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The Sports Council  
for Northern Ireland

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Annual Report and Accounts  
For the year ended 31 March 2016



**The Sports Council for Northern Ireland**  
**Annual Report and Accounts**  
**For the year ended 31 March 2016**

*Laid before the Northern Ireland Assembly  
under Article 7(2)(c) and 8 of the Recreation and Youth Service  
(Northern Ireland) Order 1986 by the Department for Communities  
(formerly Department of Culture, Arts and Leisure)*

*on*

*21 August 2019*

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## PERFORMANCE REPORT

This Performance Report focuses on matters relevant to all users of Financial Statements. Although it is designed to be a self-standing document, much of the information contained in it is simply a summary of information provided in other documents and is therefore cross referenced as appropriate.

### Overview

### Chairman's Foreword



I am pleased to introduce the 2015-16 Annual Report for the Sports Council for Northern Ireland (hereafter Sports Council). This Annual Report is testament not only to the progress achieved by Sports Council and its staff, but also to the strength of the partnerships which have been built over the years. The achievements highlighted in this document tell the story of what these partnerships are accomplishing.

Championing the value of sport and demonstrating that 'Sport Matters' is a key focus for Sports Council. Sport often demonstrates its contribution to other areas of life in Northern Ireland, such as health, social and economic development, education, community development and addressing social disadvantage. While these benefits are highly valued, we also get passionate about sport because of the enjoyment and sense of achievement that participation can bring to anyone, regardless of age, income, background, or level of ability. In short, sport is a very positive force.

Sport during 2015-16 has provided inspirational moments, with local athletes excelling on the international and world stage. These include Michael Conlan at the AIBA World Elite Boxing Championships and the EUBC Elite European Championships, Kirsty Barr at the ISSF World Championships, Michael McKillop and Jason Smyth at the IPC World Championships, Team Ireland at the Special Olympics World Summer Games in LA and, of course, the Northern Ireland Football Team competing in the Euro 2016 Finals - a huge achievement for the squad and the country.

Following an extensive reorganisation of the departmental system, Sports Council from May 2016 moved to the remit of the new Department for Communities. Sports Council will continue the journey to achieve the Vision - '**Northern Ireland: renowned as a place where people enjoy, engage, and excel in sport**'.

Internally the organisation faced a number of challenges in relation to performance, governance and leadership; decisions taken by the Board during the 2014-15 period materialised as considerable risk in consequent years and will result in a separate Northern Ireland Audit Office report to be published in 2019. The Board is committed to learning from findings of this report and to implementing its recommendations

I would like to pay tribute to the Board who have given their time so readily on behalf of sport. I also wish to thank the staff at Sports Council whose commitment, dedication and considerable ability led to the achievement of our goals in 2015-16, despite the organisational challenges faced.

A handwritten signature in blue ink that reads "George Lucas". The signature is written in a cursive, flowing style.

**George Lucas**  
**Chair**  
**Sports Council for Northern Ireland**

**Date: 19 June 2019**

## Chief Executive's Introduction

Sport has always been a major driving force in our communities over many years. Sport provides a solid platform on which to develop strong, cohesive communities, and nurture home grown athletes who bring pride to the entire community.



Sports development is central to everything we aim to achieve, whether this is through **sporting communities, sporting clubs** or **sporting winners**.

Future years will see the launch of Sports Council's new initiatives Every Body Active 2020; Sporting Clubs and Winners. The Euro Finals and the Rio Olympic and Paralympic Games have seen, in 2016-17, many of our home-grown athletes compete for medal success. Our focus remains unchanged - **more participants and winners in sport**.

In our vital role of developing more participants and more winners, we recognise the wider contribution which sport brings to building Northern Ireland society; to the promotion of equality; tackling poverty; and social exclusion. We also recognise our social responsibilities to enable everyone who calls Northern Ireland home, to enjoy, engage and excel at sport.

Sports Council recognises our responsibility to deliver sport within a robust framework of governance, value for money and public accountability. There are some key learnings during this year which the organisation continues to work to address so that we are seen as a trusted and effective leader and we are committed to continuous improvements and organisational growth.

We are also grateful to all those organisations and individuals who have worked in partnership with Sports Council to further the development of sport. Acknowledgement to all those involved in the ongoing delivery of sport in this region - coaches, athletes, participants, officials, administrators, volunteers, and teachers. Sport is always a team effort and everyone should be commended for their ongoing commitment and dedication to making sport an integral part of our culture.

A handwritten signature in blue ink, appearing to read 'Antoinette McKeown', with a long horizontal flourish extending to the right.

**Antoinette McKeown**  
**Chief Executive**  
**Sports Council for Northern Ireland**

**Date: 19 June 2019**

## **Strategic Report**

### **Statutory Background**

The Sports Council for Northern Ireland (referred to as “Sports Council”) is an executive non-departmental public body sponsored by the Department for Communities (formerly the Department for Culture, Arts and Leisure and referred to as “the Department”). It was established on 31 December 1973 under the provisions of the Recreation and Youth Service (Northern Ireland) Order 1973 with its main objective being the furtherance of sport and physical recreation. Its principal functions are as provided by Article 3 of the Recreation and Youth Service (Northern Ireland) Order 1986:

- On matters relating to sport and physical recreation, to advise the Department and other Government Departments, Education Authority, Local Councils and other bodies interested in sport and physical recreation;
- To encourage the provision of facilities for and participation in sport and physical recreation; and
- To assist, subject to Paragraph (4) of the article:
  - In the provision of administrative services, equipment, coaching and instruction;
  - In the organising or supporting of, or participating in, international or other events, by bodies providing facilities for sport or physical recreation or organising such activities; and
  - Bodies providing supportive services in connection with sport and physical recreation.

Article 5 of the 1986 Order as amended by the Financial Provisions (NI) Order 1991 provides that the Department may, subject to such conditions as the Department thinks fit, make grants towards the expenses of the Sports Council. These financial statements have been prepared on an accruals basis and show a true and fair view of the state of affairs of Sports Council’s activities at the year end and of its net expenditure, changes in taxpayers’ equity and cash flows for the financial year. They have also been prepared in accordance with Article 7 of the Order and in a form directed by the Department with the approval of the Department of Finance (formerly the Department of Finance and Personnel).

### **Funding**

Sports Council is primarily funded by Grant in Aid from the Department. The level of funding is agreed with the Department as part of a rolling Funding Agreement. The current agreement covers financial years up to and including 2017-18. This agreement also includes an agreed set of strategic targets. Grant in Aid funds are accounted for separately in Sports Council for Northern Ireland Exchequer Account (referred to as Exchequer Account).

### **Lottery Distributor**

The Minister for Digital, Culture, Media and Sport (DCMS) appointed Sports Council as a Lottery distributor in 1994. Lottery funds are accounted for separately in Sports Council for Northern Ireland Lottery Distribution Account (referred to as Lottery Account)

## **Principal Risks and Uncertainties**

Sports Council has an agreed Corporate Plan for 2015-20 which sets out strategic objectives and activities for the period. The corporate plan was developed to ensure the cost of key programmes and activities forecasted would have adequate funds available over the planning period and to avoid any over-commitments in the Lottery Account. Sports Council continues to review its budgets to identify efficiencies and provide plans to make savings if requested by the Department. The principal risk affecting Sports Council relates to reducing budgets and the absence of the Chief Executive Officer. Please refer to the Governance Statement for further information.

The nature of Sports Council activities creates an interdependency between funding sources. Lottery receipts can be subject to fluctuation, but at this time are less vulnerable than Exchequer budgets. A corporate plan was also developed and the cost of key programmes and activities forecasted to ensure that there were adequate funds available over the planning period.

Decisions taken by the Sports Council during the 2014-15 year resulted in risks materialising in subsequent years that had a significant impact on the reputation and operation of the organisation. These risks, as set out below, are detailed in the Governance Statement, with the actions taken to mitigate their impact on Sports Council:

- Absence of Chief Executive;
- Review undertaken by the Department for Communities Head of Internal Audit;
- Interim Executive Leadership Team Report and Transformation Programme;
- Board Resignations;
- Casement Park; and
- Delay in the publication of annual accounts.

## **Going Concern**

The accounts of Sports Council are produced on a going concern basis. Going concern was re-assessed and approved by the Board on the 19 June 2019. Sports Council is not aware of any reason to adopt a different basis.



## Performance Analysis

### Financial Results

The results of Sports Council are set out in detail on page 60 the total comprehensive net expenditure for the year was £7,815,233 (2014-15: £14,065,979). The reserves at the year-end show a surplus of £293,379 (2014-15: deficit of £1,777,533).

### Sustainability/Environmental Matters

Sports Council is committed to practices and procedures that minimise impacts on the environment and has continued to make good progress in becoming a more sustainable organisation while still focusing on “making sport happen.” For example, Sports Council Procurement Policy seeks to implement Procurement Guidance Note 01/13 in integrating social considerations into contracts where appropriate.

Sports Council strategy encourages its staff to ensure that:

- Energy usage is more efficient.
- Business travel where possible continues to be reduced through greater use of video/teleconferencing.
- Waste management is controlled through the practice of reduce, reuse, repair and recycle.
- Biodiversity remains an element in planning for sports facilities and developments.

### Review of Activities and Key Performance Indicators (KPIs)

Sports Council’s Business Plan for 2015-16 responds to the Management Statement and Financial Memorandum. Detailed within the Plan are the organisation’s Strategic Objectives, Priorities for Action, Key Activities, and Key Performance Indicator (34) targets for the financial year.

The following table provides a summary of progress, using a traffic light rating, against Sport Council’s Strategic Objectives (3) Priorities for Action (6) and Key Activities (15) detailed within the Plan for 2015-16.

Strategic Objectives	Priorities for Action	Key Activities	Year End Status
<b>1. Sporting Communities</b>	1. Lead, coordinate and invest in the development and delivery of grassroots sport, extending choice and quality opportunities which engage all.	1. To deliver a sports development support service to local communities which delivers expert advice, guidance, resources and capacity building to grassroots communities.	Green
		2. To influence and support the development of 11 Local Council Community Plans.	Green
		3. To promote and support the delivery of Northern Ireland’s Outdoor Recreation Action Plan.	Green
	2. Increase participation in grassroots sport with a target on young people, people with a disability, women, older people and people living in areas of greatest social need.	4. To develop and launch a new community participation initiative to increase quality opportunities for targeted groups to sustain participation in sport.	Green

		5. To work with a range of partners to deliver interventions aimed at improving access to and participation in sport amongst targeted groups and building good relations through sport.	Green
<b>2. Sporting Clubs</b>	3. Invest in the sporting workforce to enable sports clubs to develop and deliver quality sporting experiences so that people can enjoy and sustain a sporting lifestyle.	6. To develop the sporting workforce by delivering coach and practitioner education, training and personal development to sports clubs.	Green
		7. To work with Governing Bodies to increase their ability to develop and improve quality in sports clubs.	Green
		8. To deploy Sports Council expertise to identify and nurture talent.	Green
	4. Invest in quality sports facilities that engage communities, support achievement of sporting goals and develop future champions.	9. To identify and prioritise sport facility requirements within Northern Ireland.	Green
		10. To provide design and technical advice to organisations developing and operating sporting facilities.	Green
		11. To provide advice and guidance in support of safety at sports grounds.	Amber
		12. To develop an Investment Strategy, with delivery partners, to construct and operate prioritised sports facilities.	Green
		13. To improve the quality of club-community facilities.	Red
<b>3. Sporting Winners</b>	5. Prioritise those sports and athletes who have the potential to achieve success and excel at the Olympic, Paralympic and Commonwealth Games.	14. To invest Sports Council expertise to deliver improved high performance sport outcomes.	Green
	6. Work strategically with the sports (including culturally significant sports) to invest in our high performance expertise where it is most needed to ensure success.	15. To deploy Sports Council expertise to improve the competitiveness of sports, including culturally significant sports.	Green

The following narrative provides detail of the significant work of Sports Council during 2015-16 via Exchequer funding.

