responsibilities is road safety and the Agency's overall aim is to deliver improved road safety and better regulation of the transport sector.

Strategic Objectives

The Agency's strategic objectives are to:

- improve compliance with statutory requirements;
- improve the quality, integrity and security of our records;
- deliver quality services to meet the needs of customers and other stakeholders;
- apply appropriate quality standards to all current and new processes;
- improve our efficiency, effectiveness and economy; and
- develop the organisation and our people.

Values

The Agency's values describe how we behave and treat each other, and how we treat our customers and stakeholders. Our values are:

- Integrity – putting the obligations of public service above personal interests;
- Honesty – being truthful and open;
- Objectivity – basing advice and decisions on rigorous analysis of the evidence;
- Impartiality – acting solely according to the merits of the case and serving equally well governments of different political persuasions;
- Valuing people - leading and empowering, listening and responding,

recognising success; and

- Excellence – a focus on customer service, inspiring creativity and innovation, striving for excellence.

What We Do

The Agency provides a wide range of services to road users in Northern Ireland, including:

- driver and vehicle testing;
- driver licensing – issuing and, where appropriate, withdrawing licences in respect of drivers of cars, motorcycles, lorries, buses, etc;
- driving and riding instructor registration – assessing the suitability of applicants, checking tuition standards, the delivery of Compulsory Basic Training and taking appropriate action when instructors fail to meet required standards;
- passenger transport licensing – issuing and, where appropriate, withdrawing licences in respect of bus and taxi operators and taxi drivers and licensing public service vehicles for both the bus and taxi industries respectively;
- compliance audits and enforcement of licensing, roadworthiness and other legal requirements for goods and passenger carrying operators and their vehicles; and
- technical driver and vehicle standards – ensuring the Department fulfils its legal obligations in respect of the provision of statutory driver and vehicle tests; providing technical advice to Driving, Vehicles and Road Safety Policy Division (DVRSPD) to assist in the development of legislation; reviewing legislative changes that may affect the driving and vehicle testing environment; and developing and implementing appropriate standards.

Organisational Structure

We deliver our services through teams of dedicated and committed people located throughout the region. Our organisational structure is shown on the next page.



Risk

We follow the Department's Risk Policy and Framework for Risk Management and have a risk management process in place which sets out our approach to risk management including risk appetite; the hierarchy for managing risks; the risk identification and escalation process; and the roles and responsibilities of the various levels of management. This approach allowed risks to be identified and managed at all levels and to be escalated as appropriate.

A number of key risks continued to be faced during the year including, risk associated with the health & safety of our staff and customers, risk associated with delivering our services as a result of the inability to recruit and retain staff to fill key posts, risk associated with the financial position of the Agency and risk associated with procurement and contract management.

More detail on Risk Management, the Control Framework and the risks faced by the Agency is outlined in the Corporate Governance Report on page 40.

Overview of Performance

In broad terms, we achieved all 16 of our 16 Key Performance Targets. More detail on performance is provided in the following pages.

1.2 PERFORMANCE ANALYSIS

Our performance has been measured against the key targets approved by the Minister as set out in our 2025-26 Business Plan, which can be found at the following link: [DVA Business Plan 2025-26](#).

The 2025-26 year remained a challenging time for the Agency. We worked hard to deliver on our three priorities namely, Our Services, Our Infrastructure and Assets, and Our Organisation. Our business plan detailed 16 key performance targets against our priorities and our focus was on delivering high levels of services for our customers; appointing a vehicle testing equipment provider; progressing our Infrastructure Project; progressing our digital business improvement work to help improve our customer service; and delivering our Health & Safety operational plan to ensure our people work in a safe and positive environment and our customers are safe when physically interacting with us in the delivery of our services. We also took forward a review of driver licensing fees with a focus on the financial sustainability of the Agency and value for money for our customers.

During the year the Agency's Strategic Management Board (SMB) monitored progress on the delivery of the key performance targets and formal progress reports were communicated to the Permanent Secretary and Minister.

Overall, we achieved 16 of our 16 key performance targets during 2025-26. These targets, together with details of how we performed in relation to each, are set out on pages 14-16.

1.3 PERFORMANCE AGAINST KEY TARGETS

We achieved all of our 16 targets for the year. Performance against each target is detailed below.

Target Number	Key Performance Target	Performance	Result
1	For vehicle testing, the average waiting time for an MOT appointment (private car) will be 5 weeks (35 days) or less.	Average waiting time 32 days	Achieved
2	For driver testing, the average waiting time for category B (private car) practical tests will be 5 weeks (35 days) or less.	Average waiting time 33 days	Achieved
3	For commercial licensing, we will dispatch 95% of taxi driver badges within 10 working days of receipt of all documentation.	99.65%	Achieved
4	For commercial licensing, we will dispatch 95% of taxi plates within 5 working days of receipt of all documentation.	100%	Achieved
5	For driver licensing, we will issue 90% of driving licence applications made by post within 10 working days of receipt.	95.8%	Achieved
6	For driver licensing, we will issue 95% of online driving licence applications within 5 working days of receipt.	99.4%	Achieved
7	For our customers, we will reply to: 97% of stage 1 complaints within 15 working days; and 97% of stage 2 complaints within 10 working days.	98.7% 100%	Achieved

Target Number	Key Performance Target	Performance	Result Achieved /Not Achieved
8	<p>For compliance & enforcement, we will achieve the following 10 targets:</p> <ul style="list-style-type: none"> Conduct at least 1000 vehicle inspections on HGV units (tractor or trailer) Conduct safety checks on at least 150 buses both at the roadside and those used for dedicated home to school transport purposes. Carry out at least 250 operator and vehicle licensing checks on buses at the roadside using tablet devices. Conduct at least 30 taxi enforcement operations during the weekend night-time economy. Carry out at least 2500 operator and vehicle licensing checks on taxis at the roadside using tablet devices. Carry out a safety inspection on at least 90% of all taxis presented for a taximeter test. Conduct at least 300 safety inspections on private cars. Carry out a minimum of 50 multi-agency operations to improve road safety and compliance with statutory requirements. Complete at least 90% of bus, goods and taxi operator compliance inspections requested by the Transport Regulation Unit (TRU) / Passenger Transport Licensing Division (PTLD) within agreed timescales. Complete at least 95% of executive summary compliance reports (ESCR) requested by TRU within agreed timescales. 	<p>1,115</p> <p>196</p> <p>1,112</p> <p>37</p> <p>3,894</p> <p>100%</p> <p>413</p> <p>97</p> <p>100%</p> <p>100%</p>	Achieved

Target Number	Key Performance Target	Performance	Result Achieved /Not Achieved
9	We will complete the construction of our new test centre at Mallusk.	Construction completed	Achieved
10	We will complete our digital work programme for the year.	Programme completed	Achieved
11	We will appoint a vehicle testing equipment provider.	Contract awarded on 11 March 2026	Achieved
12	We will achieve security accreditation of our external facing IT systems.	Accreditation achieved	Achieved
13	We will deliver our health and safety work programme.	Fully delivered	Achieved
14	We will achieve the trading fund financial target to break even taking one year with another.	2025-26 Retained Surplus of £2.7m	Achieved
15	We will generate a return on capital employed greater than 3.50%.	4.33%	Achieved
16	We will take forward a review of driver licensing fees.	Review progressed	Achieved

PERFORMANCE SUMMARY BY BUSINESS AREA



95.8%

of driving licence applications made by post

ISSUED WITHIN 10 WORKING DAYS

99.4%

of online driving licence applications

ISSUED WITHIN 5 WORKING DAYS



100%

TAXI PLATES

dispatched within 5 working days

99.65%

TAXI DRIVER BADGES

dispatched within 10 working days

336,938

DRIVING LICENCES ISSUED



10 out of 10

COMPLIANCE & ENFORCEMENT TARGETS **ACHIEVED**

16 of the 16

key performance targets **achieved**



Responded to:



98.7% OF STAGE 1 COMPLAINTS

WITHIN 15 WORKING DAYS

100% OF STAGE 2 COMPLAINTS

WITHIN 10 WORKING DAYS

2025-26

AVERAGE WAITING TIME for an MOT appointment

(private car)

32 DAYS



1,148,543

VEHICLE TESTS CONDUCTED

2025-26

AVERAGE WAITING TIME for category B

(private car)

practical driving test

33 DAYS



70,023

DRIVING TESTS CONDUCTED

1.4 PERFORMANCE SUMMARY BY BUSINESS AREA

This performance summary provides an overview of the wide range of services delivered by the Agency during 2025-26.

Driver Licensing

During 2025-26 a total of 336,938 driving licences (ordinary and vocational) were issued (2024-25: 308,651). The level of licences issued through the use of the online service increased from 73% in 2024-25 year to 77% in the 2025-26 year.

We issued 95.8% (2024-25: 95.5%) of driving licence applications made by post within 10 working days of receipt against a target of 90%; and issued 99.4% (2024-25: 99.4%) of online driving licence applications within 5 working days against a target of 95%.

The View and Share driving licence online service which allows a driver to view their driving record, including the expiry date, address, and other details that the Agency holds, continued to be a success during 2025-26. This online service means a driver can also generate a share code to allow a third party, such as a car hire company, to view the driving record details. In the 2025-26 year, just over 59,500 (2024-25: 41,319) share codes were created.

16,355 provisional licences were processed through the online service in the 2025-26 year, which represents 46% of the total number of provisional licences processed.

Throughout 2025-26 we made changes to how drivers can notify us of certain medical conditions. In March 2026, updates were introduced to our online renewal and first provisional application services to capture medical information relating to vision and cardiology. This builds on the conditions already provided for online, which are sleep apnoea, diabetes, and neurological developmental conditions including attention deficit hyperactivity disorder (ADHD) and autism spectrum disorder. These enhancements have streamlined the assessment process, enabling staff to determine some applications without the need to issue additional medical information forms. We continue to review our medical forms and identify further conditions where information can be captured at the point of application. In the 2025-26 year, over 24,000 drivers notified us of a medical condition online when applying to renew their licence.

The provision of Medical Fitness to Drive Assessments is delivered under a Direct Award Contract which is due to expire at the end of July 2026. During the year the Agency, in conjunction with the Department of Finance's Construction & Procurement Delivery (CPD) team, took forward an open procurement exercise for this service alongside the Specialist Medical Advisory Service. Contracts for these services were awarded on 27 April 2026.

Driver Testing

The average waiting time for a Category B (private car) driving test for 2025-26 was 33 days against a target of 5 weeks (35 days). During 2025-26 we provided 72,567 driving test appointment slots (2024-25: 72,107 restated) and we conducted 70,023 driving tests (2024-25: 68,700) which was the highest number of tests conducted since 2008-09.

During 2025-26 the Agency continued to work with the Driver & Vehicle Standards Agency (DVSA) in GB who deliver the theory test through several separate contracts, including some that are managed in-house by DVSA. Service management arrangements with DVSA continue to operate well and the service is consistently delivered to a high level of customer satisfaction (96.6% average for 2025-26). During 2025-26, 114,604 theory test appointments were booked (2024-25: 106,756), with 94,763 tests delivered (2024-25: 89,836 restated).

Vehicle Testing

Our vehicle testing services continued to experience high demand during 2025-26. We provided 1,197,473 vehicle test appointment slots (2024-25: 1,216,204 restated) and 1,148,543 vehicle tests were conducted (2024-25: 1,163,600).

To manage vehicle testing capacity in our test centres we continued the use of a range of measures including, the recruitment of examiners, the use of overtime to provide cover for leave and sick absence and offering vehicle test appointments on a Sunday and on occasion, bank holidays, at most test centres.

On 6 March 2025 Minister Kimmins announced that Temporary Exemption Certificates (TECs) would continue from 1 June 2025, for 5 and 7-year-old cars in specified date ranges. During 2025-26 120,099 temporary exemption certificates were applied (2024-25: 125,753). Continued use of TECs has helped manage demand for MOTs and enabled us to maintain the waiting time for a private car MOT at an acceptable level. The average waiting

time for the year was 32 days against a target of 35 days.

Vehicle Standards

In January 2025, Minister O'Dowd approved the planned introduction of Particle Number (PN) testing for diesel cars and light goods vehicles (first registered from 1 January 2013) at annual MOT. In March 2026, an equipment supply contract was awarded to supply and maintain new vehicle test equipment. PN testers will be provided as an integral part of this new contract, and it is planned to progress the necessary legislative changes and begin the introduction of this innovative and advanced diesel emissions test by the end of 2026.

In late 2025, the Agency's Vehicle Standards Section researched the development of a dedicated Public Service Vehicle (PSV) Bus Inspection Manual, that would streamline assessment processes, support legislative compliance, and provide clear and readily accessible technical guidance for staff and customers. In April 2026, Vehicle Standards Section published the Agency's first comprehensive [PSV Inspection Manual](#), consolidating legislative and accessibility requirements into a clear, user-friendly document. This will improve the quality, accuracy and consistency of the bus testing service, strengthen public safety outcomes and establish a sustainable framework for continuous improvement.

Passenger Transport Licensing

During 2025-26 a total of 1,430 taxi driver licences badges (new and renewal) were dispatched (2024-25: 1,909) with 99.65% of these issued within 10 days against a target of 95% (2024-25: 99.74%). 100% of these applications were made via the on-line commercial licensing system. We also printed and dispatched 7,535 sets of taxi plates (2024-25: 7,287) and issued 100% of these within 5 days against a target of 95% (2024-25: 100%). We also dealt with 218 Bus Operator Licence (BOL) and 434 Taxi Operator Licence (TOL) applications (2024-25: 206 and 381) and 1,737 requests for changes to these licences (2024-25: 1,672).

The taxi and bus industries can apply and manage their licences remotely and this service has been well received by the industry. During 2025-26 a number of service enhancements were introduced to the system. These enhancements have further improved the Agency's service delivery to the taxi and bus industries and proven to be popular with customers.

During the year we have continued to work with colleagues in the Department and other stakeholders on a range of matters including, cross border authorisations and bus permits, taxi policy and legislation, and engagement with His Majesty's Revenue and Customs (HMRC) on issues around conditionality within the taxi industry. We are also working with the Police Service Northern Ireland (PSNI) on safeguarding initiatives where taxi and bus operators can play an important role in raising safeguarding concerns with relevant authorities.

Compliance and Enforcement

During 2025-26, the Agency successfully achieved all ten compliance and enforcement targets set out in its Business Plan for the year, demonstrating continued effectiveness in regulating the road transport sector. Performance against each target is set out on page 14.

A comprehensive programme of risk-based inspections was undertaken across a broad range of commercial and private motor vehicles to ensure full compliance with statutory requirements. This included targeted roadside checks and detailed compliance audits at transport operators' premises. Collectively, these activities play a vital role in preventing collisions, reducing the risk of serious injury to drivers, passengers and other road users, protecting the environment, and promoting fair competition within the road transport sector.

Enforcement activity was further strengthened through close collaboration with partner agencies, including the PSNI, HMRC and Border Force. This co-ordinated multi-agency approach enabled more efficient use of resources and improved the targeting of road users most likely to be non-compliant. Where appropriate, enforcement outcomes were referred to the Department's Transport Regulation Unit (TRU) and Passenger Transport Licensing Division (PTLD) for further regulatory action.

A significant number of heavy goods vehicles, including foreign-registered vehicles, were detained and subsequently disposed of in line with the Goods Vehicle Act (NI) 2012, after being found to be operating without a valid Goods Vehicle Operator's Licence. In addition, the results from a bus compliance survey conducted in 2024-25 were published in quarter 1 of 2025-26 and the findings were used to inform and enhance the targeting of non-compliant drivers and operators throughout the year.

The Agency also continued to support the taxi industry through the delivery of taximeter testing at seven roadside test sites. These tests included a roadside inspection to confirm that vehicles presented for test were properly maintained and fit for service.

Progress continued throughout the year on the section's ICT business improvement programme which strengthened intelligence-led enforcement by supporting more effective targeting and detection of offending behaviour.

Business Improvement

Throughout this year we have continued to progress our business improvement programme which focused on strengthening capacity and capability, improving customer and staff experience and modernising digital and physical infrastructure.

We have continued to stabilise and build our workforce through sustained recruitment activity across operational and corporate roles. New vehicle, driving and dual-role examiners have been appointed and deployed following training, increasing capacity across the network. To maintain momentum, further recruitment campaigns are planned, including the introduction of new delivery models aimed at reducing recruitment timescales and improving candidate experience. General Service recruitment competitions have continued to support vacancy management across the Agency, while workforce planning has been strengthened through apprenticeships, graduate entry and student placements.

