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DAO (DoF) 03/26

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Dear Accounting Officer

NORTHERN IRELAND SUSTAINABILITY REPORTING GUIDANCE FOR NICS DEPARTMENTS 2025-26

Purpose

1. This letter provides NI departments with the updated Sustainability Reporting Guidance and Template for 2025-26. This guidance reflects the strategic importance of sustainability reporting and the accountability of Accounting Officers for ensuring robust and transparent disclosures. A copy of the guidance document and template is attached separately and is available on the Accountability and Financial Management section of the DoF website

Background

2. The guidance has been updated in response to evolving policy requirements, including the Northern Ireland Executive's Programme for Government, the Climate Change Act (Northern Ireland) 2022, and alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework.
3. The Government Financial Reporting Manual (FReM) 2025-26 requires all spending bodies accountable to the NI Assembly to report on sustainability within the framework established by the Executive. The updated guidance aims

to drive consistency, transparency, and comparability in sustainability reporting across all NI departments.

Scope

4. This DAO applies to all NI departments and, where relevant, to their agencies, NDPBs, and other arm's length bodies (not including North-South Implementation bodies). Departments should ensure that their arm's length bodies are made aware of the guidance and encouraged to align their reporting as appropriate.

Governance, Assurance, Reporting and Oversight

5. Departments must ensure that sustainability reporting is subject to appropriate governance and oversight, including review by Audit and Risk Assurance Committees (ARACs) and integration with their existing internal audit processes. The updated guidance sets out expectations for internal validation, monitoring, and reporting arrangements. Departments should refer to the relevant sections of the guidance for further detail.

Delegations and Approvals

6. Any delegations, thresholds, exemptions, or escalation routes relating to sustainability reporting should be managed in accordance with existing departmental governance frameworks. Where specific approval or escalation is required, departments should follow the procedures outlined in the updated guidance.

Effective Date

7. The updated guidance takes effect for the 2025-26 reporting period. Departments should note any transitional arrangements set out in the guidance, particularly in relation to new or phased disclosure requirements.

Action

8. Accounting Officers should:
- Draw this letter and the attached guidance to the attention of those working in departments, agencies, NDPBs and other Arm's Length Bodies as appropriate.
 - Ensure the updated Sustainability Reporting Guidance is implemented when preparing annual reports and accounts for 2025-26.
 - Oversee the establishment of appropriate governance, assurance, and internal audit arrangements to support the quality and reliability of sustainability disclosures.
 - Ensure that any queries or issues arising from the implementation of the guidance are addressed promptly.

Enquiries

9. Enquiries regarding the content of this DAO or the Sustainability Reporting Guidance should be addressed to James Hutchinson, DAERA Director of Green Growth and Innovation (James.Hutchinson@daera-ni.gov.uk).

Yours sincerely



STUART STEVENSON

**cc: Finance Directors
Joanne McBurney, DoF
Patrick Neeson, DoF
David Killops, DoF
Kathryn Allen, DoF
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Fiona Elliott, DoF
James Hutchinson, DAERA**