## **1.0 Participation and Facilities**

Sports Council encourages everyone to get active through participation in sport and physical recreation. Sport is not all about competition; it begins at community level providing sporting opportunities which engage all, and enabling communities to come together to celebrate diversity and a shared passion for sport.

Sports Council has invested in many quality facilities to engage communities, support achievement and develop future sporting champions. People of all ages and abilities can avail of access to local fit for purpose spaces capable of sustaining early experiences and recreational enjoyment of sport and ensuring a lifelong connection with sport.

### **1.1 Active Inclusion**

Throughout 2015-16, Sports Council continued to work closely with a host of disability sports organisations in Northern Ireland, including the Blind Sports Network, Deaf Sports Northern Ireland, Disability Sport Northern Ireland (DSNI), and Special Olympics Ireland.

In addition to the thousands of individuals with a disability involved in programmes such as Special Olympics World Summer Games, Active Communities, the Community Events Programme, and Five Star Challenge, Sports Council also worked closely with the wider disability sector to energise and facilitate the development of a Northern Ireland Disability Sport Strategic Action Plan.

The Action Plan process was overseen by a cross-sectoral project board comprising representatives from Disability Action, the Northern Ireland Sports Forum and a range of government departments; the Department for Communities (DfC), Office of the First Minister and Deputy First Minister (OFMDFM), the Department of Health, Social Services and Public Safety (DHSSPS) and the Department of Education (DE) and Sports Council. An extensive online consultation and face-to-face engagement process through June to September 2015 culminated in the publication of a draft plan, entitled 'Active Living: No Limits 2021', for final public consultation and Section 75 Screening in April 2016.

The process has helped to strengthen collaborative planning and delivery within disability sport across Northern Ireland and significantly addresses one of the findings identified within the 'Mid Term Review of Sports Matters' (published by the Department in March 2015) on the need to enhance planning for, and experiences of, sport for people with a disability in Northern Ireland

### **1.2 Together: Building a United Community**

'Together: Building A United Community' (TBUC) is the Northern Ireland Executive's strategic response to previous 'shared future' discussions. TBUC recognises and acknowledges a central role for sport in contributing to a shared, better and more inclusive future for everyone living in Northern Ireland.

During 2015-16, Sports Council worked closely with colleagues in The Department to develop a pilot project to raise awareness of TBUC and to baseline attitudes towards good relations among sports clubs. Sports Council secured approximately £250,000 from the Department and OFMDFM to deliver the pilot project. Over 500 sports clubs participated in the online attitudinal survey, with more than 200 of these also completing follow-up training.

During March 2016 more than 400 sports coaches attended a bespoke ‘good relations in sport’ training evening, facilitated by Sports Council staff and delivered in collaboration with staff from Belfast Community Sports Development Network.

This was one of a series of interventions led by Sports Council to raise awareness of TBUC among more than 1,000 individuals. Other projects included seminars on women in sport and the role of outdoor recreation in bringing local communities together, an eight-week Midnight Street Soccer project and a Coach Education Programme targeting young men and women living in five (OFMDFM designated) Urban Villages in Belfast and Derry, and a series of disability sport community events in Lisburn and Antrim.

### **1.3 Active Outdoors**

In September 2015, Sports Council, in partnership with Newry, Mourne and Down District Council, hosted the 3<sup>rd</sup> Nature and Sport Euro’Meet event in Newcastle, Co. Down. The event was extremely successful with over 140 participants from 15 different European countries. While the majority of delegates were from France (as the French Ministry of Sport supported delegates to attend), there were 15 different countries represented at the conference including Germany, Switzerland, Greece, Portugal, Spain, and Slovakia.

The conference provided significant networking opportunities, coupled with a very positive and engaging experience throughout the event. The range of study trips - ranging from sustainable trail development into the ‘High Mournes’ to coastal rowing on Strangford Lough and world class mountain bike trails in Castlewellan - showcased the South Down area and Northern Ireland at its best.

In a follow-up survey of delegates attending the conference, 98% rated customer care as good/excellent, 98% rated the speakers as good/excellent, and 88% rated the learning achieved as good/excellent. Sports Council and the European Network of Outdoor Sports (ENOS) has since published a conference report and findings, which was widely disseminated online through the ENOS website and shared with the European Commission’s Sport Unit in December 2015. The conference also provided a triumph of partnership working and very positive relationships were developed by the various departments and agencies involved in the event.

The Euro’Meet 2015 also provided an opportunity for Northern Ireland’s Minister for Communities (formerly Minister for Culture, Arts and Leisure) (Caral Ni Chuilin, MLA) to host a North-South breakfast summit with her counterpart in the Republic of Ireland, Michael Ring TD, Minister for Transport, Tourism and Sport and to engage with the European Commission’s Sports Unit and the Chair of the European Network of Outdoor Sports. The breakfast summit provided a platform to discuss the importance and benefits of sports in terms of physical, mental and social outcomes. There were discussions relating to opportunities for better North – South and EU sports partnerships e.g. in respect of facility planning, hosting major sporting events and collaborative cross-border local sports partnerships. It also provided an opportunity to explore opportunities for improved engagement within Europe, including but not limited to, new funding opportunities provided by Erasmus+. This engagement paved the way for further structured engagement and collaboration between Sports Council and Sport Ireland in 2015-16.

## **1.4 Supporting Community Planning Through Sport**

In March 2016, one of the final pieces of legislation approved by the Northern Ireland Assembly in its current mandate was the Local Government (Community Planning Partners) Order (NI) 2016. This legislation places a statutory duty on a number of organisations to engage with and support community planning across the 11 Local Councils; Sports Council has been identified as a statutory partner.

In anticipation of this designation, Sports Council has been working closely with the 11 Local Council-led community planning processes. This has included representation and input within Officer/Thematic and Strategic Groups. More importantly, Sports Council has embedded community planning with a number of core sports' participation policies and investment programmes including Every Body Active 2020.

Emerging evidence from each of the 11 community planning processes suggests that sport is recognised as making an important contribution to the three high level themes of Social, Economic and Environmental wellbeing.

## **1.5 Tollymore National Outdoor Centre**

Tollymore National Outdoor Centre has seen a consolidation in its delivery of skills and leadership programmes during 2015-16. The highlight has been the increase in youth skills, with a range of programmes delivered, including progressive skills development programmes to local primary schools, GCSE hillwalking and mountaineering courses and residential BTEC schemes for further education students. In conjunction with these programmes, Tollymore delivers the core governing work programmes in mountaineering and rock-climbing, canoe sport, first aid, and mountain biking.

The Department, has provided additional funding to Sports Council to enable a further £19k investment in the provision of programmes at Tollymore National Outdoor Centre (TNOC) for people with learning difficulties and mental health issues. This was part of the TBUC programme. Over 200 people will have attended additional programmes over the course of the year.

In May 2015, concerns were raised by the Northern Ireland Audit Office (NIAO) in respect of the pricing of commercial activities at the Tollymore National Outdoor Centre (TNOC), in particular the need to apply full cost recovery as required by Managing Public Money Northern Ireland (MPMNI).

Sports Council has worked with the Department and the Department of Finance to obtain compliance with the principles in MPMNI. A full Green Book appraisal of TNOC was prepared by external consultants in September 2016 to ensure TNOC is fully compliant with Managing Public Money NI. The business case received conditional approval in November 2016. The conditions have now been met by Sports Council and was formally signed off in February 2017.

## **1.6 Sports Facilities Strategy Project**

In 2014 Sports Council and all 11 Local Councils agreed to jointly fund the development of a Sports Facilities Strategy for Northern Ireland with 11 associated Local Council Area Reports. The purpose of this work was to provide a framework for the strategic delivery of sports facilities throughout Northern Ireland, and to ensure smarter use of available capital budgets.

Specialist consultants led by Strategic Leisure Ltd were tasked with developing two individual but complementary pieces of work:

- **Sports Facilities Strategy for Northern Ireland**  
The Sports Facility Strategy for Northern Ireland will identify the need for facilities of a regional importance that are required for high performance sports or culturally significant sports.
- **11 Local Council Area Reports**  
Local Council Area Reports will sit below the Sports Facilities Strategy for Northern Ireland. Each Area Report will be similar in structure but reflect the local sports facility need in each of the 11 Local Council areas. The Area Reports identify the shortfall in the provision of participation based facilities at a local council area and recommend general geographic locations for the potential development or refurbishment.

The Sports Facilities Strategy project is now complete, with plans being put in place to roll out.

## **2.0 Performance Sport**

Sports Council is committed to enabling athletes and teams to maximise their sporting potential and reach their optimum level of performance, specifically at Olympic, Paralympic and Commonwealth level.

Performance is about creating an environment that enables athletes to improve athletic performance. This work requires the parallel development of systems for workforce development, sustained participation, coaching, and talent identification/development, alongside sports science and medicine interventions, and the provision of financial support to athletes, coaches and governing bodies of sport.

### **2.1 Governance and Leadership of Sporting Bodies**

Throughout 2015-16 Sports Council has supported governing bodies of sport to address governance issues, prepare for changes to legislation, and improve their governance standards through a range of interventions. These are summarised below.

Through PerformanceFocus a Governance review of both Athletics NI and Netball NI was completed; a Board Skills Audit and process for recruitment of independent directors was undertaken with Swim Ulster (SU); and SU also participated in bespoke committee skills training along with Ulster Hockey and Ulster Rugby. Following on from its governance review in 2014-15, the Canoe Association for Northern Ireland (CANI) has also been supported through a review of its legal and company structures. Sports Council has supported the NI Archery Society, NI Judo Federation, Taekwondo Association NI, NI Federation of Shooting Sports, and Irish Bowls Federation developing strategic plans through the facilitation of strategic planning sessions and membership consultations.

The Governance Network met on four occasions and covered a range of themes including:

- Developing a Governance and Leadership Framework;
- Effective Boards;
- Business Planning for Sustainability; and
- Developing a Long-term Strategy for Your Sport.

Further information sessions were provided on Charities and Community Amateur Sports Club (CASC) legislation, in partnership with the Charities commission and HM Revenue and Customs (HMRC). Several additional working partnerships were developed, including with Business in the Community (BITC), Chief Officers 3rd Sector (CO3), Northern Ireland Council for Voluntary Action (NICVA), and Volunteer Now.

Sports Council also sat on the Developing Governance Group, culminating in the launch of the revised Code of Good Governance (January 2016) at NICVA.