Alongside recruitment activity, organisational design reviews have commenced across a number of business areas to ensure skills, structures and capability remain fit for purpose. We have also focused on strengthening staff engagement, communications and wellbeing. Colleagues have been provided with clear opportunities to share their views through people surveys and ongoing engagement channels, supported by evolving internal communications tools and visible leadership activity. Volunteering and community engagement have expanded, supported by external partnerships, while wellbeing initiatives remain active across the Agency. Professional development has continued, with strong uptake of corporate learning programmes, extensive delivery by the in-house training team, and targeted development activity in areas such as health and safety, fraud awareness, cyber security and the use of emerging technologies.

An extensive digital programme of improvements has continued to modernise our

customer-facing and internal ICT systems. Enhancements to licensing, testing, compliance and customer contact services have improved journey quality, reduced error rates and increased operational efficiency. Automation and improved scheduling functionality have delivered tangible benefits in test centre operations, while targeted user experience improvements have strengthened system performance and accessibility in line with Government Digital Service and accessibility standards. Digital infrastructure resilience has been enhanced through device upgrades, adoption of cost-effective technologies and continued progress towards cloud migration. Innovation has been further embedded through staff engagement with artificial intelligence and data analytics, including pilot use cases to inform longer-term adoption.

Significant progress has also been made in modernising the Agency's estate and operational infrastructure. The new Mallusk Test Centre construction was completed, and plans are underway to bring it into operation which will further strengthen network capacity. Sustainability and resilience improvements have continued across existing sites, including energy efficiency measures and enhanced building systems, supported by embedded planned preventative maintenance arrangements. Operational capability is being further strengthened through new equipment procurement, with testing and phased deployment planned across the network.

Customer Service

In 2025-26 there was a high level of correspondence from customers addressed by the Agency's dedicated Customer Services team. The main issues related to requests for earlier MOT appointments for vehicle tax purposes, TEC queries, and delays in processing driving licences. There were 44,361 emails, 43 compliments and 651 complaints received regarding the Agency's services by the Customer Services Team (2024-25: 51,677 emails, 49 compliments, 614 complaints). A complaints analysis report is produced annually and can be found on the Department for Infrastructure website.

Communications

We have a dedicated Communications team which works to ensure that our internal and external communications with staff, stakeholders and customers are as effective as possible. During the past few years significant changes to service provision, the introduction of new systems and operational pressures have placed a greater focus on the work of the team.

Throughout 2025-26, the team has contributed to stakeholder engagement and internal communications associated with staff health checks, corporate messaging in Hydebank House, and the introduction of the new DVA Health and Wellbeing Initiative and working with operational colleagues to improve customer access to services.

The Communications team has supported the introduction of new online services, including a system that allows customers to add vehicles to the system for MOT bookings, as well as a new portal that helps customers find answers to motoring queries online. In addition, the team has continued to provide essential support for the planned implementation of the new Graduated Driver Licensing scheme.

As the Agency continues to deal with high levels of demand for its services and operational pressures, the Communications team has worked to ensure that the appropriate media have been used to deliver key, timely and targeted messages to customers and stakeholders. This included managing the Agency's content on the nidirect and department websites, coordinating the actions of the contact centre, the use of social media channels and responding directly to customer communications. In addition to the above, the team has continued to be a source of professional advice and support to staff across the Agency.

National Statistics

Many of the key business volumes reported in the Annual Report and Accounts were sourced from DfI National Statistics published on 29 May 2026. These can be found on the Department's website at the following link: [DfI Driver, Vehicle, Operator, and Enforcement Statistics - 2025-26 - Quarter Four](#).

Sustainability reporting

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

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

relevant.

The organisational boundary used in this sustainability report is the Driver & Vehicle Agency as an Executive Agency of the Department for Infrastructure. This report provides an overview of the Agency's estate and associated operational footprint. The Agency employs approximately 750 staff who deliver services across a network of facilities, comprising 16 test centres, one satellite driving test centre, and a central licensing centre in Coleraine, which administers both driver licensing and passenger transport licensing functions. In support of operational requirements, the Agency also maintains a fleet of 47 vehicles, with staff travel undertaken as necessary across a range of roles. It also includes the environmental impact from any building that is rented by the Agency. In cases where a building is shared by two or more tenants, the data is proportioned by the floor space utilised by the tenant. For example, if the Agency rents 50% of the floor space of a building, the Agency will report 50% of the emissions associated with that building.

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

Governance

The Agency's Strategic Management Board (SMB) oversees and monitors initiatives to improve the Agency's sustainability record and compliance with relevant legislation. Improvements in sustainability and energy efficiency are considered as part of the overall strategic development of the programmes and business cases, in line with governance processes, disclosure controls and procedures used for financial management and other risk management processes.

Sustainability is a key part of the objectives set out on the Agency's Business Improvement Programme 2025-27, which is overseen by the Business Improvement Board. Progress against these initiatives is scrutinised by the Board throughout the year at its three regular meetings and reported annually to SMB.

Although there is no specific function within the Agency to cover Climate Change policies,

the Senior Leadership Team has joint responsibility for promoting sustainability initiatives in their specific area of service delivery. This includes areas such as infrastructure, fleet and estate management, as well as operational areas, including the introduction of Particle Number (PN) emissions testing.

Emissions

As part of its statutory vehicle testing role, the Agency continues to support environmental compliance by conducting a fully compliant diesel emissions test on heavy goods vehicles, buses and vans over 3,500kg, together with emissions-related checks for cars and light goods vehicles. We have progressed work to enable the introduction of a fully compliant diesel emissions test for cars and light diesel vehicles, building on earlier design, consultation and infrastructure work.

The Agency has continued to modernise its estate through the delivery of new test centre infrastructure, with sustainability embedded as a core design principle. The Hydebank test centre and office accommodation, completed in 2024, established this approach through energy efficient design and systems intended to reduce operational energy use, support power and heat decarbonisation, improve water efficiency, and enhance biodiversity. This design has informed subsequent estate developments.

The new Mallusk Test Centre, completed in December 2025, reflects the direct application of the Hydebank design model, with sustainability measures incorporated at design and construction stage to reduce emissions associated with building operation. These include energy efficient heating with zoned controls, on site photovoltaic generation and enhanced use of natural daylight. Heating is provided using LPG containing a 10% bio propane blend, supporting reduced lifecycle carbon emissions. Additionally, rainwater is harvested for non-potable uses and native planting on building grounds supports biodiversity. Taken together, these measures demonstrate a consistent, estate wide approach to the reduction of emissions and environmental impact through modern building design.

Emissions Scope 1 (fuel burned) & Scope 2 (purchased electricity)

Electricity continues to be procured through Department of Finance collaborative contracts based on 100% renewable electricity. Validated disclosures on fuel burned and purchased electricity are presented in tabular form below.

Table 1: Energy emissions, consumption and cost for fuel burned and purchased electricity by Agency

	Scope 1 (fuel burned)	Scope 2 (purchased electricity)
Emissions (kg CO₂e)	1,945,950.84	305,969.63
Consumption (kWh Gross CV)	10,054,521.89	1,728,642
Net Cost (£'000s)	677.4	556.8

Source of data: Meter readings supplied by DVA Premises Officers. Please note that electricity meter readings for February and March 2026 for the Balmoral test centre were unavailable at the time of reporting. Estimated readings, based on February and March 2025 electricity usage have therefore been applied. Please also note that at the time of reporting, energy usage data for DVA occupancy at Coleraine County Hall was unavailable from DoF and is not included in this report.

Emissions Scope 1 - Agency owned transport

The Compliance & Roadside Enforcement Section currently maintains a fleet of 16 official vehicles which are utilised by enforcement staff to carry out roadside enforcement activities throughout Northern Ireland. The fleet comprises seven fully electric cars, two hybrid cars, four diesel cars and three diesel specialised vans. It is proposed that the remaining diesel-powered cars within our fleet will be replaced with either hybrid or fully electric equivalent vehicles in the coming years.

Approximately 15% of Agency owned vehicles are categorised as Ultra-Low Emissions Vehicles. However, these vehicles were responsible for approximately 23% of the mileage travelled by Agency owned vehicles in 2025-26.

Table 2: Mileage and emissions by Agency-owned vehicle type

Vehicle Type (Size) – No.	Fuel type	Mileage 2025-26	kg CO₂e 2025-26
Van (Class I) – 1	Diesel	4,100	1,038.49
Van (Class III) - 2	Diesel	11,189	5,020.06
Car (Large) - 5	Diesel	19,233	6,502.29
Car (Medium) - 4	Diesel	16,316	4,509.58
Car (Medium) - 4	Petrol Hybrid	50,410	9,511.86
Car (Medium) - 7	Electric	40,230	2,512.77
Car (Small) - 2	Petrol	6,520	1,501.36
Motorcycle (Average) - 22	Petrol	29,230	5,347.34
Total - 47		177,228	35,943.75

Source of data: Fleet Management, DVA.

Emissions Scope 3 - Fuel burned due to business travel via staff owned transport

This sustainability report does not include data on staff commuting to and from their normal place of work. Vehicle size and vehicle fuel type are unknown for the data in Table 3, which uses the conversion factor for the average sized car and unknown fuel type.

Table 3: Mileage and emissions from vehicles not owned by Agency

Year	Mileage (miles)	kg CO ₂ e
2025-26	335,684	90,349.35

Source of data: Digital, Security & Finance Shared Services, Department of Finance.

Emissions Scope 3 – Business travel using public transport that is claimed back

There is no known record of mileage associated with public transport claims, only costs as shown in Table 4.

Table 4: Expenses claimed for public transport used for official business travel (excludes staff commuting to their regular place of work) by Agency

Year	Bus (Cost, £)	Rail (Cost, £)	Taxi (Cost, £)
2025-26	40.10	900.27	246.97

Source of data: Digital, Security & Finance Shared Services, Department of Finance.

Emissions Scope 3 - Business travel that is booked via Dfl Travel Desk

The Agency continues to support new ways of working where possible, reducing the need for staff travel. Video conferencing technology, including Microsoft Teams, continues to support meetings that would previously have required travel, helping to reduce emissions and travel-related costs.

Table 5: Air and rail travel booked by Travel Desk for Agency

Mode of Transport	Category	Class	Year 2025-26	
			Distance (km)	Emissions (kg CO ₂ e)
Domestic Flight		Economy	4,985	1,142.96
		Premium Economy	Nil	Nil
		Business	Nil	Nil
		First	Nil	Nil
International Flight	Short Haul	Economy	29,525	3,713.06
		Premium Economy	Nil	Nil
		Business	Nil	Nil
		First	Nil	Nil
	Long Haul	Economy	Nil	Nil
		Premium Economy	Nil	Nil
		Business	Nil	Nil
		First	Nil	Nil
Rail Travel		Standard	2,275	80.67
		First	Nil	Nil

Source of data: Internal Travel Records, DVA.

Table 6: Hotel stay booked by Travel Desk or equivalent for Agency

Country	No. of nights stayed	Emissions (kg CO ₂ e)
GB	17	176.80
Turkey	12	384.00
Ireland	6	62.40
France	6	40.20
Belgium	4	48.80
Portugal	3	57.00
Germany	1	13.20

Source of data: Internal Travel Records, DVA.

Please note that the car size and fuel type of hired cars is unknown, therefore the

emissions are based on average car size and fuel type.

Table 7: Car hire booked by Travel Desk or equivalent for Agency

Year	Mileage	Emissions (kg CO ₂ e)
2025-26	141	39.27

Source of data: Internal Travel Records, DVA.

Paper printed

The Agency has continued to reduce paper dependency through online services, telephony-assisted transactions and digital document handling. The continued expansion of online services has reduced the amount of paper generated both by customers and in back-office processes, while most documents are now written, edited and shared electronically.

Table 8: Paper printed by year by Agency

Year	Paper printed (pages)
2025-26	794,308

Source of data: Digital, Security & Finance Shared Services, Department of Finance.

Responsible disposal of ICT waste

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

The framework specification requires suppliers to ensure that all equipment that is not resold must be dismantled and recycled/disposed in accordance with the relevant legislation including, but not limited to:

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

Sustainable procurement

The Scoring Social Value policy approved by the Executive mandated that from June 2022, tenders must include a minimum of 10 percent of the total award criteria to social value.

On 5 December 2024 DoF secured Executive approval for a revised PPN 01/21 - Social Value in Procurement. This came into effect on 24 February 2025, strengthening and broadening the theme ‘Delivering Net Zero’ to ‘Delivering Climate Action’. For information on the meaning of Social Value: the Public Procurement Policy Statement approved by the NI Executive on 5 June 2025 states that “Social Value means economic, environmental and social benefits in support of the Programme for Government”.

The DoF Social Value Strategy document 2025-2027 states that social value refers to wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment, including ethical and sustainable supply chains, community benefits and wealth building, job and skills creation and efforts to combat climate change.

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

Single use plastics

The Department for Agriculture, Environment & Rural Affairs (DAERA), in partnership with DoF, has removed all unnecessary single-use plastic from the Government estate and a ban on the use of unnecessary single-use plastic across the Northern Ireland Civil Service estate is now in place. The Agency supports the NICS-wide approach to reducing single use plastics.

Water consumed

Table 9: Water consumed

Year	Water used (cubic metres)	Emissions (kg CO ₂ e)
2025-26	8,861	1,695.11

Source of data: Meter readings supplied by DVA Premises Officers. Please note that meter readings for the Downpatrick test centre were unavailable at the time of reporting. An estimated reading, based on 2021-22 water usage (the most recent year with reliable metered data), has therefore been applied. Please also note that at the time of reporting, water usage data for DVA occupancy at Coleraine County Hall was unavailable from DoF and is not included in this report.

1.5 FINANCIAL PERFORMANCE

Operating surplus

The Agency made an operating surplus for the year of £5.6m compared with a surplus of £2.3m in the previous year. Following payment of dividend to the Department a retained surplus of £2.7m was reported.

Income

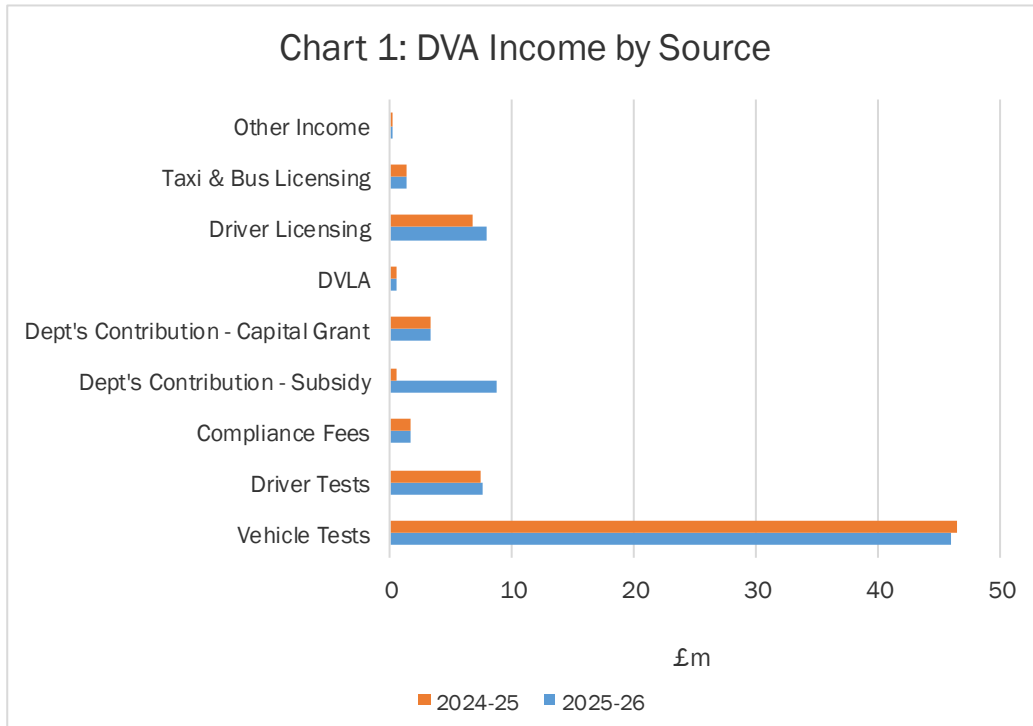
The Agency received income of £77.3m during the year, representing an increase of £9.2m compared with 2024-25 (£68.1m). The increase was driven mainly by the reinstatement of resource subsidy from DfI, following its removal in 2024-25 as part of measures to manage the Department's resource budget shortfall, resulting in an £8.1m increase compared with the previous year.

Vehicle test income decreased by £0.6m in 2025-26 to £45.9m (2024-25: £46.5m), reflecting a slight reduction in the volume of tests conducted when compared with the previous year, due to marginally reduced staffing levels and less overtime worked.

Driving test income increased slightly by £0.1m to £4.9m (2024-25: £4.8m). Theory test income was £2.6m, an increase of £0.2m from the previous year (2024-25: £2.4m), in line with the number of tests completed.

Driver licensing income increased by £1.1m in 2025-26 to £7.9m (2024-25: £6.8m) due to an increase in the number of licences issued when compared with the previous year. The rise in volumes of driving licences (ordinary and vocational) is largely driven by increased licence renewal activity in 2025-26, consistent with established cyclical renewal trends.

A breakdown of income received in the current and previous financial year is shown in Note 3 to the accounts and in Chart 1 below.



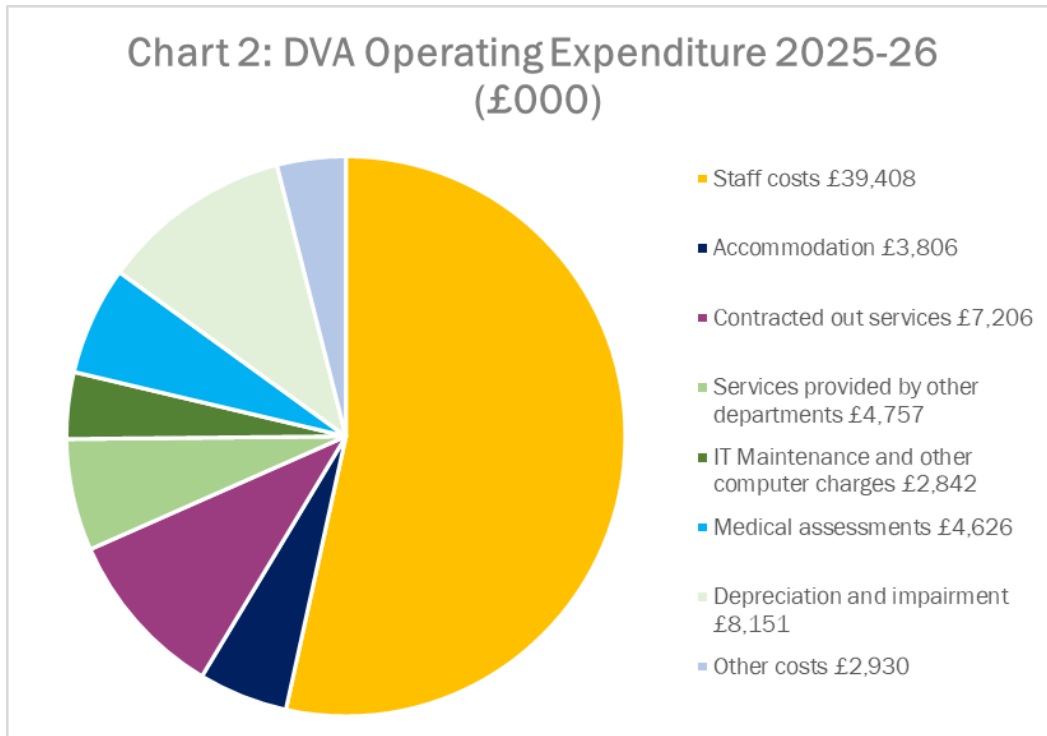
Expenditure

Total operating expenditure during the year was £73.7m, an increase of 7% compared with the previous year’s expenditure of £68.9m. Staff costs have increased by £2.9m to £39.4m compared with the previous year (2024-25 £36.5m). An increase in employer NIC rates came into effect from 6th April 2025 and so has impacted the 2025-26 staff costs, along with a small increase in staff numbers.

Other operating costs increased by £2.0m, from £32.3m in 2024–25 to £34.3m in 2025–26. This increase reflects higher expenditure across several areas, including rates and accommodation (£0.4m), licence card production (£0.4m), medical costs (£0.3m), and a £2.1m increase in impairment, depreciation and amortisation charges. In the prior year, costs included a one-off contractual settlement of £1.5m, which did not recur in 2025–26.

A detailed breakdown of operating expenditure is shown in Notes 4 and 5 to the accounts.

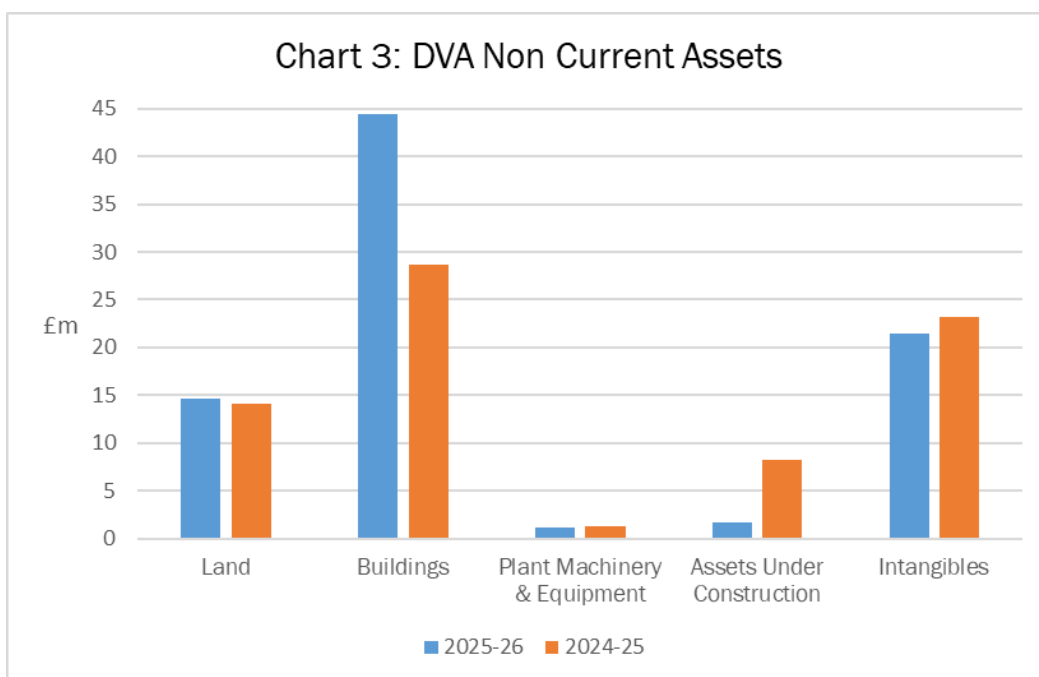
Chart 2 shows the split of 2025-26 total operating costs by key expenditure types.



Non-Current Assets

The Agency’s non-current asset book value increased from £75.4m at the end of the previous financial year to £83.3m this year due primarily to the ongoing development of the construction of the new test centre at Mallusk. The Agency does not believe there is any material difference between the market and book value of its property, plant and equipment and intangible assets.

Movements in property, plant and equipment and intangible assets are disclosed in notes 8 and 9 in the accounts. The non-current asset breakdown is shown in Chart 3.



Key Corporate Financial Targets

The Agency is required to break even (after interest and dividends) taking one year with another. The Agency reported a retained surplus of £2,706k for 2025-26 and a retained deficit of £492k in 2024-25.

We are also required to achieve a return on capital employed of at least 3.5%, calculated by expressing the operating surplus on ordinary activities measured before interest (both receivable and payable) and dividends payable, as a percentage of average net assets employed. For 2025-26, the operating surplus on ordinary activities measured before interest (both receivable and payable) and dividends amounted to £3.6m. The outturn against the target of 3.5% was 4.33% (2024-25: -0.91%).

Partnerships

We continued to build on the working relationships already established as well as establishing some new partnerships with our private sector partners for the delivery of services. These include:

- MAHA Ireland Ltd for the maintenance of vehicle testing equipment;
- WSP (formally Capita Real Estate and Infrastructure) for the design and delivery of new test centres;
- Henry Brothers for the construction of a new test centre at Mallusk;
- DVSA for the delivery of the theory test service;
- Serco, through the NI Direct contract, to handle our customer telephone calls;
- Fujitsu as our ICT Strategic Partner;
- CIECA - The International Commission for Driver Testing;
- CITA - The International Motor Vehicle Inspection Committee;
- EReg – The Association of European Vehicle and Driver Registration Authorities;
- Capita Managed IT Solutions for the provision of IT services in support of vehicle testing;
- Expleo, through a NICS contract, for the provision of testing and quality assurance expertise and resource; and
- The Joint Approvals Unit for Periodic Training for the administration, approval and quality assurance of training providers for the Driver Certificate of Professional Competence.

Long Term Expenditure Trends

The Agency operates as a Trading Fund under the provisions of the Driver & Vehicle Agency Trading Fund (Northern Ireland) Order 2016. This means that all expenditure must be recovered from the fees charged to customers or centrally funded by the Department to match the costs incurred for defined activities. As a Trading Fund, the Agency is able to increase its expenditure in response to increases in demand and, conversely, is expected to reduce its expenditure in response to falling demand. The Agency plans on the basis that revenue should cover its outgoings. Allocations from the Department's 2026-27 Budget have not yet been confirmed.

The Agency is progressing with a capital investment programme which will further develop our IT applications, construct and equip new test centres and replace vehicle testing equipment at existing test centres. The programme aims to increase capacity, deliver efficiencies and improve customer experience. This planned capital investment will be funded from the Agency's reserves and, if required, borrowing (subject to the necessary

approvals).

The following chart (Chart 4) shows income and operating expenditure trends over the last number of years.

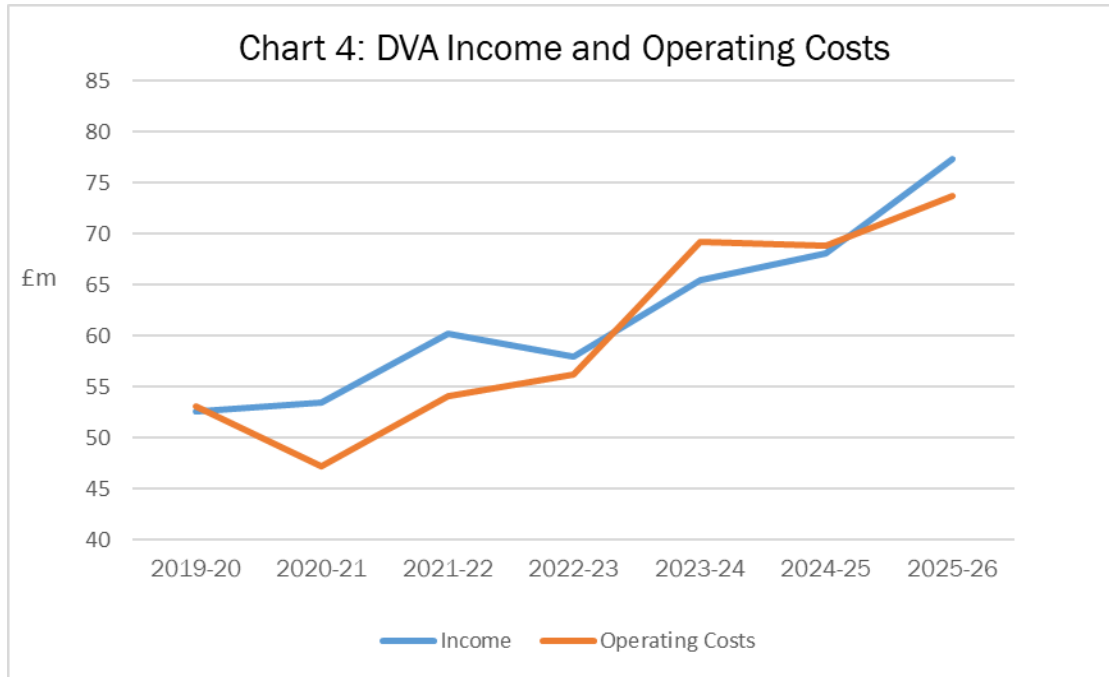
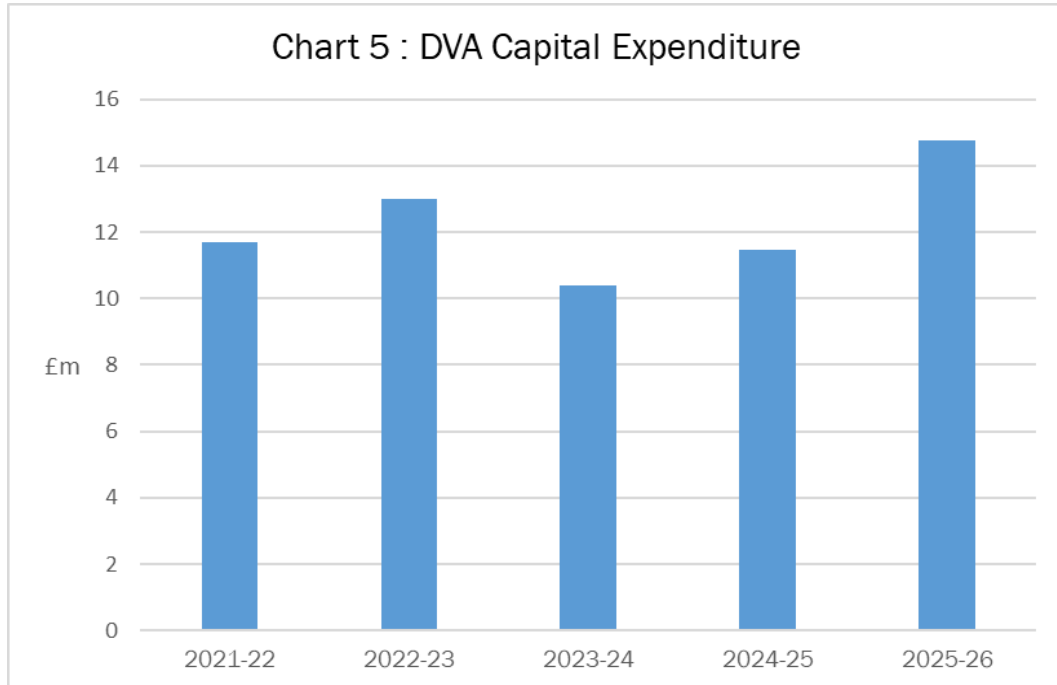


Chart 5 below shows the capital expenditure trends over the last five years. Expenditure in the 2025-26 financial year relates mainly to investment in IT online applications and the continued construction of the new Mallusk test centre.

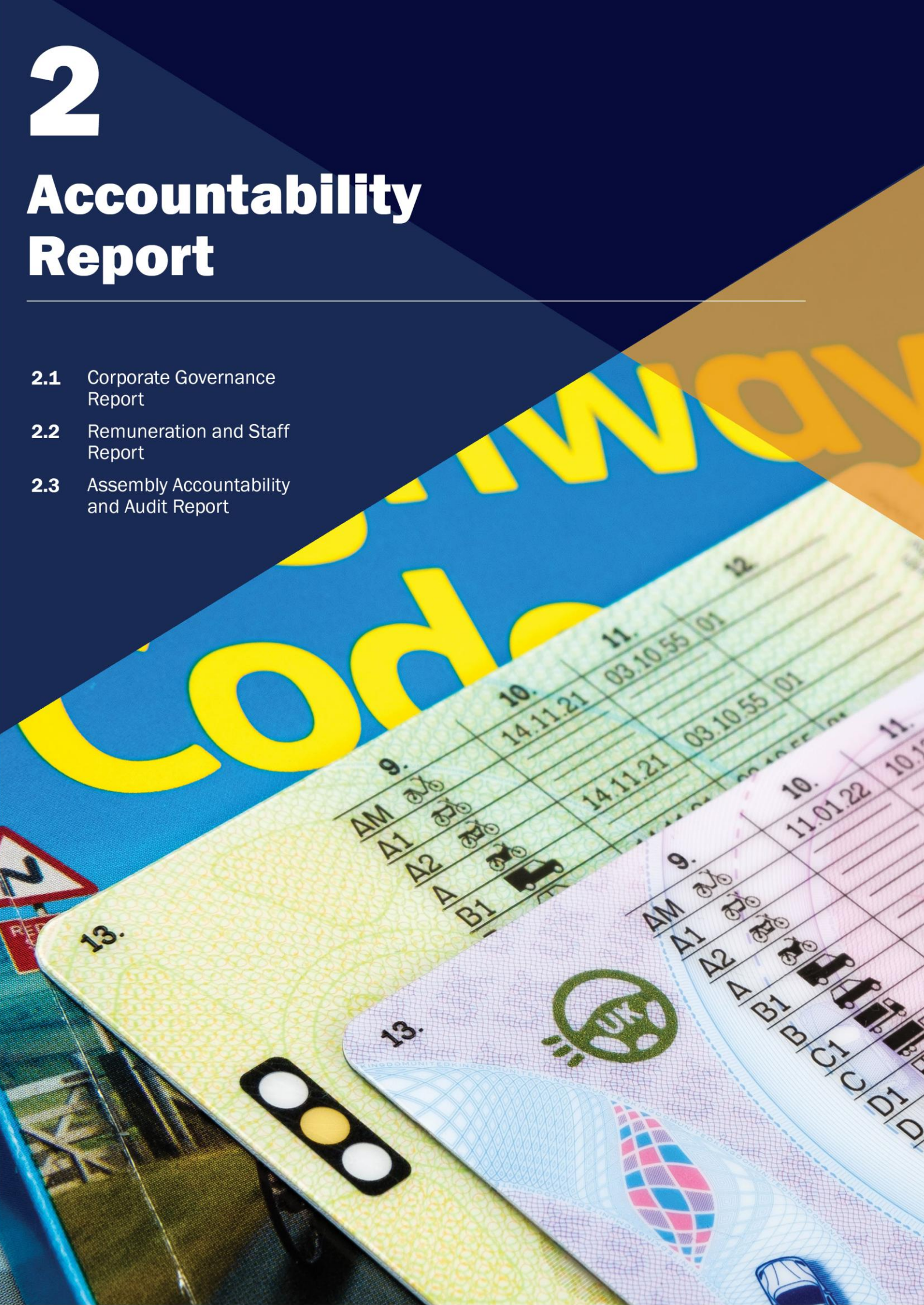


Jeremy Logan
Chief Executive and Agency Accounting Officer
25 June 2026

2

Accountability Report

- 2.1 Corporate Governance Report
- 2.2 Remuneration and Staff Report
- 2.3 Assembly Accountability and Audit Report



ACCOUNTABILITY REPORT

2.1 CORPORATE GOVERNANCE REPORT

DIRECTORS' REPORT

Strategic Management Board (SMB)

Agency performance is managed and monitored by the SMB, which met regularly and was responsible for the overall direction and management of the Agency's business. As civil servants, the remuneration of members of the SMB was determined by the normal Northern Ireland Civil Service (NICS) pay arrangements. See the Remuneration and Staff Report on page 60.