At a UK level, Sports Council is a member of the UK Governance Group and UK Leadership Forum, both of which provide valuable opportunities to share ideas and issues as well as forecast the governance and leadership challenges to sports bodies in the future. The UK Leadership Forum is responsible for the development and running of Leading Edge, a leadership programme for CEOs and senior staff of governing bodies of sport from across the UK. In 2015-16 Sports Council supported the Executive Manager of Ulster Hockey to participate on the Programme along with 14 other CEOs within British and Home Country sports. Sports Council is also represented on the UK Sports Councils' Recognition Panel, and in the last 12 months has had a significant input into a review of the recognition policy.

## **2.2 Club Development**

Club Development continued to provide support to clubs and volunteers to improve their club environment through resource support, development and learning opportunities.

The Club Leaders Programme was reviewed and revamped utilising the feedback received from participants involved in the programme over the previous 15-month period. As a result, it was relaunched in September 2015 with the addition of four new workshop topics. To date five workshops have been delivered with 99 participants attending from 53 clubs. Further learning opportunities have also been provided through delivery of Safeguarding Children and Young People in Sport and Designated Officer workshops with 102 workshops delivered to date in 2015-16 to 1,461 participants.

Sports Council has continued to work alongside governing bodies of sport and Local Councils with over 185 clubs now Clubmark NI accredited. Examples of this work have been with the Irish Football Association (IFA) which has accredited over 30 clubs in the past year and is the most prominent governing body now in relation to the promotion of Clubmark NI, having recently developed its Schools Clubmark programme. Other sports such as Rowing have now got their own Clubmark scheme and Golf are on the verge of completing it. The programme is currently being redeveloped including an update to the online system which will enable sports to better track applications.

## **2.3 Coaching**

Sports Council Coaching Development staff delivered two large-scale multiple day conference events, one focusing on the development of children's coaches, while the other focused on the development of talent coaches. These events attracted over 200 coaches and coach developers.

The Sport Northern Ireland Coaching Awards grew, both in terms of numbers of nominations and profile. Three of the Northern Ireland winners were shortlisted as finalists for the UK Coaching Awards, with two of these coaches winning their categories. The Coaching Development Team also delivered smaller targeted projects such as the 'Coaching Connects Talent Hubs', which are regionally based (Northern and Southern regions) 12-month coach development programmes that facilitate learning and development for talent coaches; and the development of a 'High Performing Children's Coach' continuous learning module, in partnership with Ulster University for utilisation across the UK.

## **2.4 Talent**

The implementation of new Talent projects has addressed a number of identified gaps in governing body talent/Performance pathways, providing additional opportunities for sports to identify and develop new athletes from a non-traditional background with the potential to excel in their sport.

The Talent Network Programme of support to governing bodies of sport has enabled the sharing of best practice and learning from April 2015 to March 2016 with formal and informal learning shared around topic areas including talent profiling, talent transfer, athlete/coach interviews, post-competition learning, athlete career transitions and the complexities of talent development.

## **2.5 Anti-Doping**

Sports Council continues to support national governing bodies of sport to fulfil their responsibilities under the World Anti-Doping Code and to promote clean sport. A number of sports have been supported to develop a tailored education plan and support mechanisms for members, target groups of athletes and athlete support personnel. The Pure Winner Curriculum Framework has been further developed to ensure recommended education content is delivered at each level of the Performance Pathway. For example: Fair Play and Ethics 'awareness' raised at Beginner level; Testing Procedures 'understood' at Talent Development level and Biological Passport/Registered Testing Pool 'applied in everyday life' at High Performance/Elite level.

Sports Council hosted Pure Winner Educator Courses to upskill sports personnel to develop and deliver Clean Sport Workshops and outreach programmes within their sports for athletes and athlete support personnel. This year, 28 Educators from 13 sports have been trained and deployed. These educators have been supported to educate and raise awareness across Northern Ireland sporting communities thus creating public confidence in clean sport.

## **2.6 The North West Programme**

The North West Programme has continued to develop a regional sporting structure in the locality with a focus on club development, talent and coaching.

The programme has facilitated over 200 learning opportunities for coaches, athletes, parents, and club officials, as well as engaging national developments at a regional level.



The following programmes have delivered learning and development opportunities as part of the North West Project:

- Inspiring Women in Sport;  
Coach Development programme focusing on the positive health and wellbeing and upskilling of female coaches. This is a 12-month programme which has facilitated 36 learning opportunities in 2015-16.
- North West Talent Project;  
Regional talent project which provides support to talented athletes located in the North West, who have been identified via their national governing body talent pathway. The pilot stage supported 24 athletes from seven different sports. Support is provided in the form of direct strength and conditioning, as well as learning opportunities for athletes and parents.
- Coach Masterclass Series;  
The masterclass programme provided bespoke coaching workshops to assist coaches with knowledge and skills in specific topic areas. Four Masterclass programmes have been delivered with 50 learning opportunities.
- North West Coaching Network.  
The North West Coaching Network is made up of local authorities and regionally based national governing body officers. The Network's role is to provide a collective voice for coaching and club sport in the North West. In 2015-16 two Network sessions were facilitated with 21 learning opportunities provided.

## **2.7 School Games**

The UK School Games provides an excellent opportunity for the new generation of elite athletes to showcase their skills and compete with some of the best talent from across the UK at a large-scale, multi-sport event.

Northern Ireland's athletes took home a grand total of 28 medals from this year's hugely successful Sainsbury's UK School Games, which took place in Manchester in September 2015. Medals were won in athletics, fencing, gymnastics, hockey, judo, swimming and table tennis. Athletes won a total of 7 Gold, 4 Silver and 17 Bronze medals.

162 athletes represented Team NI during the three days of competition, competing in eleven current and future Olympic and Paralympic sports. A total of 1,600 elite school-age athletes and 500 officials took part in this year's event, which re-enforces the experience of Olympic and Paralympic Games competition.

## **2.8 NI Commonwealth Games Council**

Sports Council invested in the employment of the Executive Officer within the Council and also towards the Northern Ireland Team competing in the 2015 Youth Games in Samoa. A team of 17 athletes and support staff, including the Sports Institute's Physiotherapist, travelled to Samoa with five sports: aquatics, athletics, bowls, boxing and squash. The Northern Ireland team achieved its best result ever at this level winning 12 medals over the 8-day event - 4 Gold, 4 Silver and 4 Bronze medals.

To cap a successful Youth Games year for Northern Ireland, the Northern Ireland Commonwealth Games Council's (NICGC) bid to host the 2021 Youth Games in Belfast was successful. Sports Council provided support to the Council in preparing the business case for the bid.

## 2.9 Sports Institute Northern Ireland

The Sports Institute Northern Ireland (SINI) provides direct support in line with the Sporting Winners strategic objective: ‘To help more Northern Ireland athletes win at the highest level’. Staff deliver high performance sport expertise to athletes, coaches and sports through provision of services covering the range of science and medicine disciplines that lay the foundation for sports performance at the highest level. In addition, staff assist sports to build capability in their own high performance systems, coaching and use of services.

Work of SINI involves collaboration with external organisations within Ireland, UK and the wider international networks associated with high performance sport. These collaborations involve exchange of knowledge and development of innovative practices that focus on improving performance.

Some of the outcomes associated with the work of SINI include:

- Better understanding of sports performance leading to more informed coaching decisions;
- Athletes realising their sports’ potential through coaches using knowledge of the physiological determinants of performance and the current performance ‘gap’ to target gains;
- Improved technical and physical development due to increased ability of athletes to train without injury or illness;
- Strong and robust athletes who are capable of training at the levels required for success at major competitions;
- Behaviour changes in athletes in terms of nutrition habits, better hydration, fuelling and recovery leading to improved body composition and successful making of weight;
- Athletes with coping skills engrained in order to sustain consistent, positive behaviour during performance; and
- Effective and efficient use of resources to improve the competitiveness of Northern Ireland’s best athletes.

2015-16 brought a series of performance highlights, including:

- 10 medals won at the highest level (see table below); and
- The Northern Ireland Football Team qualifying for the Euro Finals for the first time. SINI provides sports science to monitor players during training and competition and in addition has provided assistance to the IFA medical team with player rehabilitation following injury.

**2015-16 Medal Tally**

<b>Sport</b>	<b>Athlete / Team</b>	<b>Event</b>	<b>Medal</b>
Boxing	Michael Conlan	AIBA World Elite Boxing Championships (Men’s Bantam)	Gold
Boxing	Michael Conlan	EUBC Elite European Boxing Championships (Men’s Bantam)	Gold
Shooting	Kirsty Barr	ISSF World Championships (Olympic Trap Team event)	Gold
Para Athletics	Michael McKillop	IPC World Championships 800m (T38) and 1500m (T37)	Gold x2
Para Athletics	Jason Smyth	IPC World Championships 100m (T13)	Gold
Boxing	Brendan Irvine	European Games (Men’s light fly)	Silver
Boxing	Sean McComb	European Games (Men’s light fly)	Bronze
Hockey	Ireland Men’s Senior Team	Euro-hockey Championships	Bronze
Athletics	Team Ireland	European Cross Country Championships	Bronze

### **3.0 Sports Management Services**

Sports Management Services are the vital business support of the Sports Council - ensuring efficient and effective Sports Management Services administration in sport.

#### **3.1 Safeguarding in Sport**

Sports Council recognises its moral duty and legal obligation to protect children and young people in sport through the creation and promotion of a safe environment which protects them from harm. Sport has the power to be a positive influence on children and vulnerable young adults, through providing supporting structures and a sporting environment that places welfare first. By encouraging all sporting organisations to implement the Code of Ethics, Sports Council believes that everyone in children's sport will benefit e.g. children, parents/guardians and sports leaders.

In 2015-16, Sports Council's Safeguarding in Sport Advisory Service has:

- Provided support and advice to governing bodies of sport, sports clubs, community/voluntary organisations and other third party organisations in relation to the safeguarding legislation.
- Supported the modernisation of governing bodies of sport, other sporting organisations, sports clubs and recipients of Sports Council funding through the 'Safeguarding in Sport assessment process' or an appropriate alternative. For example, a target of 30 governing bodies/sporting organisations maintaining at least a satisfactory level of assurance following the Safeguarding in Sport Assessment process was set. This target was exceeded with 36 maintaining a satisfactory level of assurance.
- Provided ongoing technical guidance and support in relation to safeguarding related learning and development opportunities, where the following targets were achieved or exceeded:
  - Learning programme technical content development and updates (Achieved);
  - Tutor assimilation and development (formal, non-formal and informal) (Achieved);
  - Sport specific workshop technical content development, updates and tutor assimilation and development (Exceeded);
  - Quality assurance of technical (legislative and safeguarding good practice) aspects of safeguarding related learning programmes (Exceeded); and
  - Input to safeguarding related learning and development resources (Exceeded).
- Provided a safeguarding in sports enquiry service to governing bodies of sport, sports clubs and community/voluntary organisations. The target was exceeded with 343 enquiries responded to within the agreed timeframe.

#### **3.2 Research - Mental Health**

Sports Council is committed to ensuring that Northern Ireland not only enjoys sport, but that it can also enjoy all the positive benefits associated with a lifelong involvement in sport.

Previous research has recognised a link between physical activity and improved mental health and wellbeing. The 'Mood Matters' research report (2015) revealed that sports clubs provide an effective and conducive environment for tackling a range of mental health issues. For example, engaging in awareness raising and training enables sports clubs to not only build people's knowledge and confidence in supporting others, but can also promote a shared understanding of the issue to help address mental health at a club level.

In 2015-16, Sports Council hosted the first stakeholder workshop: ‘Mental Health and Wellbeing in and Through Sport’ that was attended by governing bodies of sport, health professionals, the Public Health Agency (PHA), community groups, and mental health charitable organisations. As a result of this engagement Sports Council has:

- Appointed a lead officer for ‘Mental Health and Wellbeing In and Through Sport’ who is responsible for both the strategic direction and operational aspects of Sports Council; and
- Established a Mental Health and Wellbeing In and Through Sport Strategic Steering Group involving all relevant statutory, community and voluntary partners.

Sports Council also aspires to ‘sign up’ to the Mental Health Charter for Sport created and launched by the Sport and Recreation Alliance.

### **3.3 UK Equality Standard for Sport (hereafter ‘Equality Standard’)**

In order to promote equality of opportunity and good relations in and through sport, Sports Council, in partnership with Sport England, SportScotland, Sport Wales and UK Sport, developed an Equality Standard for widening access and increasing the participation and involvement in sport and physical activity by under-represented individuals, groups and communities.

The Equality Standard assists sports organisations in developing equality-proofed policies and robust action plans and allows for performance to be assessed, ensuring continuous improvement.

There are four levels of achievement:

- 1. Foundation**  
The organisation is committed to equality and that commitment is communicated to all staff and volunteers.
- 2. Preliminary**  
The organisation is clear about what it needs to do to achieve equality, it understands the issues and barriers faced by under-represented groups in sport and has a robust equality action plan which all staff, volunteers and key stakeholders understand.
- 3. Intermediate**  
The organisation is increasing opportunities for participation and involvement by a diverse range of people including representation on its own leadership, staff, board and senior volunteers. All internal policies pay due regard to diversity.
- 4. Advanced**  
Leadership and staff, including coaches and officials as well as participants, are offered a fair and equal opportunity and are reflective of the community the organisation serves.

In 2015-16 the following sporting organisations have progressed under the Equality Standard:

- Mountaineering Ireland - Foundation Level;
- Ulster Gaelic Athletic Association - Preliminary Level; and
- Canoe Association of Northern Ireland - Preliminary Level.

This now brings a total of 22 sports to Foundation Level and 6 sports to Preliminary Level.



**Antoinette McKeown**  
**Accounting Officer**  
**Sports Council for Northern Ireland**

**Date: 19 June 2019**

## **ACCOUNTABILITY REPORT**

### **Corporate Governance Report**

#### **Directors' Report**

#### **Board Members of the Sports Council and Members of its Committees**

The Board of the Sports Council consists of a Chair and Vice-Chair and other Members appointed by the Minister, after a selection and recruitment process that is carried out by the Department. The functions of Sports Council are:

- On matters relating to sport and physical recreation, to advise the Department and other Government departments, Education Authority, Local Councils and other bodies interested in sport and physical recreation;
- To encourage the provision of facilities for and participation in sport and physical recreation;
- To assist the provision of administrative services, equipment, coaching and instruction by bodies providing facilities for sport or recreation activities or organising such activities;
- To assist the organising or supporting of, or participating in, international or other events by bodies providing facilities for sport or recreational activities or organising such activities; and
- To assist bodies providing supportive services in connection with sport and physical recreation.

The following persons served as members during the financial year 2015-16;

#### **Sports Council Board Membership**

Mr. B Henning (Chair) – \* Resigned March 2016

Mr. I McAvoy (Vice-Chair) – \* Resigned March 2016

Mr. B Delaney (Chair) \*

Dr. C O'Mullan (Vice-Chair) – \*Appointed January 2016

Ms. A Bingham

Mr. R Bullick

Mr. G Campbell – Resigned July 2015

Mr. P Cummings – Resigned July 2015

Mr. J D'Arcy – Resigned July 2015

Mr. E Lynch – Resigned July 2015

Ms. R Mallon – Resigned July 2015

Mr. S McCullough – Resigned July 2015

Mr. D O'Connor – Resigned July 2015

Mr. J O'Neill – Resigned July 2015

Mr. G Wilson – Resigned July 2015

Ms. W Erskine – Appointed January 2016

Mr. K Ferguson – Appointed January 2016

Mr. K Harding – Appointed January 2016

Ms. C McStravick – Appointed January 2016

Mrs. K Godfrey\*\* – Co-opted August 2015

Mr. M Glass - Co-opted August 2015

Mr. D Malcolm\*\* – Co-opted August 2015

\* Mr. B Henning and Mr. I McAvoy resigned from their positions of Chair and Vice-Chair on 31 March 2016. Mr. B Delaney and Dr. C O'Mullan were appointed to the positions of Chair and Vice-Chair on the same day. They stayed in post until the new Chair and Vice-Chair were appointed on 1 February 2017. Mr G Lucas and Mr J Colville currently hold these positions respectively.

\*\* Mrs K Godfrey and Mr D Malcolm were co-opted onto Audit and Risk Assurance Committee but attended Board meetings during 2015-16.

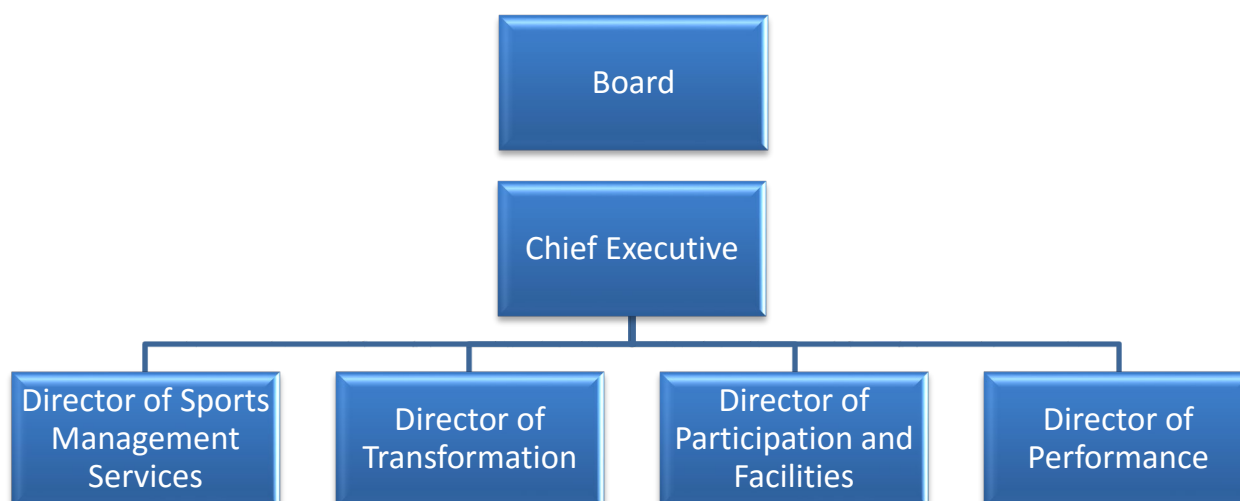
### **Board Directorships or Other Interests**

Note 19 details any interests held by Sports Council Board Members. The Register of Interests can be seen at <http://www.sportni.net/about-us/register-of-interests>.

### **Chief Executive**

The Chief Executive, Antoinette McKeown, is the Accounting Officer and leads Sports Council and is supported by four executive directors heading each of the Directorates within the organisation. Further information on the chief executive is contained within the Governance Statement.

### **Organisation Structure**



### **Significant Changes in Non-Current Assets**

The movement on non-current assets is set out in notes 8 and 9 to the financial statements. The carrying value of assets increased from £5,481,583 to £6,376,272. This movement has mainly been due to the revaluation of Tollymore National Outdoor Centre.

### **Retained Funds at the Year End**

The general reserve showed a surplus of £2,420,318 (2014-15: surplus £3,387,358) for the year.

### **Research and Development**

Sports Council has no activities in relation to the research and development of assets.

## **Interest Rate and Currency Risk**

Sports Council has no borrowing, relying on funds drawn down from the Department for its cash requirements and is therefore not exposed to liquidity risks. As all significant assets and liabilities are determined in Sterling, it is not exposed to material interest rate or currency risk.

## **Political and Charitable Donations**

Sports Council made no such donations during the year (2014-15: NIL).

## **Personal Data Related Incidents**

Refer to section 4 of the Governance Statement.

## **Payment of Suppliers**

Sports Council is committed to the prompt payment of bills for goods and services and aims to process bills within 10 days of receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later. During 2015-16 Sports Council paid 96% (2014-15: 93%) of invoices within 10 working days and 100% (2014-15: 100%) of invoices within 30 days.

## **Pension Fund**

The market value of Sports Council's share of the NILGOSC pension scheme's assets (excl. AVCs) at 31 March 2016 was £21.887m (2014-15: £20.497m). Sports Council's share of the scheme liabilities was £25.531m (2014-15: £25.838m). Sports Council's share of the scheme recorded net pension liabilities at 31 March 2016 was £3.644m (2014-15: £5.341m). For further details on pension liabilities and how they are treated in the financial accounts see Remuneration and Staff Report.

## **Auditors and Appointment of Auditors**

### ***External Audit***

Sports Council for Northern Ireland Exchequer Accounts are required to be audited by the Comptroller and Auditor General. Once completed the Department is responsible for laying the audited accounts before the Northern Ireland Assembly.

The audit fee for the work performed by the staff of the Comptroller and Auditor General during the reporting period, and which relates solely to the audit of these Financial Statements, was a £30,000 notional cost (2014-15: £30,000 notional cost).



### ***Internal Audit and the Audit and Risk Assurance Committee***

Sports Council outsources its internal audit function. In 2015-16, Deloitte carried out the audit plan which was approved by the Audit and Risk Assurance Committee. The internal auditor attended four meetings of the Audit and Risk Assurance Committee during 2015-16.

The members of the Committee were:

Mr G Campbell – Chair (Resigned July 2015)  
Mr P Cummings – Vice-Chair (Resigned July 2015)  
Ms R Mallon (Resigned July 2015)  
Mr J D’Arcy (Resigned July 2015)  
Mr I McAvoy – Chair (Appointed December 2015 and Resigned March 2016)  
Ms A Bingham – (Appointed December 2015)  
Mr K Harding – (Appointed January 2016)  
Ms C McStravick – (Appointed January 2016)  
Mrs K Godfrey – (Co-opted August 2015)  
Mr D Malcolm – (Co-opted August 2015)

The resignation of Board Members in July 2015 (see Governance Statement section 4 “Risk Management” for further detail) required the reconstitution of the Audit and Risk Assurance Committee. The committee was reconstituted in December 2015 and was augmented by 2 senior civil servant co-optees.

### **Disclosure of Relevant Audit Information**

So far as I, the Accounting Officer of Sports Council, am aware there is no relevant audit information of which the Sports Council’s auditors are unaware. Given issues relating to corporate memory, 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 Sports Council’s auditors are aware of that information.

The Comptroller and Auditor General will also publish a separate report on governance issues within Sports Council in 2019. The Chief Executive, as Accounting Officer, will lead on addressing any issues arising from this report.