Members of the SMB for the period of the accounts were:

Jeremy Logan	Chief Executive and Agency Accounting Officer
Jim Devlin	Director of Business Improvement
Pat Delaney	Director of Operations
Jonathan Furphy	Director of Compliance, Enforcement & Licensing
Siobhan Lynn	Director of Financial Management & Corporate Services

In addition to the above, Enda McKeever was the Non-Executive Board member.

Directors' Interests

There were no company directorships or other significant interests held by Board members which conflicted with their management responsibilities.

Scope of Accounts

The Agency's accounts have been prepared under a direction issued by the Department of Finance (DoF) in accordance with Article 8(6) of the Financial Provisions (Northern Ireland) Order 1993.

Financial Instruments

In accordance with International Financial Reporting Standard 7 – "Financial Instruments:

Disclosures”, details of the impact of financial instruments on the Agency’s risk profile are disclosed at note 21 of the accounts on page 120.

Audit

The financial statements were audited by the Comptroller & Auditor General for Northern Ireland (C&AG) in accordance with the Financial Provisions (Northern Ireland) Order 1993. As Head of the Northern Ireland Audit Office, she and her staff are wholly independent of the Agency, and she reports her findings to the Northern Ireland Assembly.

The audit of the financial statements for 2025-26 resulted in a fee of £27,543 (2024-25: £30,715). No remuneration was paid to the external auditor for non-audit work.

As far as I am aware, there is no relevant information which has not been made available to the auditor. I have taken all steps necessary to make myself aware of any relevant information and to ensure that the Agency’s auditor is aware of that information.

I am also satisfied that the Annual Report and Accounts as a whole, are fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the personal judgements required for determining that they are fair, balanced and understandable.

Pension Liabilities

Staff pension liabilities are borne by the Principal Civil Service Pension Scheme (NI) and are therefore not reflected in these accounts. Details of the scheme are included within the Remuneration and Staff Report which starts on page 60.

Payments to Suppliers

The Agency is committed to the prompt payment of bills for goods and services received, in accordance with the Late Payment of Commercial Debts (Interest) Act 1998, the Late Payment of Commercial Debts Regulations 2002 and British Standard 7890 – Achieving Good Payment Performance in Commercial Transactions. Interest incurred on late payments during the year was £nil (2024-25: £61). Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or on presentation of a valid invoice or similar demand, whichever is the later. In November 2008 the Northern Ireland Executive introduced a proposal that payments be made within 10 days to help local businesses.

During the year to 31 March 2026, the Agency paid 98.8% of the 8,178 invoices (2024-25: 99.0% of the 8,608 invoices) received within 30 days and 96.8% (2024-25: 96.8%) within 10 days.

Complaints and Compliments

The complaints process is managed by our Customer Services team, which produces an annual complaints report containing statistics, analysis, emerging trends, and any lessons learned that may improve our procedures or the customer experience. This report is made available on the DfI website. The team also conducts periodic audits on responses to complaints to ensure proper procedures are being followed.

The Agency operates a two-stage complaints procedure. Performance against complaint responses is reported separately for stage one and stage two, providing greater clarity on timeliness and enabling targeted management of response times. The Agency's target was for 97% of complaints to be responded to within 15 working days at stage one and 10 working days at stage two.

The Agency's Complaints' Procedure is under review and will be updated in late 2026 to reflect the new guidance from the NI Public Services Ombudsman and the publication of their new Model Complaints Handling Procedure for central government organisations.

During the year from 1 April 2025 to 31 March 2026 the Agency dealt with 651 complaints. Overall, we responded to 98.7% of stage one complaints and 100% of stage two complaints within 15 and 10 days respectively against targets of 97%.

Our performance against target in the last three years is illustrated below:

YEAR	NUMBER OF COMPLAINTS	PERFORMANCE AGAINST TARGET	
		Stage 1	Stage 2
2025-26	651	Stage 1	98.7%
		Stage 2	100%
2024-25	614	Stage 1	99.8%
		Stage 2	100%
2023-24	872	Stage 1	99.4%
		Stage 2	98.9%

The number of complaints received in 2025-26 increased slightly compared to 2024-25. The complaints received during the year mainly focused on driver licence delays and the outcome of tests. As evidenced in the Agency's Annual Complaints Report, the vast majority of the complaints submitted were not upheld.

43 compliments were received during the year (2024-25: 49).

Future Developments and Trends

Looking ahead, we will continue to drive forward the two-year business improvement programme aligned to wider NICS and Departmental People, Digital and Infrastructure strategies. This programme will reinforce our commitment to supporting staff, responding to changing customer needs and ensuring services remain sustainable, resilient and future-ready.

Recruitment activity will remain prioritised to secure a diverse and skilled workforce, while professional development will continue to focus on building specialist and digital capability to enable staff to maximise the benefits of new technologies. Work will also progress to align complaints handling arrangements with revised Northern Ireland Public Service Ombudsman (NIPSO) requirements, alongside further organisational design reviews.

In digital delivery, focus will remain on improving user experience, strengthening data integrity and performance, and exploring the responsible use of technologies to enhance services and decision-making. Innovation, automation and analytics will continue to support long-term operational planning and service resilience.

Under our infrastructure plans, we will seek to progress further estate development proposals, continue refurbishment and sustainability enhancements across existing centres, and complete the installation and rollout of new testing equipment. The Agency will also continue transitioning its fleet towards alternative fuels, supporting wider sustainability objectives.

Events after the Reporting Period

There are no events after the reporting period that impact on these financial statements.

Personal Data Related Incidents

There were no reportable breaches in 2025-26.

STATEMENT OF THE ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Article 8(6) of the Financial Provisions (Northern Ireland) Order 1993, the Department of Finance (DoF) has directed the DVA to prepare a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs at the year end of the Agency's income and expenditure, statement of financial position, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to:

- observe the accounts direction issued by DoF, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual (FRM) have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Agency will continue in operation; and
- confirm that the Annual Report and Accounts as a whole is fair and 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 Treasury Officer of Accounts in the (DoF) has appointed the Chief Executive of the Agency as the Accounting Officer of the DVA Trading Fund. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances, for keeping proper records and for safeguarding the Agency's assets, are set out in the Accounting Officers' Memorandum issued by DoF and published in Managing Public Money Northern Ireland (MPMNI).

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Agency's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

GOVERNANCE STATEMENT

Introduction

The Driver and Vehicle Agency (DVA) is an executive agency of the Department for Infrastructure (DfI). The Agency's overall aim is to deliver improved road safety and better regulation of the transport sector. The Agency is responsible for driver and vehicle testing, driver licensing, passenger transport licensing and regulation and enforcement within the transport sector in Northern Ireland.

MPMNI and the FReM require that I, as Accounting Officer, provide a statement on how I discharge my responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of the Agency's objectives, while safeguarding the public funds and assets for which I am responsible.

This governance statement explains the governance, risk management and control arrangements in place for the Agency. It evaluates the effectiveness of these arrangements and how they operate in practice.

Governance Structures

During the year the Agency functioned in line with the Agency Framework Document approved in 2024 by the Department. The framework explains how the Agency operates within the Department, articulates the governance and accountability arrangements and defines how personnel and financial arrangements operate along with appropriate control mechanisms. A review of the Framework is carried out every three years, and the Department will take forward the next review in 2027.

The Minister approves the policy framework within which the Agency operates, the scope of its activities, any resources to be made available to the Agency, its Business Plan, and is advised on the Agency's performance. The Minister has overall political responsibility and accountability for all the Department's activities, including the Agency's activities.

The Department sets the policy, legislative, financial, human resource and procurement frameworks within which the Agency operates. The Department is the contracting and procurement authority for all contracts entered into for goods and services purchased to support services delivered by the Agency.

As Chief Executive of the Agency, I reported directly to the Deputy Secretary of the Climate, Planning and Public Transport Group in DfI. The Deputy Secretary reported to the Permanent Secretary, who as the Principal Accounting Officer, must be satisfied that the Agency has adequate financial systems and procedures in place to promote the efficient and economical conduct of its business and to safeguard financial propriety and regularity.

I am accountable for the financial management of the Agency and for performance against key targets. The Treasury Officer of Accounts in the DoF has appointed me as Accounting Officer for the DVA Trading Fund.

In order to manage the Agency efficiently, I am supported by a formal governance structure made up of Boards and Committees.

Governance Structure



Strategic Management Board (SMB)

I, as Chief Executive chair the SMB, which is comprised of:

- the Director of Operations;
- the Director of Compliance, Enforcement & Licensing;
- the Director of Business Improvement;
- the Director of Financial Management & Corporate Services; and
- a Non-Executive Board Member.

In addition to the Board members, representatives from NICS HR and DfI Communications team also attend to support the SMB.

The SMB provides the strategic and operational leadership to the Agency, takes responsibility for performance, and assists me in providing support and advice to the Permanent Secretary on the implications and effectiveness of policy proposals. The day-to-day operational matters are the responsibility of the Directors, operating within agreed policy frameworks under the Chief Executive's direction and control.

The SMB meets formally each month to consider:

- health and safety;
- management information relating to use of resources, including a Finance report and a HR report;
- strategic issues affecting the Agency;
- progress against business plan targets;
- progress and status of significant projects and business improvement activities; and
- performance against key metrics.

An independent external Board Effectiveness Review was completed during the year and the SMB considered the recommendations stemming from the Review and agreed an action plan to be progressed in 2026-27.

The papers produced for the Board are owned by a presenting member and this role includes ensuring the information contained is robust and adequate. The Board, with the exception of the Non-Executive Board member, reviews the effectiveness of internal controls, progress on

the implementation of audit recommendations and the corporate risk register quarterly. The Non-Executive Board member reviews these items as part of the role of Chair of the Audit & Risk Assurance Committee.

The Agency has a Corporate Governance Framework in place which is available at [Corporate Governance Framework](#). This reflects the key principles in [Corporate governance in central government departments: Code of good practice NI \(2025\)](#) and sets out details of the Agency’s corporate governance arrangements.

During the year, attendance at the Board meetings was as follows:

Members	Position	Meetings attended out of meetings eligible to attend
Jeremy Logan	Chief Executive	11/11
Jonathan Furphy	Director of Compliance, Enforcement & Licensing	11/11
Pat Delaney	Director of Operations	10/11
Jim Devlin	Director of Business Improvement	11/11
Siobhan Lynn	Director of Financial Management & Corporate Services	11/11
Enda McKeever	Non-Executive Board Member	11/11
Attendees		
HR Division Representative		11/11
DfI Communications Representative		3/11

Audit and Risk Assurance Committee

I am supported by the Agency’s Audit and Risk Assurance Committee (ARAC), which is a sub-committee of the Board with no executive powers. The ARAC has formally agreed Terms of Reference, and its principal function is to assist me in the execution of my responsibilities as Agency Accounting Officer for issues of corporate governance and risk management. This includes reviewing the comprehensiveness of assurances provided to it and reviewing the reliability and integrity of these assurances and whether they are sufficient to support me in my accountability obligations. In accordance with HM Treasury’s Audit and Risk Assurance

Committee Handbook (April 2025), the ARAC Chair provides me with an Annual Report on the work of the Committee. The ARAC has three independent members, one of which is a Non-Executive Board Member of the Agency. The Committee is also attended by Internal Audit and the Northern Ireland Audit Office (NIAO).

During 2024 and 2025, the ARAC completed effectiveness reviews using the National Audit Office (NAO) 'Audit and Risk Assurance Committee Effectiveness Checklist'. Some areas for discussion were identified and were subsequently addressed during 2025-26. The ARAC agreed these effectiveness reviews were complete. The 2026 review was undertaken in the last quarter of the 2025-26 financial year using the NIAO Self-Assessment Checklist which had been published on the 31 March 2025. Areas for improvement identified as part of the 2026 effectiveness review will be taken forward during 2026-27.

The key issues monitored by the ARAC during the 2025-26 financial year included updates on service delivery and the Agency's financial position.

The ARAC also discussed the 2024-25 Accounts; the internal audit charter; the internal audit plan; the internal audit annual opinion and report; corporate governance issues, including risk management, assurance reporting and fraud reporting; the Business Improvement Programme; the NIAO Report to Those Charged with Governance; and audit strategy.

The ARAC meets four times a year and during 2025-26 an additional meeting of the ARAC was arranged to discuss the final version of the 2024-25 Annual Report and Accounts. Attendance during the year at the Audit and Risk Assurance Committee meetings was as follows:

Audit and Risk Assurance Committee members	Position	Meetings attended out of meetings eligible to attend
Enda McKeever	Chair	5/5
Andrea Quail ¹	Independent Member	5/5
JoAnne Quinn ²	Independent Member	5/5
Attendees		
Jeremy Logan	Chief Executive	3/3
Jim Devlin	Director of Business Improvement	3/3
Siobhan Lynn	Director of Financial Management and Corporate Services	5/5
Christine Ardis	Head of Financial Accounts	5/5
Internal Audit Representation		3/3
External Audit Representation		3/3

¹ Andrea Quail, Head of Financial Planning, Strategy and Support, Department of Justice; ² JoAnne Quinn, Head of Finance, Public Prosecution Service

Business Improvement and Infrastructure Modernisation

Both the Business Improvement Board and the Infrastructure Modernisation Project Board are subordinate to the SMB and have no executive powers. The Boards manage the strategic direction, resolve strategic issues between projects, and ensure robust governance arrangements are in place. The Boards are convened to ensure progress against plans is closely monitored within agreed boundaries, for time, cost and benefits. Both Boards met on a regular basis during the year and the addition of a representative from the Driver & Vehicle Standards Agency (DVSA) to the Business Improvement Board has been beneficial in providing an independent challenge and has improved business links with that organisation. The Business Improvement Group, comprised of Agency heads of business, also continued to meet regularly during 2025-26 to discuss the impact of future business improvement work across the Agency.

Corporate Services

Corporate services functions, including HR, IT and Financial Accounts and Systems functions were provided by the DoF and DfI and the costs of these services were charged to the Agency. The responsibility for the delivery of these services fell to either the Strategic HR Director (DoF), Director of Digital and Information Services (DfI) or the Director of Finance (DfI).

I also rely on the DoF Head of Internal Audit (HIA) to provide an annual inter-departmental assurance report on services provided to DfI, including Account NI, HR Connect and Digital shared services. The HIA advised that five satisfactory reports and no limited reports were issued in 2025–26 for DoF Shared Services. One limited opinion from previous years remains and will be reviewed during 2027–28, allowing sufficient time for the implemented actions to embed.