## **Statement of the Council's and Accounting Officer's Responsibilities**

Under the Recreation and Youth Service (Northern Ireland) Order 1986 the Department for Communities (formerly the Department for Culture, Arts and Leisure) in Northern Ireland and with the approval of the Department of Finance (formerly the Department of Finance and Personnel), has directed the Sports Council for Northern Ireland "Sports Council" to prepare for each financial year 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 of Sports Council's and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, Sports Council is required to:

- observe the Accounts Direction issued by the Department for Communities (formerly the Department for Culture, Arts and Leisure) including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer for the Department for Communities (formerly the Department for Culture Arts and Leisure) has designated the Chief Executive of Sports Council as the Accounting Officer for Sports Council. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping of proper records and for safeguarding Sports Council's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, which is issued by the Department of Finance (formerly the Department of Finance and Personnel) and published in Managing Public Money Northern Ireland.

## **Governance Statement**

### **Purpose of the Governance Statement**

Sports Council is required to include a Governance Statement with its annual accounts. The purpose of the Governance Statement is to explain what arrangements Sports Council has in place to identify, evaluate and manage the risks to the achievement of objectives. Sports Council's Governance Statement is informed by the corporate risk register, bi-annual and annual assurance statements to the Department, management reports and findings from third party reviews.

### **Scope of Responsibility**

As Accounting Officer of Sports Council, I am personally responsible for safeguarding the public funds for which I have charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of Sports Council. Refer to page 33 for details on the Interim Executive Leadership Team in post during the year.

As Accounting Officer, I exercise the following responsibilities:

- establish, in agreement with the Department, corporate and business plans in support of the Department's wider strategic aims and current Programme for Government objectives;
- inform the Department of the Sports Council's progress in helping to achieve the Department's policy objectives and in demonstrating the use of resources to achieve those objectives;
- ensure timely forecasts and monitoring information on performance and finance are provided;
- advise the Board on the discharge of its responsibilities as set out in the Management Statement and Financial Memorandum, the Recreation and Youth Service (Northern Ireland) Order 1986 and in any other relevant instructions and guidance that may be issued by the Department of Finance or the Department;
- ensure that all relevant financial and non-financial information is provided to the Board in a timely fashion to ensure informed decisions are made and governing requirements complied with;
- ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- ensure an effective system of programme, project and contract management;
- ensure that all public funds made available to the Sports Council including any income or other receipts, are used for the purpose intended, expended in compliance with governing requirements and are used economically, efficiently and effectively;
- ensure compliance with all governing directions issued by the Department; and
- ensure the existence of proper accounting records.

### **The Purpose of the Governance Framework**

The governance framework comprises the systems, processes, culture and values, by which Sports Council is directed and controlled and the activities through which it accounts to and engages with the public and other stakeholders. It enables Sports Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and value for money services and facilities.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Sports Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

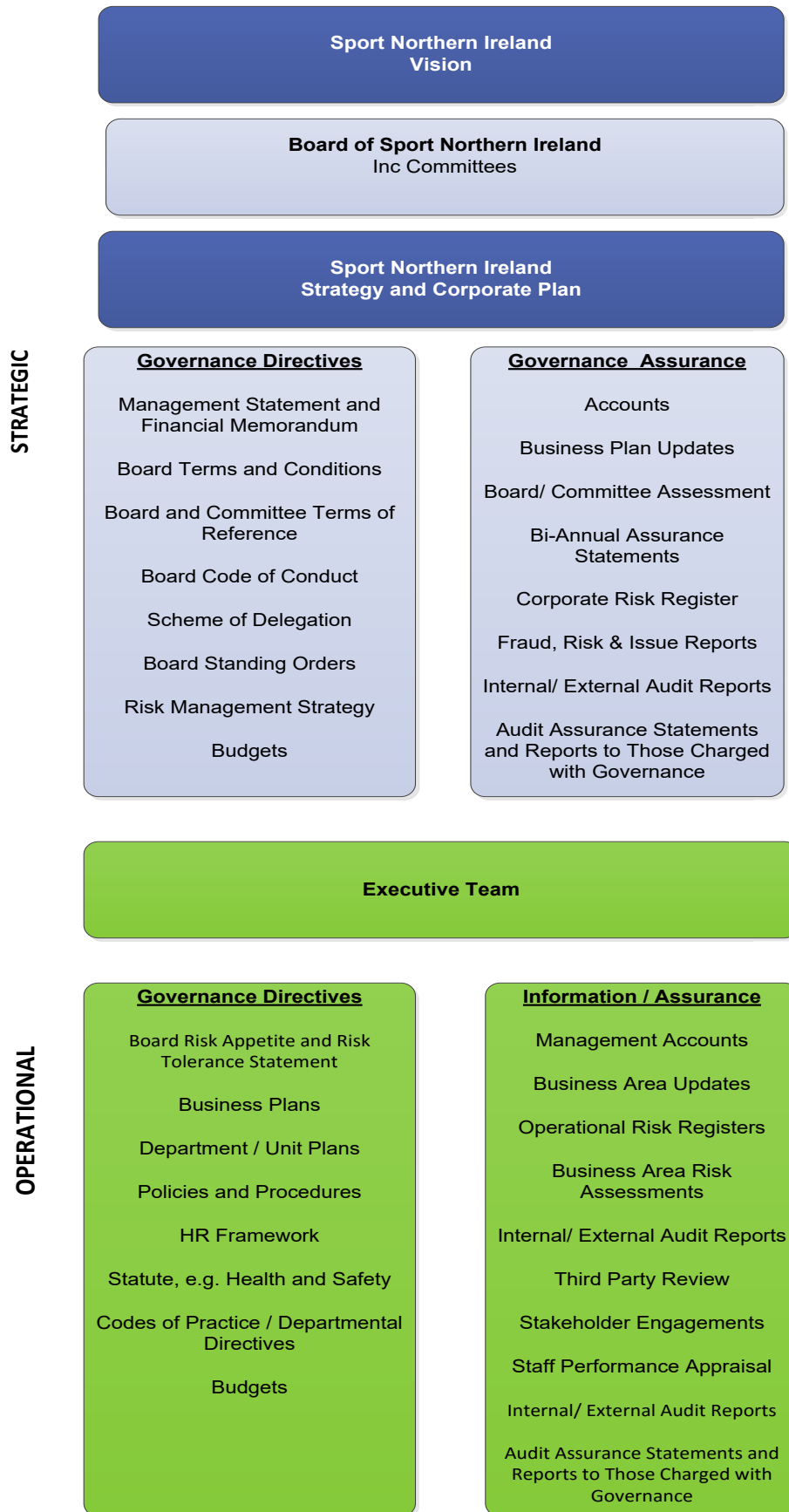
The governance framework outlined below has been in place for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

### **Sports Council's Governance Framework**

As an Arm's Length Body of the Department for Communities, Sports Council is publicly accountable to the Department and its Minister for its performance and the use of its resources.

Sports Council's Governance Framework is predicated on the provisions laid out within 'Corporate Governance in Central Government Departments 2013' as detailed in Figure 1.

**Fig 1 Sports Council’s Governance Framework**



The key elements of the systems and processes that comprise Sports Council's governance arrangements are:

## **1. Sports Council's Vision, Purpose and Intended Outcomes**

In delivering on its strategic objectives, Sports Council produces a five-year corporate plan and an annual business plan. The Corporate Plan is a forward looking document linking the operational activities of Sports Council to its strategy.

Sports Council drafted a new Corporate Plan for the period 2015-20. This plan has been developed based on evidence from the international SPLISS benchmarking study<sup>1</sup> and also feedback received from a range of stakeholders/partners. Driving this plan is our vision which is "Northern Ireland: renowned as a place where people enjoy, engage, and excel in sport".

This vision is supported by our mission 'to lead world class sports development at all levels producing more participants and more winners'. Sports Council will seek to realise this vision through interventions that will create Sporting Communities, identify and support effective Sporting Clubs and resource and celebrate Sporting Winners.

The plan is based on projections that we will have resources of £100.3m for the period 2015 to 2020. In administering these resources, Sports Council will focus on the changes needed across Northern Ireland to provide people and athletes with the conditions they require to participate, perform and succeed in sport.

## **2. Board**

The Board is the ultimate place for decision-making on new policy, strategy, governance, budgets and performance. Our arrangements are all covered by a Scheme of Delegation, Terms of Reference and Board Standing Orders.

The principal role of the Board is the stewardship of all public resources entrusted to Sports Council to aid the realisation of the policies and priorities of the Minister and the Northern Ireland Executive.

A review by the Interim Executive Leadership Team (IELT) concluded that the Board needs to provide more strategic leadership for the Executive and hold it to account for delivery. The level of robust challenge is improving and the IELT recommendations provide an opportunity to focus on the leadership provided by the Board to the Executive and organisation.

Sports Council's Board met on 7 occasions during 2015-16 to discuss and consult on key strategic matters. Attendance by Board Members was 86% compared to 80% for the previous year. These included strategic planning, budgeting, stewardship reporting, risk management and governance, advising on and overseeing on key policies such as Governing Body recognition and performance review.

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<sup>1</sup> The Sport Policy Factors Leading to International Sporting Success (SPLISS) study allowed for an assessment of the sports development system in Northern Ireland against the SPLISS Model. The study found that Northern Ireland's sport development system is in its infancy and considerable investment is necessary to bring our system up to a standard comparable with other countries.

An overview of Board attendance over the year is provided below:

Member	April 2015	June 2015	August 2015	October 2015	December 2015	February 2016	March 2016
A Bingham	✓	X	✓	✓	X	✓	✓
R Bullick	✓	✓	✓	✓	✓	✓	✓
G Campbell	✓	X	Resigned In July				
P Cummings	✓	✓	Resigned In July				
B Delaney	✓	✓	✓	✓	✓	✓	✓
J D'Arcy	X	✓	Resigned In July				
W Erskine					Appointed January	✓	✓
K Harding					Appointed January	✓	X
B Henning	X	✓	✓	✓	✓	✓	✓
K Ferguson					Appointed January	✓	✓
E Lynch	✓	✓	Resigned In July				
R Mallon	✓	✓	Resigned In July				
I McAvoy	✓	✓	✓	✓	✓	✓	✓
S McCullough	✓	✓	Resigned In July				
C McStravick					Appointed January	✓	X
D O'Connor	✓	✓	Resigned In July				
C O'Mullan					Appointed January	✓	✓
J O'Neill	✓	✓	Resigned In July				
G Wilson	✓	✓	Resigned In July				
M Glass			Co-opted in August	✓	✓	✓	
K Godfrey			✓	X	✓	X	✓
D Malcolm			✓	✓	✓	✓	✓

Key: X – absent; ✓ - present.

### **Board Skills**

The Department makes all appointments to the Board of Sports Council. An evaluation of Board skills was undertaken in November 2015 by the Governance Manager, supported by the chair for the period 2014-15. The purpose of this review was to understand and formally document the skills and experience of the current Board enabling Sports Council to assess future training and development needs and also to assist the Chair in articulating requirements in the event of future public appointments. The review demonstrated a rich mix of skills and experience across the five Board members. The review acknowledged that Board effectiveness could be enhanced via supplementation with members with particular skills and experience in financial management, accountancy and Information Systems. The Board of Sports Council was also underrepresented by females. However, a review of board skills and

leadership undertaken at the same time by the Interim Executive Leadership Team, did not concur with the findings of the above review and raised concerns in respect of Board skills and knowledge, leadership and objectivity.