Conflicts of Interest

The NICS Civil Service HR Policy 6.01 Standards of Conduct is supported by guidance regarding the management of conflicts of interest, and this guidance is published on the Department's intranet site. This guidance includes the DfI policy on Personal/Private Interests of Staff and the DVA Code of Conduct Policy & Conflict of Interest Policy.

It also sets out the rules and procedures applicable to all staff in relation to the declaration and management of any personal/private interest which might conflict with their official duties. Business areas are reminded on a regular basis of the procedures and the requirement to complete the relevant forms, where applicable.

All staff are required to declare any interests which might be thought to give rise to a conflict of interest. At SMB and the Audit and Risk Assurance Committee meetings, a standing agenda item on declarations of interest is included and brought to the attention of Members by the Chair to ensure efficient management of potential conflicts. No conflicts of interest were identified or required management during 2025-26 in line with this agreed procedure.

Equality

The Agency is committed to complying with statutory obligations under Section 75 of the Northern Ireland Act 1998 and the Rural Needs (NI) Act 2016 in all that we do. The Department's Equality Scheme sets out how we will ensure equality of opportunity and good relations when carrying out our functions. All Heads of Business and Directors have been reminded of the need to comply fully with our Section 75 equality and good relations duties, particularly when developing or changing policies or working procedures.

The Agency has completed screening analysis for policy changes in the past year and the results have been published by the Department which are available on the Department's website. The Agency is represented on the Department's Equality Working Group and staff continue to avail of available training on Section 75 duties and obligations.

RISK MANAGEMENT AND CONTROL FRAMEWORK

Approach to Risk

The Agency follows the Department's Risk Policy and Framework for Risk Management. In the Agency, we accept that risk is inherent in all our activities, and we have developed our risk management strategy to minimise the impact of adverse risks while maximising the benefits to the Agency. This allows us to meet our objectives, use our resources effectively and take advantage of all positive opportunities. The system of risk management identifies the risks associated with the achievement of our objectives. Our approach is to assign risks to those best placed to manage them whilst maintaining clear accountability. A governance unit acts as a central point for coordinating and monitoring the Agency Risk Register and lower-level risk registers. The Agency Risk Register contains those risks that could have a significant impact on the Agency. Risks that can be managed at operational level remain within the respective directorate. This assists with the embedding of risk management into the activities of each directorate.

The risk management cycle is a "top-down" and "bottom-up" exercise that allows risks to be identified and managed at Agency and directorate levels and to be escalated as appropriate. Significant risks are escalated to the Department. Each business area prioritises risk against standardised risk impact/likelihood descriptors to reduce subjectivity in assessing risk.

Corporate risks and directorate risks were documented in risk registers and reviewed formally four times during the year. The Executive Board formally reviews the Agency Risk Register four times a year, concentrating on progress of actions to avoid and mitigate the key risks.

The SMB has determined its risk appetite for a range of risk categories, taking account of the need for a balanced view to managing opportunity and risk, while recognising that public sector organisations cannot be successful if they are entirely risk averse. The Agency's risk appetite is set by the Board annually for the 13 categories of risk outlined in the Risk Policy and Framework for Risk Management:

- Project/Programme: Open
- People: Health & Safety: Averse; People: Capacity & Capability: Cautious
- Strategy: Cautious
- Governance: Minimalist
- Operations: Minimalist

- Legal: Minimalist
- Property: Averse
- Financial: Cautious
- Commercial: Minimalist
- Technology: Minimalist
- Information: Minimalist
- Security: Minimalist
- Reputational: Averse

Risks and Issues

During the year, the Agency maintained a comprehensive Risk Register encompassing seven key strategic risk areas: Finance; Fraud; Data Security; Cyber Security; Health and Safety; Capacity and Capability; and Procurement and Contract Management.

The finance risk was effectively managed throughout the reporting period, with appropriate controls and oversight arrangements in place. Fraud continues to represent an inherent risk to the organisation. This risk is subject to ongoing monitoring and management, supported by a robust framework of controls, policies, and preventative actions designed to minimise the likelihood and impact of fraudulent activity.

The health and safety of staff and customers remained a significant priority and continued to be assessed as an amber (high-rated) risk during the year. The Agency undertook extensive work to strengthen its approach, including the completion of detailed risk assessments and audits of health and safety practices. These measures, along with established mitigating controls, enabled the Agency to maintain safe operations while continuing to deliver services.

The risk relating to organisational capacity and capability remained high throughout the year, reflecting challenges in filling vacant posts within required timescales. To address this, the Agency progressed a number of successful recruitment competitions and continues to work closely with NICS HR to explore sustainable solutions to workforce planning, recruitment, and retention.

Cyber security risk, including the threat of cyber-attack, remained consistently high during the year. The Agency has continued to proactively identify and address potential vulnerabilities, with a focus on strengthening system resilience and maintaining the integrity and security of its

digital infrastructure.

A new risk relating to procurement and contract management was added to the Risk Register during the year, reflecting the increasing importance of robust governance and oversight in this area.

In addition to the risks outlined above, non-compliance with emissions testing regulations continues to be a significant issue. Actions are currently being progressed to address this matter, and further detail is provided in the Significant Issues section at page 57.

Controls and Assurance Framework

Our system of internal control is designed to provide a governance structure for decision-making and provide proper controls to ensure the safeguarding of resources and the achievement of value for money. This system of internal control was in place for the year ended 31 March 2026 and up to the date of approval of the annual report and accounts.

In preparing the Governance Statement and reviewing the effectiveness of the system of internal control, I seek to place reliance on information and assurances. The approach taken is similar to the 'Three Lines of Defence' model which illustrates that assurance can come from both within and outside the Agency and can be derived from a variety of sources, with differing levels of objectivity and independence. All assurances contribute to the overall picture on how well we are managing the delivery of our objectives and the risks that could put those objectives in jeopardy. Assurance can be obtained using different sources such as management assurance statements, risk management framework, Audit and Risk Assurance Committee and Internal Audit.

The DoF's Internal Audit Service operates in compliance with Public Sector Internal Audit Standards. As Accounting Officer, I receive annual and interim reports from Internal Audit that include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Agency's systems of internal control, together with recommendations for improvement. Complementary to this, I receive biannual assurance statements from Executive Board members and also benefit from advice from the external auditors in their reports.

For 2025-26, Internal Audit provided an overall satisfactory audit opinion on the adequacy and effectiveness of the Agency's framework of governance, risk management, and control arrangements.

The following Internal Audit assignments were completed for 2025-26:

Area of activity	Report Status	Audit Opinion
Compliance & Enforcement	Final	Satisfactory
Driver & Vehicle Standards	Final	Satisfactory
Contract Management	Final	Satisfactory
Booking & Rostering (anti-fraud controls)	Final	Satisfactory

No departmental wide reviews (including the Agency) were carried out during the year.

In addition to the audits listed above, Internal Audit carried out the annual validation exercise on the Agency's key performance targets. This exercise did not carry an audit opinion. During the year Internal Audit also delivered four fraud awareness sessions to Agency staff.

Testing Quality Unit

The Testing Quality Unit utilises a range of quality control and assurance processes including those associated with ISO accreditation to assist in maintaining and reviewing the effectiveness of our internal control systems. It conducts a programme of audits at test centres covering the administration, supervision and delivery of the practical driving test and vehicle inspection activities for private cars and goods vehicles, in accordance with statutory requirements. The unit also completes Technical Quality checks on vehicle examiners to ensure consistent standards are applied and any additional training needs identified. Continued ISO 9001:2015 certification confirmed compliance with these standards and demonstrated a continuing consistent commitment by our staff to deliver an excellent service to all our customers.

STEWARDSHIP OF RESOURCES

Financial Management

The Agency's expenditure and income was closely monitored throughout the year and reported to the monthly SMB. The reports to the SMB included spend to date and estimated outturn, which facilitated the Board in monitoring expenditure for both resource expenditure and capital investment. The overall financial position of the Agency was closely monitored during the year with cash reserve balances reported to the Board as part of the management of the financial position.

Data Handling, Security and Information Risk

The Agency functions encompass the maintenance of its driver, taxi and operators' registers. Data security is of paramount importance and the Agency complies strictly with legislative release provisions, the Data Protection Act and Cabinet Office guidelines. Training on data security is provided to all new staff, awareness training is provided to senior managers, and relevant information is communicated to all staff on a regular basis, including regular refresher training on handling official and personal data. Managers have 'management of information' as a key area of responsibility in personal performance agreements.

Information management is among the range of control issues covered by Executive Board members' assurance statements. The completion of these statements provides assurance that information used for operational purposes is handled appropriately, particularly where it is used by third parties or other parts of government, and that information risks are being managed effectively within the Agency.

The UK General Data Protection Regulation (UKGDPR) has been implemented across the Agency to further enhance the protection of individual's personal data. The Department has appointed a Data Protection Officer (DPO) to focus on this important work, who acts as the DPO for the Agency.

Fraud Arrangements

The Department's Anti-Fraud policy and Fraud Response Plan outlines its approach to tackling fraud and defines the responsibilities for action and reporting lines in the event of a suspected fraud. The Fraud Response Plan is a procedural guide and provides a checklist of the required actions which must be followed in the event of a fraud, attempted fraud or irregular activity being suspected. Any instances of fraud are fully investigated, and where required, action is taken to recover any financial loss. Fraud reports are submitted to the Executive Board and the Audit and Risk Assurance Committee, with regular updates on investigations undertaken.

During the reporting period, there were seven cases of suspected fraud, one case of actual fraud and one case of attempted fraud. All cases were reported to the NI Audit Office. Following preliminary enquiries, four of the cases were closed during the period and three cases remained open at the year-end pending the conclusion of preliminary enquiries. Two cases were passed to the PSNI for investigation and remained open at the year end.

Raising Concerns Policy

The Department's Raising a Concern Policy Framework and Raising a Concern Operational Guidance document provide guidance on the procedures for reporting, recording and investigating concerns about potential wrongdoing which might be taking place within the Department. The purpose of this guidance is to:

- reassure staff that they can raise genuine allegations or concerns about potential wrongdoing in confidence, through a clear internal reporting process, without putting their position at risk;
- encourage members of the public who may have concerns of this nature to report them to the Department at an early stage; and
- remind staff of the procedures for recording and investigating allegations/concerns.

Two raising concerns cases were received during 2025–26.

The first case related to concerns regarding the conduct of a member of staff. The matter was investigated and was subsequently found to be unsubstantiated.

The second case was raised with the Health and Safety Executive for Northern Ireland (HSENI) and related to vehicle testing health and safety practices regarding vehicles with a safety recall. HSENI confirmed that it was satisfied with the Agency's approach and concluded that no action was required.

SIGNIFICANT ISSUES

Equipment Implementation Contract

In April 2025, after a period of intensive negotiation the Agency reached mutual agreement to terminate its contract for the supply and installation of new vehicle testing equipment and associated hardware and software. Consequently, a new procurement competition was advertised and a contract for the 'Vehicle Testing Solution' was awarded on 11 March 2026. Work with the new contractor is progressing to enable the Agency to bring the newly constructed test centres at Hydebank and Mallusk into operation and to replace equipment at the existing test centres.

Emissions Testing

The Public Accounts Committee published a report in 2009 on the PFI Contract for Northern

Ireland's New Vehicle Testing Facilities and the recommendation stemming from the report regarding the diesel smoke and catalytic converter test being fully EC compliant remains partially implemented.

Friends of the Earth along with The Public Interest Litigation Support were granted permission from the High Court to bring a legal challenge against the Department for failing to conduct a fully compliant diesel emissions test for diesel cars and light goods vehicles. The Judicial Review hearings took place on 21 September 2023 and 1 March 2024. We are awaiting the judgement for this case.

In 2023, the European Commission recommended diesel emissions Particle Number (PN) testing as an alternative to the ineffective diesel smoke test for younger vehicles. This is because, due to their design, younger vehicles may produce high levels of hazardous particulate matter if not properly maintained and are unlikely to fail the diesel smoke test. Following successful PN test trials and a public consultation on changing the emission test for light diesel vehicles, Ministerial Approval to introduce PN testing was granted in January 2025.

We continue to progress plans to introduce a fully compliant diesel emissions test for cars and light goods vehicles at the earliest opportunity. This includes a combination of PN emissions testing for younger vehicles first registered from 1 January 2013 at existing test centres and diesel smoke testing for older vehicles at newly constructed test centres at Hydebank and Mallusk, which will have the facilities to safely conduct these tests. The planned introduction of PN testing, will require an amendment to Schedule 10 of the Motor Vehicles (Construction and Use) Regulations (Northern Ireland) 1999, made under powers contained in The Road Traffic (Northern Ireland) Order 1995 which will be subject to negative resolution.

In addition, preparatory work for investment in two further new test centres (subject to funding availability) is being progressed.

Vehicle Testing – MOT waiting times

On 6 March 2025 Minister Kimmins announced that Temporary Exemption Certificates (TECs) would continue from 1 June 2025, for 5 and 7-year-old cars in specified date ranges. During the year 119,188 temporary exemption certificates were issued (2024:25 125,753). This continued use of temporary exemption certificates helped manage demand for MOTs and enabled the Agency to maintain the waiting time for a private car MOT at an acceptable level,

dropping from over 100 days in May 2024, to 33 days at 31 March 2025 and to an average of 32 days for 2025-26.

TECs will be extended for a further year (1 June 2026–31 May 2027) to maintain acceptable MOT waiting times until the new test centres at Hydebank and Mallusk open for vehicle testing. Both centres are expected to open within the next year and once fully operational, each will be capable of testing more than 100,000 vehicles annually, significantly strengthening long-term testing capacity.

2.2 REMUNERATION AND STAFF REPORT

Remuneration Report

Remuneration Policy

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following approval of the 2025-26 Budget in the Assembly, on 19th May 2025, in which the Finance Minister outlined the overarching approach to public sector pay, the NI public sector pay policy guidance was published on 27 May 2025 in FD (DoF) 04/25.

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

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance and other eligibility criteria.

Service Contracts

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

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation as set out in the Civil Service Compensation Scheme¹.

¹ [Civil Service Commissioners for Northern Ireland \(nicscommissioners.org\)](https://www.nicscommissioners.org)

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Chief Executive and Board Members of the Agency.

Senior Management Remuneration [audited information]

Officials	Salary £'000		Benefits in kind (to nearest £100)		Pension benefits * £'000		Total (£'000)	
	2025-26	2024-25**	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
J Logan Chief Executive	95-100	85-90	-	-	88	72	180-185	155-160
P Delaney Director	75-80	70-75	-	-	59	54	135-140	125-130
M Beare Director until 28 June 24	N/A	20-25 (70-75 full year equivalent)	N/A	-	N/A	119	N/A	135-140 (190-195 full year equivalent)
J Devlin Director from 1 July 24	70-75	45-50 (65-70 full year equivalent)	-	-	80	39	150-155	85-90 (100-105 full year equivalent)
J Furphy Director	75-80	70-75	-	-	66	64	145-150	135-140
S Lynn Director	75-80	70-75	-	-	57	22	135-140	90-95
E McKeever Independent Board Member	5-10	5-10	-	-	-	-	5-10	5-10

*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

**The salary bands of senior officials do not include an accrual for pay awards not paid as at 31 March 2025, as individual payment amounts are not known.

Salary

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

The Agency was under the direction and control of Minister Liz Kimmins during the financial year. Their salary and allowances were paid by the department and have been included in the Department for Infrastructure's accounts. These amounts do not include costs relating to the Minister's role as MLA which are disclosed in the Northern Ireland Assembly Commission accounts.

Benefits in kind

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

Fair Pay Disclosure [audited information]

Pay Ratios

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

The banded remuneration of the highest-paid director in the Agency in the financial year 2025-26 was £95,000-£100,000 (2024-25, £80,000-£85,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2025-26	25 th percentile	Median	75 th percentile
Total remuneration (£)	31,096	33,750	38,990
Pay ratio	3.1:1	2.9:1	2.5:1

2024-25	25 th percentile	Median	75 th percentile
Total remuneration (£)	29,568	31,845	37,212
Pay ratio	2.9:1	2.7:1	2.3:1

The 25th percentile, median and 75th percentile remuneration figures are based on annualised salaries for the last month of the financial year, adjusted for any non-consolidated payments made to staff during the year.

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. Total remuneration does not include an accrual for pay awards not paid, as at 31 March 2025, individual payment amounts are not known.

For 2025-26 and 2024-25, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2025-26, 0 (2024-25: 0) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £25,000 to £97,500 (2024-25: £23,000 to £85,000).

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the salary and allowances of the highest paid director and of their employees as a whole.

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

Percentage change for:	2025-26 v 2024-25	2024-25 v 2023-24
Average employee salary and allowances	11.12%	7.72%
Highest paid director's salary and allowances	18.18%	6.45%

No performance pay or bonuses were payable in these years.

Pensions Entitlements [audited information]

Officials	Accrued pension at pension age as 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 31/03/25	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	NEAREST £100
J Logan Chief Executive	40 - 45 plus a lump sum of 105 - 110	2.5 - 5 plus a lump sum of 5 - 7.5	919	805	66	-
P Delaney Director	45 - 50 plus a lump sum of 115 - 120	2.5 - 5 plus a lump sum of 2.5 - 5	967	902	48	-
J Devlin Director	35 - 40 plus a lump sum of 95 - 100	2.5 - 5 plus a lump sum of 5 - 7.5	862	741	75	-
J Furphy Director	30 - 35 plus a lump sum of 80 - 85	2.5 - 5 plus a lump sum of 2.5 - 5	766	672	53	-
S Lynn Director	25 - 30	2.5 - 5	523	451	44	-

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The Alpha pension scheme was initially introduced for new entrants from 1 April 2015. The Alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to Alpha from that date. Transitional protection measures introduced alongside these reforms meant any members who on 1 April 2012 were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 13.5 years and 10 years of their normal pension age were given a choice between moving to Alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

McCloud Judgment and 2015 Remedy

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by the Department of Finance to remedy this discrimination.

The Department has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed Alpha scheme only from 1 April 2022, and
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the remedy period) retrospectively calculated under either the current (reformed) scheme rules, or the old (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, Alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme members.

The Department is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March

2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period. i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or alternatively calculated under the reformed Alpha rules. As part of this 'retrospective' remedy most active members will now receive a choice about their Remedy Period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice. There are a significant number of Immediate Choice Remediable Service Statement (RSS) packs to issue. This process involves complex calculations to provide members with individually tailored statements. Due to the complexity of the calculations and some prolonged work to finalise policy elements of the remedy, not all Immediate Choice packs have been able to be issued by the original regulatory timeline of 31 March 2025. The Scheme Manager has invoked the discretion allowed by the remedy legislation and has extended the timeline for issuing Immediate Choice RSS packs to 31 March 2027. The Pensions Regulator has been notified of this extension. Our priority remains to provide members with all the accurate information they need to make a choice. It can be noted that other Public Service Pension Schemes are also in a similar position. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at [DoF Annual Reports and Accounts](#).

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

Alpha

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

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

Information on the PCSPS(NI) – Closed Scheme

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

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

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

Partnership Pension Account

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

Annual Benefit Statements

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or

over pension age. The normal scheme pension age in Alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy Classic, Premium, and Classic Plus arrangements and 65 for any benefits accrued in NuvoS. Further details about the NICS pension schemes can be found at the website [Civil Service Pensions \(NI\)](#).

Pension Increases

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2025 was 3.8% and HM Treasury has announced that public service pensions will be increased accordingly from April 2026.

Employee Contribution Rates

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

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

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

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

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

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

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values

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

Real increase in CETV

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

Compensation for Loss of Office

No compensation payments were made or are due to any of the senior management of the DVA under Civil Service Compensation Scheme (Northern Ireland) (CSCS (NI)) in the year ending 31 March 2026 (2024-25: Nil).

Staff Report

Staff costs: [audited information]

	Permanently employed staff 2025-26	Others 2025-26	Total 2025-26	Total 2024-25
	£000	£000	£000	£000
Wages & Salaries	25,679	1,747	27,426	25,860
Social security costs	3,400	-	3,400	2,525
Other pension costs	8,582	-	8,582	8,157
Total cost	37,661	1,747	39,408	36,542

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

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

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

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which was applied to the 2020 scheme valuations and

included the introduction of a reformed-scheme-only cost control mechanism which assesses just the costs relating to reformed schemes (Alpha for the NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed-scheme-only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for the Department of Finance to consult on changes to the scheme. Further information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

For 2025-26, employers' contributions of £8,582,435 were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay, for all salaries (2024-25: £8,157,426 at 34.25% (restated)).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £18,328 (2024-25: £4,240) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2024-25: 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £581, 0.5% (2024-25: £129, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £nil. Contributions prepaid at that date were £nil.

1 person (2024-25: 0) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £7,280 (2024-25: £nil).

Average number of persons employed [audited information]

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

	PERMANENT STAFF 2025-26	OTHERS 2025-26	TOTAL 2025-26	TOTAL 2024-25
	Number	Number	Number	Number
Directly employed	694	62	756	769
Staff engaged on capital projects	17	-	17	17
Total	711	62	773	786

Staff Composition

The actual number of staff in post in the Agency at 31 March 2026, and the gender breakdown was as follows:

Actual Staff in Post at 31 March 2026

	At 31 March 2026			At 31 March 2025		
	Male	Female	Total	Male	Female	Total
Senior Civil Service	1	-	1	1	-	1
Other Employees	567	182	749	573	183	756
Total	568	182	750	574	183	757

Staff Turnover

DVA Staff Turnover percentage (the number of people that have left the Agency but have moved within the NICS) for 2025-26 is 7.7%, and the general turnover percentage (the people who have left the Agency and have not gone elsewhere in the NICS) is 6.2%. This has been calculated by NICS HR, based on the Cabinet Office Guidance on calculations for turnover in the Civil Service.

Seconded Staff

There were no seconded staff members during the year 2025-26 (2024-25: 0).

Reporting of compensation and exit packages for all staff 2025-26 [audited information]

The Agency did not have any exit packages in 2025-26 or 2024-25.

Off payroll payments

The Agency did not have any off payroll engagements during the 2025-26 year.

Employment, training and advancement of disabled persons

The NICS is a lead partner of Employers for Disability NI (EFDNI) and is an accredited [Disability Positive](#) employer.

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

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

In order to encourage job applications from Disabled people, positive action advertising and targeted advertising alongside a programme of outreach are used. The NICS operates a Guaranteed Interview Scheme (GIS) which ensures a guaranteed number of Disabled applicants who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. Further information can be found on the “Information for Disabled applicants” section of the [NICS recruit website](#).

All selection panel members complete mandatory recruitment and selection training, and appointments to the NICS are made on merit on the basis of fair and open competition, adhering to the [Recruitment Code](#).

Equality, Diversity and Inclusion

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

The NICS Diversity Champions Network comprises senior colleagues as designated Diversity Champions for each of the nine NICS departments, as well as four thematic leads for gender, race and ethnicity, disability and LGBTQ+. The network works in partnership with the NICS corporate HR function, People and Organisational Development and the seven NICS staff networks (LGBTQ+, Women, Disability, Race & Ethnicity, Cancer Support, Carers and Students), to develop and deliver actions to help promote and embed equality, diversity and inclusion across the Service.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. Further information is available in the [Equality, Diversity and Inclusion Policy](#). A strategic HR policy renewal programme is underway as part of the new People Strategy to modernise NICS people policies, ensuring they are user-centric and have a positive impact on employee experience.

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

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. Although not a statutory requirement, the NICS also conducts a similar formal review of the gender profile of its workforce. The findings from both tri-annual reviews are published in the NICS [Workforce Review](#). The next review was submitted to the Equality Commission for Northern Ireland in 2025 and will be published in 2026.

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

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the department's equality scheme is available on its website.

Learning & Development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development. Development and delivery of generic staff training is centralised in NICS HR^[1]. Training is delivered using a variety of learning delivery channels (including classroom delivery, on-line, and virtual classrooms), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS People Strategy 2025-30.

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

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

A portfolio of learning products is developed in consultation with customers and subject experts internally and externally, accessible by staff through the [LnKS](#) learning

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

management system icon on all NICS desktops. The themes covered in our portfolio of training are:

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

Application of Business Appointment Rules (BARs)

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

In compliance with Business Appointment rules, the department is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on the Department's website at www.infrastructure-ni.gov.uk.

BAR Disclosures

	Total
Number of exits from the Civil Service	47
Number of BARs applications submitted to the department over the year (by grade)	-
Number of BARs applications approved by the department over the year (by grade)	-
Number of BAR's applications where conditions were set by the department over the year (by grade)	-
Number of applications that were found to be unsuitable for the applicant to take up by the department over the year (by grade)	-
Number of breaches of the Rules in the preceding year	-

Employee Consultation and Trade Union Relationships

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

Employee Engagement

The Agency uses a range of approaches to ensure, as far as possible, that staff are kept informed about important matters and that they also have a chance to raise issues with management. We use the formal Whitley process of staff consultation, which involves regular meetings between management and Trade Union side to discuss relevant matters.

Team briefs continue to be an important way of engaging with colleagues on a regular basis. They provide opportunities to keep staff informed of broader organisational issues as well as matters of more local relevance and interest to teams. They also give opportunities to raise any issues or concerns and for these to be discussed in a timely manner.

We actively involve staff in the design and testing of new services and products through workshops and ongoing consultation, and this process will continue through the life of our Business Improvement Programme.

Our Agency newsletter, 'Connections', provides a further means of engaging with staff. It is a newsletter for staff that is written by staff. It aims to celebrate successes and notable achievements, whilst providing an outlet for updates of the ongoing business improvement work taking place across the organisation such as the progress of the new testing site at Mallusk. The past year has seen online readership of the newsletter increase by approximately 20%.

In addition, corporate messaging has been introduced in Hydebank House to further engage with staff and keep them informed of key updates. This messaging is reviewed quarterly, with

new content added as required to ensure information remains current and staff are notified of changes within the Agency.

Staff engagement has been further enhanced through the introduction of the Health and Wellbeing initiative, which launched at the end of 2025. This initiative has provided staff with opportunities to participate in a range of activities, including volunteering, mindfulness sessions, and engagement events with colleagues. It has also enabled staff to avail of health checks delivered by the NICSSA 'Well Team'. By 31 March 2026, 436 health checks took place across 36 locations including test centres and administrative buildings. Feedback from 148 staff members revealed that 99.32% were satisfied with their health check and 97.29% would avail of a health check again.

Since the opening of Hydebank House in 2024, the Agency has taken steps to better understand staff travel needs. Travel surveys conducted in 2025 and 2026 have helped to gauge the methods used by staff to commute to the building. The results have been shared through staff emails and articles on the internal staff network, creating opportunities for engagement on travel-related issues and raising awareness of available travel options.

The NICS People Survey was conducted by NISRA in Spring 2025 across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey from 29th April to 23rd May 2025. For the Department for Infrastructure including the Agency, there were 3,107 (2023 Survey: 2,990) permanent staff invited to complete the survey, of which 1,324 (2023 Survey: 1,088) participated, a response rate of 43% (2023 Survey: 35.4%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. Department for Infrastructure responses indicated an Employee Engagement Index of 55% (2023 Survey: 51%), compared to the NICS average of 56% (2023 Survey: 54%). The full survey can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>. The next NICS People Survey is due to take place in 2027.

Health and Safety

The health and safety of staff and customers remains paramount and therefore we seek to ensure that the highest standards of health and safety are integrated with improved business

performance. The Agency considers respective legislation as a minimum standard and has established processes in line with the Health and Safety Executive's "Leading Health & Safety at Work" (INDG417) and "Managing for health and safety" (HSG65). Consequently, all staff must comply with their responsibilities, as set out in the DVA Health and Safety Manual. The Manual, including the Health and Safety Policy Statement, Organisation and Arrangements, was reviewed and re-issued during December 2025. Health and safety training was available to enable staff to fulfil their responsibilities, and this included the delivery of an in-house Health and Safety Induction programme for all newly appointed Vehicle Examiners.

All Members of the Strategic Management Board demonstrated their commitment to health and safety by attending the British Safety Council's Health and Safety for Directors and Senior Managers Programme while the Senior Health and Safety Officer attained the NEBOSH Level 6 National Diploma for Occupational Health and Safety Management Professionals. A substantial number of managers also completed the Institution of Occupational Safety and Health's Managing Safely programme. Risk Assessments relating to vehicle testing, driver testing, enforcement /compliance activities, driving for/at work and the office environment were reviewed and revised, as necessary. A comprehensive Health and Safety Audit programme was undertaken, comprising audits at all Test Centres and reviewing the implementation of recommendations within audits conducted across other Agency Business Areas during 2024-25. Noise Monitoring and Air Quality monitoring programmes were also undertaken across all Test Centres and these provided assurance that existing controls were sufficient.

Sickness Absence

The Agency had an overall sickness absence rate of 19.7 days lost per employee in 2024-25. Annual sickness absence figures can be found in the "Sickness Absence in the Northern Ireland Civil Service 2024/25" report at <https://www.nisra.gov.uk/publications/sickness-absence-northern-ireland-civil-service-202425>.

The 2025-26 sickness absence data is not currently available and will be published later this year.

Expenditure on consultancy

During the year £Nil (2024-25 £Nil) was spent on external consultancy.

2.3 ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

This Assembly Accountability and Audit Report is produced to comply with the requirements of the Financial Reporting Manual (FReM) 2025-26.

Accounts Direction

The financial statements have been prepared in accordance with the 2025-26 FReM issued by the Department of Finance (DoF). The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context.

Special Payments

	2025-26	2024-25
Total number of special payments	611	574
Total value of special payments £000	144	182

Special payments include compensation payments relating to cancelled MOTs and includes those arising from Public and Employer Liability Claims and ex gratia payments.

Losses Statement

	2025-26	2024-25
Total number of losses payments	1	6
Total value of losses payments £000	-	1,518

Included within losses in 2024-25 is a fruitless payment of £1.5m relating to a contract termination with a vehicle testing equipment contractor. The contract termination settlement was finalised in April 2025 and a negotiated settlement of £1.5m was agreed, which was accrued in the 2024-25 accounts and paid in 2025-26.

Business Activity Attracting Fees and Charges [audited information]

The following table shows the Business activities attracting fees and charges for the Agency.

	2025-26			2024-25			Objective
	Income £000	Cost £000	Annual (surplus)/deficit £000	Income £000	Cost £000	Annual (surplus)/deficit £000	
Vehicle testing	(47,828)	46,044	(1,784)	(49,470)	43,628	(5,842)	Full cost recovery
Driver testing	(7,531)	8,125	594	(7,373)	7,601	228	(1)
Driver licensing	(7,941)	12,894	4,953	(6,755)	11,629	4,874	(2)
Taxi licensing	(1,101)	2,866	1,765	(1,111)	2,899	1,788	(3)
Bus passenger transport licensing	(271)	470	199	(259)	442	183	Full cost recovery
Compliance activities	(1,641)	1,567	(74)	(1,603)	1,561	(42)	Full cost recovery
Vehicle licensing court prosecution	(384)	384	-	(359)	359	-	Full cost recovery
Other activities	(129)	744	615	(135)	647	512	
	(66,826)	73,094	6,268	(67,065)	68,766	1,701	
Dfl Resource subsidy	(8,710)	-	(8,710)	(565)	-	(565)	(4)
Capital grant release	(3,315)	-	(3,315)	(3,255)	-	(3,255)	
Activities not attracting fees & charges	(482)	4,417	3,935	(352)	3,938	3,586	(5)
Adjustment for notional insurance	-	(884)	(884)	-	(975)	(975)	
Total	(79,333)	76,627	(2,706)	(71,237)	71,729	492	

(1) Increased fees were implemented on 1 October 2023. Full cost recovery objective not achieved due to an increase in costs for the year. Fees review to be carried out.

(2) Driver licensing fees are set at less than full cost recovery as previously agreed by the Minister. The deficit is largely due to medical costs associated with assessing licensing applicants' fitness to drive and other subsidised expenditure not recovered from licensing fees. A review of driver licensing fees was undertaken during the year and remains under consideration.

(3) The objective of full cost recovery is not achievable on the fees set for taxi licensing due to lower than anticipated volumes of licence applications.

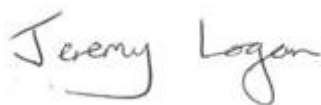
(4) Resource subsidy funding was removed in 2024-25 to help manage the Department's resource budget shortfall.

(5) Costs disclosed under activities not attracting fees & charges mainly include costs associated with roadside enforcement activities which are not funded from fee income.

This note is to meet DoF requirements on fees and charges and not for the purposes of IFRS 8.

Remote Contingent Liabilities [audited information]

In addition to contingent liabilities reported within the meaning of IAS37, the Agency also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. As at the 31 March 2026 the Agency had no remote contingent liabilities.