A new appointments process has since resulted in five new appointees, including three female appointees, to the Board of Sports Council which helped to address skills and experience gaps.

Supporting the review of Members' skills and competencies is the self-evaluation which the Chair of the Board undertakes each year. This evaluation uses the National Audit Office checklist and seeks to benchmark performance against current best practice, to identify opportunities for improvement and to provide an indication of compliance with Corporate Governance in central government departments: Code of good practice NI 2013 (DAO 06/13). Based on this evaluation and assurance work undertaken by Internal Audit, the Sports Council met the requirements of DAO 06/13.

The Board assessment was undertaken by the Chair of Sports Council in March 2015. The Chair reported that with the exception of articulating its appetite for risk, an area where work had already commenced, that the Board of Sports Council meets all required standards. Subsequent to this review, in 2015-16 reporting period, a range of reports written by the Interim Executive Leadership Team, appointed by the Department, found a range of concerns in respect of the Board. These related to leadership, skills, knowledge and understanding of public sector accounting, decision-making on human resources and the Nolan principles for public life.

The oversight provided by the Board is predicated on the receipt of timely and accurate forecasts and monitoring information. The effectiveness review undertaken by the Board in 2015 acknowledged that executive reports to the Board are appropriately detailed enabling informed decisions making.

#### Board Effectiveness

In line with the Corporate Governance in central government departments: Code of good practice NI 2013 ("the Code"), the Chair commissioned CIPFA to undertake an independent review during 2015. The review which was completed in August 2015 highlighted the following:

- The need for, as well as the components of, good governance is well understood by the Board Members and senior executives.
- Governance directives are largely compliant with good practice.
- The Board has a good mix of experienced Members with professional and other skills.
- Sports Council is a resilient organisation and Board Members and staff care passionately about what they do.
- Board papers are issued in a timely fashion and business plan update reports are comprehensive and detailed, providing good information for Board Members.
- The Executive update reports to the Board are impressively detailed.

CIPFA also identified a number of areas for consideration and enhancement. This includes the need for fuller involvement by the Board in corporate planning, greater female representation on the Board and also updating of some key directives. The recent appointment of 3 females to the Board of Sports Council in December 2015 had addressed the representation issue. Sports Council, with oversight of the Board, has addressed the majority of the CIPFA recommendations. A timetable has been agreed for those outstanding.



However, a number of reviews undertaken by the Interim Executive Leadership Team of Sports Council during the 2015-16 period and provided to the Board on 1 April 2016, identified a range of concerns and failings in respect of governance. These matters are addressed in more detail under Governance Matters in the Risk Management section of the Governance Statement.

The Chair also undertook an effectiveness review against the Code. This self-assessment supplements the CIPFA review and outlined the following areas for enhancement by the Board over 2016-17:

- Process to be implemented ensuring that Board Members remain current in terms of their skills and experience.
- In accordance, with the Public Sector Internal Audit Standards, in particular standard 1111, the Board from 2016-17 will be engaging more directly with Internal Audit rather than relying on interaction via the Audit and Risk Assurance Committee. This will involve the Head of Internal Audit attending Board meetings at key intervals during the year.

The internal auditor during 2015-16 had attended two board meetings and provided an update on their work.

#### Update on Prior Evaluation

As part of the effectiveness review undertaken in 2015, the need for the Board to formally articulate its risk appetite was identified. The Board undertook a comprehensive exercise, facilitated by the Governance Manager which culminated in the production of a Risk Appetite Statement and supporting risk tolerances in 2015. Collectively, these will direct and inform the activities of management as they deliver against the Sports Council's Corporate Plan.

#### Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (formerly known as Audit and Risk Management Committee) support the Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report. Throughout the 2015-16 year, the Committee consisted of four members who were appointed by the Chair of the Board. The Committee met four times during the year. Attendance details are provided in the table below.

Member	May 2015	September 2015	October 2015	February 2016
<b>G Campbell</b>	✓	Resigned In July		
<b>P Cummings</b>	✓	Resigned In July		
<b>J D'Arcy</b>	✓	Resigned In July		
<b>R Mallon</b>	✓	Resigned In July		
<b>I McAvoy</b>			Appointed December	✓
<b>A Bingham</b>			Appointed December	✓
<b>K Harding</b>			Appointed January	✓
<b>C McStravick</b>			Appointed January	X
<b>K Godfrey</b>	Co-opted in August	✓	✓	✓
<b>D Malcolm</b>	Co-opted in August	✓	✓	X

Key: X – absent; ✓ - present;

The work of the Audit and Risk Assurance Committee during 2015-16 was informed through review and consideration of a range of assurances on governance, risk and control which included:

- Comprehensive updates from internal audit;
- Review of key risks and associated mitigation measures
- Chief Executive's assurance statements;
- Fraud and irregularity updates;
- Updates on new guidance and directives issued by the Department of Finance and Personnel and their application;
- Direct award approvals; and
- Gifts and hospitality approvals.

In discharging its responsibilities to the Board, the Committee:

- Considered business performance data and advised the Board accordingly;
- Considered the Lottery Account and the Exchequer Account and supported the Board with its stewardship responsibilities;
- Considered the planning and timetable for accounts including Northern Ireland Audit Office (NIAO) Audit strategies and advised the Board;
- Considered the financial position of Sports Council Northern Ireland including the National Lottery Distribution Fund and advised the Board; and
- Considered and informed the Annual Governance Statement and advised the Board accordingly.

In March 2016, the Committee undertook a self-effectiveness assessment, the purpose of this review was to self-evaluate against the National Audit Office assessment checklist. The assessment concluded that the Committee of Sports Council complies with best practice. However, a range of views undertaken during 2015-16 by the Interim Executive Leadership team and provided to the Board on 1 April 2016, highlighted poor governance. These are addressed in greater detail under Governance Matters in section 4 below.

The previous effectiveness review highlighted the opportunity to better formalise appointments to the Committee; this has been addressed during 2015-16 and included formal letters of appointment and Committee inductions. An external review of Sports Council's internal function was undertaken in 2017-18. The review team concluded that Sport Council's Internal Audit Service 'Generally Conforms' with the requirements of the Public Sector Internal Audit Standards and Code of Ethics.

#### Financial Expertise

The resignation of the Vice Chair, on 31 March 2016, who was Chair of the Audit and Risk Assurance Committee, brings with it the loss of a qualified accountant from the skills complement of the Board.

It is a requirement of the Audit Committee Handbook, that at least one member of the Audit and Risk Assurance Committee have recent and relevant financial experience sufficient to allow them to competently analyse the financial statements and understand good financial management disciplines.

D Malcolm was appointed to the Audit and Risk Assurance Committee in August 2015. His background and sound financial acumen provided the required level of financial oversight.

The Committee was reconstituted in 2017 and now includes an independent member who is a qualified accountant.

### Remuneration Committee

The Remuneration Committee is appointed by the Chair of the Board and consists of four members. It supports the Board providing assurances on the appraisal of the Chief Executive.

Due to the absence of the Chief Executive in March 2015, the Committee did not fulfil its functions as outlined within its Terms of Reference. Therefore the Committee did not meet in 2014-15 or 2015-16 and the Chief Executive was not appraised. Senior Civil Servants who occupied the position on an interim basis were appraised by the respective Departmental line manager.

## **3. Audit**

### Internal Audit

The role of internal audit is to provide independent, objective assurance and consulting services designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Deloitte provided the internal audit function during 2015-16.

### External Audit

The Northern Ireland Audit Office is the appointed external auditor of the financial statements of Sports Council. Their function is to audit, certify and report on the financial statements to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of regularity, the accounting policies, significant accounting estimates and identifying any material inconsistencies in the Annual Report with the audited financial statements.

There has been a delay in the publication of Sports Council's, financial statements which has meant that NIAO has been unable to complete its audit until later in 2019. The delay has applied to the 2014-15; 2015-16; 2016-17 and 2017-18 financial statements. The expected timetable for these financial statements was the end of 2015, 2016, 2017 and 2018 respectively.

The delay in the finalisation of the accounts has been attributable to several factors:-

- Governance issues within Sports Council from March 2015 to July 2017 (Northern Ireland Audit Office is to prepare a separate report on these matters);
- A lack of expertise, in Sports Council at various times over the period, on the preparation of financial statements to recognised public sector standards;
- Difficulty in retaining corporate knowledge and memory on issues with regards the 2014-15 financial statements in particular; and,
- Northern Ireland Audit Office giving priority to other audits as Sports Council failed to meet the audit timetable.

## **4. Risk Management**

### Governance Matters

#### *Absence of Chief Executive*

The Chief Executive of Sports Council was suspended in March 2015. From 15 July 2015, Arthur Scott, a senior civil servant, was designated by the Department as Interim Chief Executive and Interim Accounting Officer. Maggie Smith (senior civil servant), was appointed by the Department, as Interim Chief Executive and Interim Accounting Officer of Sports Council from 1 May 2016.

Following the dismissal of the Chief Executive, an appeal was initiated immediately and subsequently a discrimination case was lodged in the Fair Employment Tribunal in respect of unfair dismissal and discrimination on the grounds on gender and religion.

The independent appeal panel established to hear the Chief Executive's appeal against dismissal reported on its findings in June 2017, overturned the Board's decision and dismissed all charges against the Chief Executive. The Appeal report findings concluded that the body of evidence, tested on the balance of probabilities did not support the upholding of the allegations and that the Chief Executive's suspension was inappropriate and dismissal unfair. Wider Appeal Report findings identified significant concerns, with some similar to those outlined in the range of Interim Executive Leadership Team reports of March 2016 (see below). The Chief Executive was reinstated on the 31 July 2017.

The discrimination case was subsequently settled in advance of the Tribunal hearing. A payment of £25,000 was made to the appellant in December 2018, based on her proposal for this settlement amount in April 2018.

#### ***Review undertaken by Department's Head of Internal Audit***

In May 2015 the Department's internal auditor met with a number of Sports Council staff in response to whistleblowing allegations regarding governance and management processes in the organisation. The subsequent scoping exercise report referenced concerns in respect of leadership and management; the culture within Sports Council; sexism and gender bias; and application of human resource policies.

#### ***Interim Executive Leadership Team Report and Transformation Programme***

In June 2015 an Interim Executive Leadership Team (IELT), led by a senior civil servant from the Department for Communities, was set up to address recommendations made by the Head of Internal Audit. The IELT produced 11 review reports and a composite report which set out a range of governance issues within Sports Council relating to organisational culture; HR capability, policies and recruitment practices; performance management; leadership and management; and, Board operating framework, conduct and induction. Following completion of its work, 116 detailed recommendations were made which were carried forward under a Transformation Programme.

At the invitation of the then Minister for Culture, Arts and Leisure, the Sports Council Board developed an Implementation Plan for the IELT recommendations. In this plan, the Board committed to the Transformation Programme covering 6 subordinate projects relating to Board Leadership, Executive Leadership and Management, Strengthening the HR function, Internal Communication, Culture Change and Governance and Accountability.

The Implementation Plan was signed off in April 2016 and the Transformation Programme was led by the Interim Chair as Senior Reporting Officer. The delivery was subject to an independent review in October 2017. The review concluded providing a delivery confidence assessment of amber/green and made 6 key recommendations which are currently being progressed.

#### ***Board Resignations***

In July 2015, nine members of the Board tendered their resignation. This prompted the co-option of three senior civil servants to support the Board. This arrangement ended in May 2017.

On 31 March 2016, following Ministerial review of the range of IELT reports, both the Chair and Vice-Chair resigned.

The Minister for Communities (formerly the Minister for Culture, Arts and Leisure) appointed Mr. B Delaney and Dr. C O'Mullan to the position of Interim-Chair and Interim Vice-Chair respectively. They remained in post until the new Chair and Vice-Chair were appointed on 1 February 2017. Mr. G Lucas and Mr. J Colville currently hold these positions respectively.

### ***Casement Park***

On 30 April 2015 a Sport Council employee who chaired the Safety Technical Group for stadium redevelopment provided information to the Culture, Arts and Leisure Assembly Committee in relation to safety matters in the development of the Casement Park new stadium. This attracted considerable media attention. The Committee subsequently undertook a general inquiry into safety concerns raised by Sports Council, however this was not completed as the NI Assembly power sharing Executive collapsed in 2016.

An independent review undertaken by the then Department of Finance and Personnel and the Cabinet Office concluded that relationships were broken and provided a delivery confidence assessment of amber/red. The report recommended that the Chair of the Technical Safety Group be replaced. The Sports Council subsequently settled a litigation case with the employee.

### ***Delay in the Publication of the Annual Report and Accounts***

The publication of Sports Council's financial statements has been delayed by a lack of expertise on accounts preparation to recognised public sector standards. As a result the 2014-15, 2015-16, 2016-17 and 2017-18 financial statements are in a position of backlog. Sports Council will undertake a review of the reasons why this backlog has occurred to ensure that for future financial statements it has the appropriate expertise to deliver financial statements which are both high quality and timely. This review will form part of a wider review of lessons learnt as a result of publication of the Northern Ireland Audit Office separate report on governance issues in Sports Council to be published in 2019. The Chief Executive, as Accounting Officer, will lead on addressing any issues arising from this report.

### **Risk Appetite**

A key constituent of effective risk management is the understanding and articulation by the Board of its risk appetite. During 2015-16, the Board agreed the risk appetite of the organisation across a range of business critical activities. This represents a significant shift along the risk maturity continuum and determines how risk at an operational level will be considered and managed.

The core risks for Sports Council in 2015-16 were around leadership, investment in Tollymore National Outdoor Centre and the delivery of capital projects, fraud and information governance.

During 2016-17 key senior appointments and ongoing budget reductions will dominate in terms of strategic risk to Sports Council.

### **Managing Risk**

One of the Board's key accountabilities is to provide leadership of the organisation within a framework of prudent and effective controls which enable risk to be assessed and managed. Effective risk management is critical to the achievement of our strategic objectives. The Board has overall accountability for ensuring that risk is effectively managed across the organisation and, on behalf of the Board, the Audit and Risk Assurance Committee reviews the effectiveness of the organisation's risk management framework.

The Board, through the Audit and Risk Assurance Committee, conducted a review of the effectiveness of the systems of risk management and internal control within Sports Council. This was undertaken by Deloitte as part of the internal audit plan and a satisfactory opinion provided the Board with assurance that an adequate and effective system of governance, risk management and control exists. However subsequent reviews undertaken in 2015-16 found significant issues in respect of poor governance, risk management and lack of internal checks and balances in respect of decision-making on critical issues.

#### Commercial Activities

In May 2015, concerns were raised by the Northern Ireland Audit Office (NIAO) in respect of the pricing of commercial activities at the Tollymore National Outdoor Centre (TNOC), in particular the need to apply full cost recovery as required by Managing Public Money Northern Ireland (MPMNI).

Sports Council has worked with the Department and the Department of Finance to obtain compliance with the principles in MPMNI. A full Green Book appraisal of TNOC was prepared by external consultants in September 2016 to ensure TNOC is fully compliant with Managing Public Money NI. The business case received conditional approval in November 2016. The conditions have now been met by Sports Council and was formally signed off in February 2017.

#### Personal Data Related Incidents

There were two known breaches of the Data Protection Act during 2015-16. The Sports Council provided further training to staff and controls have been enhanced to mitigate the risk of future breaches.

#### Alleged/Suspected Fraud

During the course of 2015-16, five cases of alleged/suspected fraud in relation to sports clubs/community organisations were notified directly to Sports Council. These were dealt with under the Fraud Response Plan, investigated and no evidence was found to substantiate the allegations for these cases.

### **5. Measuring Service Quality**

At the heart of Sports Council is the provision of a service which improves participation and sporting performance in a value for money manner. To this end Sports Council monitors business areas and associated performance indicators ensuring opportunities are fully exploited and strategic objectives met. This necessitates the establishment of corporate and operational Key Performance Indicators, baseline performance data, budgeting, resource allocation and the alignment of strategic objectives with relevant Sport Matters and Public Service Agreement Targets.

### **6. Management Statement and Financial Memorandum**

The business operations of Sports Council are governed by a Management Statement and Financial Memorandum (MSFM). The MSFM defines the relationship between the Department and Sports Council, and articulates the financial and administrative framework within which Sports Council operates. This document was revised by the Department in September 2016 to reflect the change of the name of the Department and is currently subject to internal Departmental review.

## **7. Delegated Decisions**

Sports Council's Scheme of Delegation has been developed with oversight from the Department. It covers financial and non-financial responsibilities and provides direction as to where decisions can be taken by Sports Council's Chief Executive and where the Board should retain decision-making control.

## **8. Policies and Procedures**

Sports Council has a suite of policies and procedures in place which govern all operational activities within Sports Council. These were subject to review during 2015-16 and subsequent years to comply with best practice.

## **9. Organisational Structure**

The organisational structure, systems and skills make-up of Sports Council are designed to maximise output delivery, improve responsiveness and ensure resources are tailored and matched to meet the needs of the Sports Council stakeholders. Work on the organisational structure review was impeded in 2015-16 due to the absence of the substantive Chief Executive.

In retaining the requisite skills mix, Sports Council has in place a comprehensive skills and training analysis framework, through the performance appraisal process, which serves to identify skills and experience needs, fulfill these and match these with the requirements of the organisation in the delivery of its strategic priorities.

## **10. Financial resources**

The financial needs associated with the delivery of Sports Council's strategic objectives are based on detailed forecasting and investment evaluation and planning. Financial requirements are translated into detailed financial budgets and performance is regularly assessed and evaluated through the preparation of management accounts, which are reported to the Board regularly

Sports Council has financial controls and systems in place. These comprise skilled staff, policies and procedures, governing directives, in particular 'Managing Public Money Northern Ireland', duty segregation, management oversight, reconciliations and independent audit.

## **11. Value for Money**

Sports Council recognises that during the 2014-15, 2015-16 and 2016-17 years, it incurred significant expenditure which could not be deemed to reflect good value for public money. The Northern Ireland Audit Office has indicated its intention to provide a separate report on this matter in 2019.

## **12. Sports Council's Assurance Framework**

### Quality of Data

The Board receives information in a timely fashion. A review by CIPFA in July 2015 found that executive update reports to the Board are impressively detailed, enabling informed decision making by the Board. The associated report has been approved by the Board who concur with the findings. Further to this review, the Board will in future be seeking more focussed reporting on key projects as part of its assurance requirements

An independent audit was carried out by Deloitte during 2015-16 as part of its internal audit plan and satisfactory opinion received.

The Board has also undertaken an assurance mapping exercise which they will employ through the Executive Team to plan and co-ordinate the various sources of assurance available to it to best affect.

Sports Council recognises that additional work and investment is required to bring the organisation's information systems up to date to enhance management information informing strategic decision-making.

#### Audit

With the exception of the review of Tollymore National Outdoor Centre (TNOC), due to the completion of the business case which was pending, Sports Council's Internal Auditor was able to conduct a full annual programme of work. A review of Sport NI's Complaints handling control resulted in a limited assurance, however all recommendations have now been addressed. Internal Audit provided an overall satisfactory assurance.

### **13. Ministerial Directions**

There were no Ministerial Directions received during the year that would have impacted on risk or controls within Sports Council.

### **14. Emerging Issues**

#### Public Finances

One of the key issues affecting not only Sports Council, but the whole of the public sector will be the availability of funding. Sports Council has had to absorb significant funding reductions during 2015-16 with further cuts likely for the next few financial years.

This presents significant risk to the organisation in terms of what it can deliver, how and to whom. In terms of the Sports Council strategic priorities and partners, these are clearly outlined within the new Corporate Plan which has been developed to take account of the stakeholder needs and changing environment within which Sports Council operates.

Sports Council has been mindful of this challenge for some time and continues to be innovative in how it conducts its business to ensure the deliverability of its objectives in the future.

#### Voluntary Exit Scheme

In 2015, nine members of staff left under the Voluntary Exit Scheme (VES). A further sixteen departures were agreed under the second phase of VES in 2016-17, with a further fifteen in 2017-18. While staff exit is subject to careful management and planning, this does impact the organisation not only in terms of reassigning tasks but also the loss of knowledge and experience built up over many years.

#### Leadership

As a result of a recruitment restrictions across the Northern Ireland Civil Service a number of key posts continue to be filled on an interim basis.



## **15. The Year Ahead**

The Board developed a Transformation Programme and it was approved by the Minister on 26 April 2016. The Chair of the Board was the Senior Responsible Owner of the Programme. The implementation of the transformation programme was a major element of Sports Council's work over 2016-17.

Work will continue under the aegis of the Transformation Programme over the coming years and Sports Council will embed the enhancements to governance arrangements and foster improved stakeholder confidence.

## **16. Conclusion**

Given the issues noted in section four under 'Governance Matters' from 2014-15 onwards, this statement has been signed by both the Accounting Officer and the Chair of Sports Council Northern Ireland Board.



**Antoinette McKeown**  
**Accounting Officer**  
**Sports Council for Northern Ireland**

**Date: 19 June 2019**



**George Lucas**  
**Chair**  
**Sports Council for Northern Ireland**

**Date: 19 June 2019**

## **Remuneration and Staff Report**

### **1.0 Remuneration Report**

#### **1.1 Remuneration Policy**

The remuneration of senior civil servants is set by the Minister of Finance (formerly Finance and Personnel). The Minister implemented a reform of arrangements for senior civil service pay and set a Pay Strategy for 2013 and 2014. The new remuneration arrangements and Pay Strategy have been developed following an assessment of the recommendations made by the Senior Salaries Review Body, the work emerging from the NICS comprehensive pay and grading review and to reflect the agenda set out in the NICS People Strategy. The new arrangements are based on a system of shorter pay scales containing a number of pay points from minima to maxima.

Within Sports Council, the Chief Executive is normally employed on terms analogous to Senior Civil Service Grade 5, however, the Department for Communities agreed that special salary scales should be applied to this position. All directors are employed analogous to Grade 7. Following the implementation of the agreed new special salary scales for the Chief Executive, the 2014-15 and 2015-16 pay remit for the Chief Executive has been approved by the Remuneration Committee and submitted for Departmental approval.

There is also a 'Special Bonus Scheme' in place which rewards exceptional performers with a non-consolidated bonus. The non-consolidated bonuses are payable to a proportion of staff as part of the annual pay award. No bonus payments for performance were made during 2015-16.