Jeremy Logan
Chief Executive and Agency Accounting Officer
25 June 2026

DRIVER AND VEHICLE AGENCY

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

Opinion on financial statements

I certify that I have audited the financial statements of the Driver and Vehicle Agency (DVA) for the year ended 31 March 2026 under Financial Provisions (Northern Ireland) Order 1993. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the DVA financial statements is applicable law and the UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the DVA's affairs as at 31 March 2026 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Financial Provisions (Northern Ireland) Order 1993 and Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

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

My staff and I are independent of the DVA in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting

Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the DVA'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 DVA's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

Other Information

The other information comprises the information included in the Annual Report other than the financial statements, the parts of the Accountability Report described in that report as having been audited and my audit certificate and report. The Accounting Officer is responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, 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, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Department of Finance directions issued under the Financial Provisions (Northern Ireland) Order 1993;
- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Financial Provisions (Northern Ireland) Order 1993; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In light of the knowledge and understanding of the DVA and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements, in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- preparing the annual report, which includes the Remuneration and Staff Report is prepared in accordance with the applicable accounting framework;
- 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; and
- assessing the DVA'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 DVA 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 Financial Provisions (Northern Ireland) Order 1993.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the DVA through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Driver & Vehicle Agency Trading Fund (Northern Ireland) Order 2016 and the Financial Provisions (Northern Ireland) Order 1993;

- making enquiries of management and those charged with governance on DVA's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of DVA's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and significant transactions;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate and making enquiries of management and those charged with governance;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;

- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business.

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

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

Report

In my report on the 2024–25 accounts, I highlighted the termination of DVA's vehicle testing equipment contract, the related settlement payment, and the wider costs arising from the contract's failure. I indicated I would consider undertaking a more detailed review of these within the context of my ongoing Public Reporting forward work programme planning.

That review commenced and is nearing completion, and I intend to publish a detailed report later this year. The report will examine the design, procurement and management of the contract, and identify lessons learned.



Dorinnia Carville

Comptroller and Auditor General

Northern Ireland Audit Office

106 University Street

BELFAST

BT7 1EU

2 July 2026

3

Financial Statements

Statement of Comprehensive Net Income

Statement of Financial Position

Statement of Cash Flows

Statement of Changes in Taxpayers' Equity

Notes to the Accounts



3. FINANCIAL STATEMENTS

Statement of Comprehensive Net Income for the year ended 31 March 2026

	Note	2025-26 £000	2024-25 Restated ⁽¹⁾ £000
INCOME			
Revenue from contracts with customers	3	(64,568)	(63,704)
Other operating income	3	(12,772)	(4,436)
Total income		(77,340)	(68,140)
EXPENDITURE			
Staff costs	4	39,408	36,542
Other operating costs	5	34,318	32,366
Total operating expenditure		73,726	68,908
Operating (surplus)/deficit before net finance income		(3,614)	768
Finance income	6	(1,993)	(3,097)
Finance costs		4	2
Net finance income		(1,989)	(3,095)
Operating (surplus)/deficit after net finance income		(5,603)	(2,327)
Dividends	7	2,897	2,819
Retained (surplus)/deficit for the year		(2,706)	492
Other Comprehensive Income			
Net gain on revaluation of property, plant & equipment	8	(1,297)	(1,489)
Net gain on revaluation of intangible assets	9	-	(711)
Comprehensive net (income)/expenditure for the year		(4,003)	(1,708)

⁽¹⁾2024-25 figures have been restated to separately disclose finance costs which were previously included within operating costs.

The notes on pages 96 to 120 form part of these accounts

Statement of Financial Position

as at 31 March 2026

	Note	31 March 2026 £000	31 March 2025 £000
NON-CURRENT ASSETS			
Property, plant and equipment	8	61,858	52,192
Intangible assets	9	21,457	23,233
Total non-current assets		83,315	75,425
CURRENT ASSETS			
Inventories	10	62	37
Trade and other receivables	11	2,009	2,072
Cash and cash equivalents	12	50,827	59,837
Total current assets		52,898	61,946
Total assets		136,213	137,371
CURRENT LIABILITIES			
Trade and other payables	13	(7,290)	(12,559)
Contract liabilities	13	(9)	(12)
Deferred income	13	(36,800)	(37,198)
Provisions for liabilities and charges	14	(59)	(66)
Total current liabilities		(44,158)	(49,835)
Total assets less current liabilities		92,055	87,536
NON-CURRENT LIABILITIES			
Financial liabilities	15	(86)	(95)
Provisions for liabilities and charges	14	(2,708)	(2,183)
Total non-current liabilities		(2,794)	(2,278)
TOTAL ASSETS LESS TOTAL LIABILITIES		89,261	85,258
TAXPAYERS' EQUITY & OTHER RESERVES			
Public dividend capital		5,414	5,414
Revaluation reserve		13,958	14,462
Retained earnings		69,889	65,382
TOTAL EQUITY		89,261	85,258

Jeremy Logan

Chief Executive and Agency Accounting Officer Jeremy Logan
25 June 2026

The notes on pages 96 to 120 form part of these accounts

Statement of Cash Flows
for the year ended 31 March 2026

	Note	2025-26	2024-25
		£000	Restated ⁽¹⁾ £000
<i>Cashflows from operating activities</i>			
Retained surplus /(deficit) for the year		2,706	(492)
Adjustments for non-cash transactions	5	8,750	6,685
<i>Adjustment for items not relating to operations</i>			
Finance income		(1,993)	(3,097)
Finance costs		4	2
Dividends	7	2,897	2,819
Decrease/(increase) in trade & other receivables	11	63	2,513
Decrease/(increase) in inventories	10	(25)	-
(Decrease)/increase in trade & other payables	13	(5,670)	(5,019)
<i>Less movements in payables relating to items not passing through the SoCNI</i>			
Decrease/(increase) in capital accruals	13	2,232	(696)
(Decrease)/increase in lease creditor		(9)	95
Use of provisions	14	(81)	(188)
Net cash inflow from operating activities		8,874	2,622

⁽¹⁾2024-25 figures have been restated to separately disclose finance costs, which were previously included within operating costs.

The notes on pages 96 to 120 form part of these accounts

Statement of Cash Flows (continued)
for the year ended 31 March 2026

	Note	2025-26 £000	2024-25 Restated ⁽⁴⁾ £000
<i>Cashflows from investing activities</i>			
Purchase of property, plant & equipment		(12,617)	(6,918)
Purchase of intangible assets		(4,359)	(3,850)
Proceeds of disposal of property, plant & equipment		-	25
Interest received		1,993	3,097
Net cash outflow from investing activities		(14,983)	(7,646)
<i>Cashflows from financing activities</i>			
Dividends paid		(2,897)	(2,819)
Interest paid		(4)	(2)
Net cash outflow from financing activities		(2,901)	(2,821)
Net decrease in cash & cash equivalents in the year	12	(9,010)	(7,845)
Cash & cash equivalents at the beginning of the year	12	59,837	67,682
Cash & cash equivalents at the end of the year	12	50,827	59,837

The notes on pages 96 to 120 form part of these accounts

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

	Note	Retained Earnings	Revaluation Reserve	Public Dividend Capital	Total Equity
		£000	£000	£000	£000
Balance as at 31 March 2024		64,165	13,971	5,414	83,550
Net gain on revaluation of property, plant & equipment	8	-	1,489	-	1,489
Net gain on revaluation of intangible assets	9	-	711	-	711
Transfer between reserves for realised depreciation		1,709	(1,709)	-	-
Retained surplus/ (deficit) for the year		(492)	-	-	(492)
Balance as at 31 March 2025		65,382	14,462	5,414	85,258
Net gain on revaluation of property, plant & equipment	8	-	1,297	-	1,297
Net gain on revaluation of intangible assets	9	-	-	-	-
Transfer between reserves for realised depreciation		1,801	(1,801)	-	-
Retained surplus/ (deficit) for the year		2,706	-	-	2,706
Balance as at 31 March 2026		69,889	13,958	5,414	89,261

The Financial Provisions (Northern Ireland) Order 1993 permits the Trading Fund the power to establish and maintain reserves under Article 8(2), exercisable only with concurrence of the Department of Finance. Reserves are held to finance current operating requirements and future capital investment.

The notes on pages 96 to 120 form part of these accounts

NOTES TO THE ACCOUNTS

1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2025-26 Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

The DVA operates as a Trading Fund under the provisions of the Driver & Vehicle Agency Trading Fund (Northern Ireland) Order 2016.

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 Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Agency are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The Accounting Officer has concluded that there is a reasonable expectation that the Driver and Vehicle Agency has adequate resources to continue in operational existence for the foreseeable future. The Driver and Vehicle Agency therefore continues to adopt the going-concern basis in preparing its financial statements.

1.1 Application of Newly Issued Accounting Standards

The International Accounting Standards Board (IASB) issued new and amended standards that were effective for the first time in 2025-26. These have been reviewed and the assessment is that their adoption has not had any significant impact on the amounts reported in these financial statements.

Management has also reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts.

IFRS 18 (Presentation and Disclosure in Financial Statements) was issued in April 2024, replacing IAS 1 (Presentation of Financial Statements), and is effective for accounting periods

beginning on or after 1 January 2027. IFRS 18 will be implemented, as interpreted and adapted for the public sector if required, from a future date (not before 2027-28) that will be determined by the UK Financial Reporting Advisory Board in conjunction with HM Treasury following analysis of this new standard.

IFRS 19 Subsidiaries without Public Accountability: Disclosures 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 the implementation date.

1.2 Accounting Convention

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

1.3 Property, Plant and Equipment

Property, plant and equipment assets comprise the land, buildings (excluding dwellings), plant and machinery, transport equipment and information technology held by the Agency.

Expenditure on property, plant and equipment of over £1,000 is capitalised, with the exception of computer hardware, which is capitalised if expenditure is over £500. On initial recognition, property, plant and equipment are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition.

Following HM Treasury's Thematic Review of asset valuation practices, the Agency has revised its approach to non-current asset revaluation to enhance consistency, transparency and compliance with the FReM.

Land and Property was last revalued at 31st March 2025, in line with the updated FReM these assets are now indexed between quinquennial revaluation by Land & Property Services (LPS) derived indices.

Upward revaluations of property, plant and equipment are credited to the revaluation reserve

unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised, with the remainder credited to the revaluation reserve. Downward revaluations of property, plant and equipment are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward valuation recognised in the Statement of Comprehensive Net Expenditure.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other operating costs.

1.4 Intangible Assets

Intangible assets comprise software development and software licences.

Expenditure on intangible assets of over £1,000 is capitalised. On initial recognition intangible assets are measured at cost including any expenditure directly attributable to bringing them into working condition.

A further key outcome of the Thematic Review is the removal of the requirement to revalue intangible assets, which are now held at amortised cost, reflecting their consumption of economic benefit rather than fluctuations in market value. This change has been applied prospectively and did not require any retrospective restatement of prior year balances.

Software licences are capitalised when the licence is perpetual, that is purchased one time only and can be used indefinitely. Subscription, or term licenses, e.g. those that are renewed annually, are expensed, and amortized over the term of the subscription. Software as a Service (SaaS) is in general expensed, however, where material personalisation is required, the initial development costs of this are capitalised.

Items classified as 'under construction' are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

1.5 Depreciation and Amortisation

Freehold and long leasehold land are not depreciated. Depreciation and amortisation is provided at rates calculated to write down the valuation of property, plant and equipment and intangible assets to the estimated residual value by equal instalments over their estimated useful lives.

The estimated useful economic lives are normally in the following ranges:

Buildings	10 to 54 years
Plant and Machinery	5 to 15 years
Transport Equipment	3 to 13 years
IT	3 to 10 years
Software Licences	3 to 8 years

Assets in the course of construction are not depreciated until they have been brought into use. Asset lives are reviewed regularly and where necessary revised. The estimated useful life of each asset of significant individual value is separately assessed and, if appropriate, revised.

1.6 Operating Income

Income represents the revenue received for services provided by the Agency and is stated net of refunds and exclusive of VAT. It is recognised in the Statement of Comprehensive Net Expenditure in the period in which the underlying activity takes place. Fees received in advance for which tests have yet to be performed, or licences have not issued are shown as deferred income within current liabilities. Income is also recognised from the Agency's parent department, the Department for Infrastructure, in relation to a subsidy received for Enforcement and Licensing activities and is recognised in line with the costs incurred in delivering these activities.

Capital grant income from the Department for Infrastructure is deferred on the Statement of Financial Position and amortised in line with the depreciation of the relevant assets.

1.7 Employee Benefits Including Pensions

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an

expense as soon as the organisation is obliged to pay them. This includes the cost of any untaken leave that has been earned at the year end.

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) (NI). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The Agency 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 PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). In respect of the defined contribution schemes, the Agency recognises the contributions payable for the year.

1.8 Value Added Tax (VAT)

Most of the activities of the Agency are outside the scope of VAT and VAT is reclaimed centrally by the DoF. All items in the Statement of Comprehensive Net Expenditure are therefore exclusive of VAT.

1.9 Leases

Initial recognition

At the commencement of a lease the Group recognises a right-of-use asset and a lease liability. The lease liability is measured at the payments for the remaining lease term, excluding value added tax, discounted by HM Treasury incremental cost of borrowing rate. The incremental cost of borrowing rate required to be applied by HM Treasury for leases commencing or being remeasured in the 2025 calendar year under IFRS 16 was 4.81%, and for calendar year 2026 is 5.32%.

The right-of-use asset is measured at the value of the liability, adjusted for any payments made or amounts accrued before the commencement date.

Subsequent measurement

Where the lease is subsequently measured the liability is adjusted for the accrual of interest, repayments, and reassessments and modifications. These are measured by rediscounting the revised cash flows; the impact is reflected in the lease liability and a corresponding adjustment is made to the carrying amount of the right-of-use asset or is charged to the Statement of Comprehensive Net

Expenditure.

Lease expenditure

Expenditure includes interest and straight-line depreciation. Lease payments are debited against the liability. The interest element of the finance lease payment is charged to the Statement of Comprehensive Net Expenditure over the period of the lease at a constant rate in relation to the balance outstanding.

Short term leases and leases of low-value assets

The Agency has elected not to recognise right-of-use assets and lease liabilities for leases of low-value items and short term leases. The Agency will recognise the lease payments associated with these leases as a charge to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

1.10 Provisions

The Agency 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. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by the DoF.

1.11 Contingent Liabilities

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

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

1.12 Financial Instruments

The Agency's financial instruments comprise trade and other receivables, cash and cash

equivalents and trade and other payables. Due to the nature of the financial instruments held, carrying value is considered to represent the fair values.

1.13 Inventories

Inventories consist of oil and biofuels which are valued at the lower of purchase cost and net realisable value which is the amount that an asset can be disposed of, less any direct selling costs.

1.14 Return on Capital Employed

The return on capital employed is calculated in line with Trading Fund guidance. The return is calculated by expressing the operating surplus on ordinary activities measured before interest (both receivable and payable) and dividends payable as a percentage of average net assets employed (Note 19).

1.15 Finance Income and Finance Costs

Finance income comprises interest on monies deposited with the Northern Ireland Consolidated Fund. Interest income is recognised on a receivable basis in the Statement of Comprehensive Net Income/Expenditure. Finance costs relate to interest charged on leases.

1.16 Public Dividend Capital

Under Article 5(2) of the Driver & Vehicle Agency Trading Fund Order (Northern Ireland) 1996, Public Dividend Capital (PDC) of £2,100,000 was created in order to facilitate commencement of operations of the Driver & Vehicle Testing Agency. On 1 April 2016 the Department transferred further operations into the Trading Fund under the Driver & Vehicle Agency Trading Fund Order (Northern Ireland) 2016 creating further PDC of £1,826,948 to facilitate an extension of operations. During 2017-18 the Department transferred land assets into the Trading Fund and received additional PDC of £1,862,500 in return bringing total PDC to £5,789,448. In 2019-20 the value of the PDC was reduced by £375,875 to £5,413,573. This was the impact of the prior year adjustment in relation to the deferral of the capital grant income.

PDC is reported at historic cost less impairment, in line with Department of Finance guidance.

2. Segmental Reporting

The Agency has four main operating segments which are determined by their funding source.

These are as follows:

- Testing Operations – responsible for vehicle and driver testing;
- Enforcement Operations – responsible for compliance audits and enforcement of licensing and roadworthiness for goods and passenger carrying operators and their vehicles;
- Driver Licensing and Passenger Transport Licensing Division(PTLD) – responsible for driver and operator licensing; and
- Vehicle Licensing – responsible for an enforcement service on behalf of DVLA for vehicle excise duty offences.

The SMB reviews financial information at this level for decision making purposes. An analysis of assets and liabilities by segment is not regularly provided to the Chief Operating Decision Maker and therefore the Agency does not report this information in accordance with IFRS 8.

	Testing Division	Enforcement Division	Driver & Passenger Transport Licensing	Vehicle Licensing	TOTAL
	2025-26	2025-26	2025-26	2025-26	2025-26
	£000	£000	£000	£000	£000
Gross Expenditure	54,108	5,519	16,616	384	76,627
Income	(56,774)	(5,519)	(16,656)	(384)	(79,333)
Net Expenditure (Income)	(2,666)	-	(40)	-	(2,706)

	Testing Division	Enforcement Division	Driver & Passenger Transport Licensing	Vehicle Licensing	TOTAL
	2024-25	2024-25	2024-25	2024-25	2024-25
	£000	£000	£000	£000	£000
Gross Expenditure	51,077	5,239	15,054	359	71,729
Income	(58,363)	(2,817)	(9,698)	(359)	(71,237)
Net Expenditure (Income)	(7,286)	2,422	5,356	-	492

3. Operating Income

	2025-26	2024-25 Restated ⁽¹⁾
	£000	£000
Revenue from contracts with customers		
Vehicle test fees	45,934	46,528
Practical driving test fees	4,876	4,812
Driving theory test fees	2,555	2,407
Other fees and licences	244	225
Enforcement fees	1,642	1,604
Driver licensing fees	7,945	6,759
Taxi licensing fees	945	972
Taxi operator fees	156	138
Bus passenger transport licensing fees	271	259
	64,568	63,704
Other operating income		
Subsidy from parent department	8,710	565
Roads Occupancy of Hydebank House	217	112
Release of capital grant income	3,315	3,255
Vehicle licensing enforcement	384	359
Funding from Department for Transport (DfT)	146	145
	12,772	4,436
Total income	77,340	68,140

£8.4m of deferred income which had been included in the deferred income opening balance has been recognised as income during the current year.

⁽¹⁾2024-25 figures have been restated to separately disclose funding from DfT, which was previously included within vehicle licensing enforcement income.
lease

4. Staff Costs

Staff costs comprise:

	2025-26	2024-25
	£000	£000
Wages and salaries	27,426	25,860
Social security costs	3,400	2,525
Other pension costs	8,582	8,157
Total cost	39,408	36,542

A breakdown of the above costs into permanent staff and others can be found in the Staff Report within the Accountability Report on page 71.

5. Other Operating Costs

	2025-26	2024-25
	£000	Restated ⁽¹⁾
	£000	£000
Travel and subsistence	196	199
Rates and accommodation costs	3,806	3,443
IT system maintenance and other computer charges	2,842	2,717
Office services	321	290
<i>Contracted out services:</i>		
- Driving theory test	2,220	2,107
- Vehicle testing service charge	2,128	2,055
- Booking system service charge	-	-
- Security, cleaning and other	870	923
- Licence card production	1,988	1,576
Medical costs	4,626	4,353
Plant, equipment and vehicle costs	475	385
Bank and credit card charges	436	406
Auditor's remuneration ⁽²⁾	34	36
Other expenditure	869	2,444
Services provided by parent department	1,463	1,364
Services provided by other NI government departments	3,294	3,383
<i>Non-cash items:</i>		
Depreciation and amortisation:		
- Property, plant and equipment	1,753	2,139
- Intangible assets	5,813	4,820
Revaluation charge to SoCNE	585	(492)
Provisions:		
- Provided in year	644	390
- Provisions written back	(45)	(171)
- Cost of borrowing	-	(1)
Total cost	34,318	32,366

⁽¹⁾2024-25 figures have been restated to separately disclose finance costs, which were previously included within operating costs.

⁽²⁾ Auditor's remuneration relates to audit fee. No remuneration was paid to external auditor for non-audit work.

6. Finance Income

	2025-26	2024-25
	£000	£000
Finance Income	1,993	3,097

Finance income relates to interest received on the balance on deposit with the Consolidated Fund.

7. Dividends

	2025-26	2024-25
	£000	£000
Dividends paid	2,897	2,819

Dividends are payable to the Northern Ireland Consolidated Fund. The dividend due is the balance of the 3.5% per annum return on the total assets employed less the current liabilities.

8. Property, Plant and Equipment

2025-26

	Land	Buildings	Plant & Machinery	Transport Equipment	Information Technology	Payments on account and assets under construction	TOTAL
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2025	14,107	28,613	1,280	500	181	8,228	52,909
Additions	1,054	15,323	136	8	61	(5,875)	10,707
Disposals	-	-	-	-	(21)	-	(21)
Reclassifications	-	(181)	-	-	-	181	-
Revaluations	196	1,048	7	63	1	31	1,346
Reval charged SCNE	(770)	1,068	(22)	-	-	(874)	(598)
At 31 March 2026	14,587	45,871	1,401	571	222	1,691	64,343
Depreciation							
At 1 April 2025	-	6	423	163	125	-	717
Charged in year	-	1,399	201	97	56	-	1,753
Disposals	-	-	-	-	(21)	-	(21)
Revaluation	-	25	(7)	31	-	-	49
Reval charged SCNE	-	8	(21)	-	-	-	(13)
At 31 March 2026	-	1,438	596	291	160	-	2,485
Net book value at 31 March 2026	14,587	44,433	805	280	62	1,691	61,858
Net book value at 31 March 2025	14,107	28,607	857	337	56	8,228	52,192
Asset financing							
Owned	14,587	44,433	805	280	62	1,691	61,858
Net book value at 31 March 2026	14,587	44,433	805	280	62	1,691	61,858

8. Property, Plant and Equipment (continued)

2024-25

	Land	Buildings	Plant & Machinery	Transport Equipment	Information Technology	Payments on account and assets under construction	TOTAL
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2024	13,953	28,138	3,853	493	182	740	47,359
Additions	25	142	173	79	11	7,546	7,976
Disposals	-	-	(151)	-	-	-	(151)
Reclassifications	-	-	58	-	-	(58)	-
Revaluation	104	369	(2,653)	(72)	(12)	-	(2,264)
Reval charged SCNE	25	(36)	-	-	-	-	(11)
At 31 March 2025	14,107	28,613	1,280	500	181	8,228	52,909
Depreciation							
At 1 April 2024	-	-	2,736	158	66	-	2,960
Charged in year	-	1,470	509	88	72	-	2,139
Disposals	-	-	(126)	-	-	-	(126)
Revaluation	-	(961)	(2,696)	(83)	(13)	-	(3,753)
Reval charged SCNE	-	(503)	-	-	-	-	(503)
At 31 March 2025	-	6	423	163	125	-	717
Net book value at 31 March 2025	14,107	28,607	857	337	56	8,228	52,192
Net book value at 31 March 2024	13,953	28,138	1,117	335	116	740	44,399
Asset financing							
Owned	14,107	28,607	857	337	56	8,228	52,192
Net book value at 31 March 2025	14,107	28,607	857	337	56	8,228	52,192

8. Property, Plant and Equipment (continued)

Property valuation

The Agency has revised its Accounting Policy in line with the 2025-26 FReM which removed the option to value annually, DVA now uses indices calculated by Land and Property Services (LPS) in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation Standards-Global and UK 7th Edition. Full revaluations will now be undertaken quinquennially.

This valuation excludes expenditure incurred on investigating the new land sites and on the design of a network of new Test Centres as part of the Agency's on-going Transformation Programme.

LPS is a related party to DVA as it is an agency of the Department of Finance.

9. Intangible Assets

2025-26

	Information Technology	Internally Developed Software	Software Licences	Assets Under Construction	TOTAL
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2025	42,078	11	89	1,057	43,235
Additions	2,541	-	-	1,496	4,037
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
Impairment	-	-	-	-	-
Reclassifications	-	-	-	-	-
At 31 March 2026	44,619	11	89	2,553	47,272
Depreciation					
At 1 April 2025	19,924	8	70	-	20,002
Charged in year	5,808	-	5	-	5,813
Revaluation	-	-	-	-	-
At 31 March 2026	25,732	8	75	-	25,815
Net book value at 31 March 2026	18,887	3	14	2,553	21,457
Net book value at 31 March 2025	22,154	3	19	1,057	23,233
Asset financing					
Owned	18,887	3	14	2,553	21,457
Net book value at 31 March 2026	18,887	3	14	2,553	21,457

9. Intangible Assets (Continued)

2024-25	Information Technology	Internally Developed Software	Software Licences	Assets Under Construction	TOTAL
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2024	37,425	11	86	847	38,369
Additions	3,278	-	-	210	3,488
Disposals	-	-	-	-	-
Revaluation	1,375	-	3	-	1,378
Impairment	-	-	-	-	-
Reclassifications	-	-	-	-	-
At 31 March 2025	42,078	11	89	1,057	43,235
Depreciation					
At 1 April 2024	14,446	7	62	-	14,515
Charged in year	4,813	1	6	-	4,820
Revaluation	665	-	2	-	667
At 31 March 2025	19,924	8	70	-	20,002
Net book value at 31 March 2025	22,154	3	19	1,057	23,233
Net book value at 31 March 2024	22,979	4	24	847	23,854
Asset financing					
Owned	22,154	3	19	1,057	23,233
Net book value at 31 March 2025	22,154	3	19	1,057	23,233

10. Inventories

	31 March 2026	31 March 2025
	£000	£000
Fuel stock	62	37
Total inventories	62	37

11. Trade and Other Receivables

	31 March 2026	31 March 2025
	£000	£000
Other receivables	324	293
Prepayments and accrued income	768	612
VAT	917	1,167
Total receivables	2,009	2,072

12. Cash and Cash Equivalents

	31 March 2026	31 March 2025
	£000	£000
Balance at 1 April	59,837	67,682
Net change in cash and cash equivalent balances	(9,010)	(7,845)
Balance at 31 March	50,827	59,837
Commercial banks and cash in hand	3,244	684
Short term investments	47,583	59,153
Balance at 31 March	50,827	59,837

DVA is a signatory on the following bank accounts:

DVA Hydebank and OHMG, and DVA Mallusk and Henry Bros.

DVA funds do not go through these bank accounts and so have not been included in the Annual Accounts.

13. Trade and Other Payables

	31 March 2026	31 March 2025
	£000	£000
Amounts due within one year		
Trade payables	957	1,809
Other payables	40	39
Accruals	5,507	7,693
Capital accruals – PPE	730	2,640
Capital accruals – Intangible assets	56	378
Contract Liabilities	9	12
	7,299	12,571
Deferred Income		
Deferred Income – Fees	5,495	5,239
Deferred Income – Capital Grant	31,305	31,959
	36,800	37,198
Amounts due after more than one year		
	-	-
Total payables	44,099	49,769

14. Provisions for Liabilities and Charges

	Employee Liability	Public Liability	Early Departure	Equal Pay	Injury Pensions	Legal Claims	TOTAL
2025-26	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2025	36	-	-	8	423	1,782	2,249
Provided in the year	53	24	-	-	11	556	644
Provisions not required written back	(10)	-	-	(8)	(27)	-	(45)
Provisions utilised in the year	(50)	-	-	-	(31)	-	(81)
Borrowing costs	-	-	-	-	-	-	-
Balance at 31 March 2026	29	24	-	-	376	2,338	2,767

Analysis of expected timing of provisions:

	Employee Liability	Public Liability	Early Departure	Equal Pay	Injury Pensions	Legal Claims	TOTAL
2025-26	£000	£000	£000	£000	£000	£000	£000
Not later than one year	29	-	-	-	30	-	59
Later than one year and not later than five years	-	24	-	-	346	2,338	2,708
Later than five years	-	-	-	-	-	-	-
Balance at 31 March 2026	29	24	-	-	376	2,338	2,767

14. Provisions for Liabilities and Charges (Continued)

	Employee Liability	Public Liability	Early Departure	Equal Pay	Injury Pensions	Legal Claims	TOTAL
2024-25	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2024	312	14	-	8	400	1,485	2,219
Provided in the year	39	-	-	-	54	297	390
Provisions not required written back	(157)	(14)	-	-	-	-	(171)
Provisions utilised in the year	(158)	-	-	-	(30)	-	(188)
Borrowing costs	-	-	-	-	(1)	-	(1)
Balance at 31 March 2025	36	-	-	8	423	1,782	2,249

Analysis of expected timing of provisions:

	Employee Liability	Public Liability	Early Departure	Equal Pay	Injury Pensions	Legal Claims	TOTAL
2024-25	£000	£000	£000	£000	£000	£000	£000
Not later than one year	36	-	-	-	30	-	66
Later than one year and not later than five years	-	-	-	8	119	1,782	1,909
Later than five years	-	-	-	-	274	-	274
Balance at 31 March 2025	36	-	-	8	423	1,782	2,249

14. Provisions for Liabilities and Charges (Continued)

Employee and Public Liability

Provision has been made for compensation claims and associated legal costs made by employees and members of the public. It reflects known claims where legal advice indicates that it is probable the claims will be successful, and amount of the claim can be reasonably estimated.

Early Departure Costs

During 2013-14 a Voluntary Early Retirement Scheme for staff at the Professional & Technical Officer (PTO) grade was announced. Under this scheme 16 staff retired during 2014-15. DVA is required to meet the cost of paying the pensions of employees who retire early, from the date of their retirement until they reach normal pensionable age. The Agency provides in full for the cost of meeting pensions up to normal retirement age in respect of early retirement programmes announced in the current or previous years by establishing a provision for the estimated payments.

Injury Pensions

Other provisions include injury pensions for former employees who were medically retired and awarded an additional pension sum in relation to injury which is payable for life.

A discount rate is applied by courts to a lump-sum award of damages for future financial loss in a personal injury case to take account of the return that can be earned from investment. The rate is currently +0.5% as set with effect from 27 September 2024, by the Government Actuary under the Damages Act 1996 as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022.

Other Legal issues

Also included within other provisions is an amount for holiday pay. The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for holiday pay shortfall can extend as far back as 1998. The 2025-26 holiday pay provision has been estimated by NICS HR and covers the period from November 1998 to 31 March 2020, reflecting as assessment of the possible extent of liability under the current legal framework. Settlement

remains subject to negotiation and resolution of outstanding uncertainties. There are still some significant elements of uncertainty around this estimate for a number of reasons including:

1. Lack of agreement with claimants' legal representatives around how to treat data for years previous to 2011; and
2. Ongoing negotiations with Trade Union and their legal representatives which will determine the final scope of settlement.

15. Financial Liabilities

	31 March 2026	31 March 2025
	£000	£000
Lease Liability	86	95

Lease liability relates to a property at Trench Road, Altnagelvin which is used for driving tests.

16. Contingent liabilities disclosed under IAS 37

During the year Friends of the Earth along with The Public Interest Litigation Support were granted permission from the High Court to bring a legal challenge against the Department for failing to conduct a fully compliant diesel emissions test for diesel cars and light goods vehicles. The Judicial Review hearing was held on 21 September 2023 and 1 March 2024 and judgement is awaited.

A contingent liability was disclosed in the 2024–25 financial statements in relation to a contract dispute, following receipt of an adjudication notice from a contractor in May 2025. During 2025–26, four claims arising from this matter were robustly defended through the adjudication process. There are no outstanding claims at the reporting date.

17. Capital Commitments

At 31 March 2026, the Agency had £15,278k (2025: £9,513k) of contracted capital (Property, Plant and Equipment) commitments not otherwise included within the accounts.

18. Other Financial Commitments

The Agency has entered into non-cancellable contracts (which are not leases or PFI and other service concession arrangement) for the maintenance of IT systems and vehicle testing equipment. The total payments to which the Agency is committed are as follows.

	31 March 2026	31 March 2025
	£000	£000
Not later than one year	2,903	3,362
Later than one year but not later than five years	12,857	5,752
Later than 5 years	18,120	-
Balance at 31 March 2026	33,880	9,114

19. Corporate Financial Target

	2025-2026		2024-2025	
	Actual	Target	Actual	Target
Return on average capital employed	4.33%	3.5%	-0.91%	3.5%

The return on average capital employed has been calculated in line with Trading Fund guidance from DoF. The return is calculated by expressing the operating surplus on ordinary activities measured before interest (both receivable and payable) and dividends payable as a percentage of average net assets employed.

20. Related-Party Transactions

The Dfl is regarded as a related party as it is DVA's parent department. During the year, the Agency has had a number of material transactions with the Department. In addition, the Agency has had a number of material transactions with other Government Departments and Central Government bodies. Most of these transactions have been with DoF. Land and Property Services valued the land and buildings used by the Agency.

During the year neither the Chief Executive nor members of the SMB nor any other related party has undertaken any material transaction with the Agency.

21. Financial Instruments

As a Trading Fund, the cash requirements of the Agency are met through fees and financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with DVA's expected purchase and usage requirements and cash balances held at a commercial bank. The Agency is therefore exposed to little credit, liquidity or market risk.

22. Events After the Reporting Period

There are no events after the reporting period that impact on these financial statements.

Date Authorised for Issue

The Accounting Officer authorised the issue of these financial statements on 2 July 2026.