Since the amalgamation of the Sports Institute Northern Ireland (SINI), Sports Council has been collating an additional pay remit for former SINI staff. It is anticipated that the pay remits will be combined in future years, once pay remits are no longer backlogged. Pay remits for 2015-16 for all staff have since been approved and paid.

The Remuneration Committee is responsible for approving the Chief Executive's salary and assessing performance. Membership includes the Chair of the Sports Council Board. Due to the suspension of the Chief Executive in March 2015, the Committee was unable to fulfil its functions as outlined within its Terms of Reference. Therefore the committee did not meet in 2014-15 or 2015-16 and the Chief Executive was not appraised. Senior civil servants who occupied the position on an interim basis were appraised by their Departmental line manager.

All other senior staff positions above Deputy Principal follow the NICS pay and grading spine policy. The Chief Executive assesses the performance of Directors.

#### **1.2 Service Contracts**

Sports Council staff appointments are made in accordance with the Sports Council Recruitment and Selection Policy and Procedures, which requires appointment to be on merit on the basis of fair and open competition.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended. The notice period or compensation for early termination (other than for misconduct) of a contract is 3 months for the Chief Executive and Directors. Policy relating to notice periods and termination payments is contained in the Sports Council Staff Handbook and individual Terms and Conditions of Employment.

#### **1.3 Salary**

'Salary' includes gross salary; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any ex-gratia payments. This report is based on payments made by Sports Council.

**1.4 Benefits in kind**

There is a PAYE Settlement Agreement in place which covers the payment of tax and NIC in respect of all luncheon vouchers paid to staff. A further PAYE Settlement Agreement was setup in 2015-16 to pay for Income Tax and Class 1B National Insurance Contributions for travel and subsistence expenses of part time office holders.

**1.5 Salary, Bonus, Benefit in Kind and Pension Entitlements – Senior Staff (Audited Information)**

The following section provides details of the remuneration and pension interests of the Chief Executive and Directors of Sports Council.

<i>Employee</i>	2015-16					2014-15				
	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total £'000	Salary £'000 Full Year Equivalent	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total £'000
Antoinette McKeown Chief Executive**	80-85	-	200	27	110-115	80-85	-	200	22	105-110
Nick Harkness Director of Participation (from 2 September 2013)  Acting Chief Executive (until 1 September 2013)	65-70	-	200	37	100-105	65-70	-	200	(28)	35-40
Shaun Ogle Director of Performance	65-70	-	200	34	100-105	65-70	-	200	12	75-80
Andrew Sloan Director of Sports Management Services ***	65-70	-	200	29	95-100	65-70	-	200	14	80-85
Emma Bohill Transformation Facilitator (to 11 November 2015)	30-35 (45-50 full year equivalent)	-	-	12	40-45	20-25 (45-50 full year equivalent)	-	-	12	35-40
Range of Salaries	5 -85					4-85				
Band of Highest Paid Director's Total Remuneration	80-85					80-85				
Median Total Remuneration	29,783					28,167				
Ratio	2.8					2.93				

Salary costs include salary arrears from previous financial years.

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

\*\* Please refer to the Governance Statement for further details on the absence of the Chief Executive. Details of the Interim Chief Executive's, Arthur Scott, remuneration and pension can be obtained from Department for Culture, Arts and Leisure's 2015-16 Annual Report and Accounts.

\*\*\* The Director of Sports Management Services fulfilled the role of Accounting Officer from 13 March 2015 to 14 July 2015.

## **1.6 Median Remuneration**

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

The median remuneration of the staff is the total remuneration of the staff member(s) lying in the middle of the linear distribution of the total staff, excluding the highest paid director. This is based on annualised, full-time equivalent (FTE) remuneration as at the reporting period date.

Total remuneration includes salary, performance pay and bonuses. It does not include employer pension contributions and the cash equivalent transfer value of pensions. Total remuneration is calculated on an annualised basis to remove any fluctuations caused by employee turnover, which do not reflect changes in pay policy.

The FTE measurement of staff is specified to ensure a level of comparability that would otherwise be distorted, if a member of staff represented a whole unit, irrespective of the hours worked.

The ratio is calculated as follows:

$$\frac{\text{Midpoint in highest paid director's pay band}}{\text{Median remuneration of the Sports Council's staff}}$$

## **1.7 Board Members' Honoraria (Audited Information)**

The Chair received honorarium totalling £10,000 (2014-15: £10,000). The Chair's honorarium was not directly recharged to the Lottery Distribution Account during 2015-16 (2014-15: £4,200). The Vice-Chair received £3,500 (2014-15: £3,500).

No emoluments were paid to other Sports Council Board members in respect of Lottery activities. Sports Council does not pay any pension contributions on behalf of the Chair or Vice-Chair.

All Board Members are recompensed for their vouched expenses incurred in carrying out their duties.

## **1.8 Bonuses (Audited Information)**

No bonus payments for performance were made in 2015-16 (2014-15: NIL).

## **1.9 Exit Packages (Audited Information)**

No executive directors of Sports Council received any compensation for loss of office during the year (2014-15: NIL).

## 1.10 Sports Council Pensions

Sports Council participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) and made contributions for 141 employees. All assets, liabilities and operating costs relating to the pension scheme are processed through the Exchequer Account. A recharge is made to the Lottery Account for any pension costs incurred on its behalf. During the year 26 staff were recharged to Lottery Account.

The pension scheme is administered by NILGOSC. The benefits paid under the Scheme are based on length of membership and salary. NILGOSC maintain a fund to provide for the payment of current and prospective benefits to members of the Scheme. In order to ensure that this objective is achieved, the Committee must determine a suitable investment strategy, which provides both a high return on investments and an acceptable level of risk.

Employee contribution rates are based on pensionable pay. For 2015-16 the rates were as follows:

Band	Range	Contribution Rate
1	£0 - £14,000	5.5%
2	£14,001 - £21,300	5.8%
3	£21,301 - £35,600	6.5%
4	£35,601 - £43,000	6.8%
5	£43,001 - £85,000	8.5%
6	>£85,000	10.5%

The employer contribution rate for 2015-16 was 20%.

For any membership accrued before 1 April 2009 benefits will accrue at a rate of 1/80th of the employee's final year pensionable pay and an automatic tax free lump sum of three times their pension. For all membership accrued from 1 April 2009 benefits accrue at a rate of 1/60th of final pensionable pay for each year of service but with no automatic lump sum (members can choose to give up some of their pension to provide a lump sum). Additional Voluntary Contributions (AVC) can be paid through the NILGOSC in-house AVC provider, Prudential.

Further details about the NILGOSC pension scheme can be found at the website [www.nilgosc.org.uk](http://www.nilgosc.org.uk) and section 3 below.

### Audited Information

Employee	Accrued pension at pension age as at 31/3/16 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/16	CETV at 31/3/15	Real increase in CETV
	£000s	£000s	£000s	£000s	£000s
Antoinette McKeown <i>Chief Executive</i>	0-5 plus Nil lump sum	0-2.5 plus Nil lump sum	44	26	12
Nick Harkness <i>Director of Participation</i>	25-30 plus 60-65 lump sum	0-2.5 plus 0-2.5 lump sum	500	461	35
Shaun Ogle <i>Director of Performance</i>	25-30 plus 55-60 lump sum	0-2.5 plus 0-2.5 lump sum	519	481	37
Andrew Sloan <i>Director of Sports Management Services</i>	15-20 plus 25-30 lump sum	0-2.5 plus 0-2.5 lump sum	260	234	21
Emma Bohill <i>Transformation Facilitator</i>	0-5 plus Nil lump sum	0-2.5 plus Nil lump sum	14	8	3

### 1.11 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 NILGOSC 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) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### 1.12 Real increase in CETV

This reflects the increase in CETV effectively 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. The actuarial factors used to calculate CETVs changed during the 2015-16 year and, consequently, CETV figures increased even without any further pension accrual. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

## 2.0 Staff Report

### 2.1 Number of Directors (Audited Information)

Director's Salary	2015-16	2014-15
£45,000-£50,000	1	1
£50,000-£55,000	-	-
£55,000-£60,000	-	-
£60,000-£65,000	-	-
£65,000-£70,000	3	3
£70,000-£75,000	-	-
£75,000-£80,000	-	-
£80,000-£85,000	1	1
<b>Total Number of Directors</b>	<b>5</b>	<b>5</b>

**2.2 Staff Numbers and Costs (Audited Information)****2.2 (a) Staff Costs**

	2015-16 £	2015-16 £	2015-16 £	2014-15 £
	Permanent	Others	Total	Total
Wages and Salaries	4,620,714	28,490	4,649,204	4,442,928
Social Security Costs	300,297	-	300,297	297,832
Pension Costs	884,649	-	884,649	856,028
Agency Costs	-	124,649	124,649	142,417
Other Pension Costs	219,000	-	219,000	242,000
<b>Total Staff Costs</b>	<b>6,024,660</b>	<b>153,139</b>	<b>6,177,799</b>	<b>5,981,205</b>
Staff costs recharged to third parties	(1,055,227)	-	(1,055,227)	(751,757)
<b>Total Net Costs</b>	<b>4,969,433</b>	<b>153,139</b>	<b>5,122,572</b>	<b>5,229,448</b>

All staff costs were incurred by Exchequer Account and a proportion recharged to the Lottery Account.

Under terms and conditions of service, staff are entitled to an issue of luncheon vouchers to the approximate value of 70p per day. The entitlement for full time staff is 55 vouchers per quarter issued quarterly in advance. Part time staff are entitled to luncheon vouchers on a pro rata basis to the full time equivalent. Luncheon vouchers are accounted for through the Exchequer Account and no costs recharged to Lottery Account.

**2.2 (b) Average Number of Persons Employed (Audited Information)****Sports Council**

Number	2015-16			2014-15
	Permanently Employed Staff	Others	Total	Total
Directly employed	118	12	130	122
Other	-	6	6	4
<b>Total</b>	<b>118</b>	<b>18</b>	<b>136</b>	<b>126</b>

All of the staff were employed by Sports Council and the proportion in relation to the Lottery Account is based on percentage of Officers time spent on Lottery Account activities.



**Lottery Account**

The average number of whole-time equivalent persons employed during the year working on the National Lottery Distribution Account was as follows:

Number	2015-16			2014-15
	Permanently Employed Staff	Others	Total	Total
Directly employed	26	-	26	16
Agency staff	-	-	-	-
<b>Total</b>	<b>26</b>	<b>-</b>	<b>26</b>	<b>16</b>

**2.3 Chief Executive's Remuneration (Audited Information)**

The remuneration received by the Chief Executive during the year was £84,760 (2014-15: £84,760). The Chief Executive is an ordinary member of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension scheme. There has been no direct recharge of the Chief Executive's salary to the Lottery Distribution Account.

Arthur Scott was appointed by the Department as Interim Chief Executive from 15 July 2015 to 20 April 2016. No salary costs were recharged during this period.

**3.0 Pension Costs and Commitments**

Sports Council participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC scheme). The NILGOSC scheme is part of the Local Government Pension Scheme (LGPS) and is a multi-employer, funded defined benefit scheme. The fund is invested in suitable investments, managed by the Committee. Benefits earned up to 31 March 2015 are linked to Final Salary and benefits from 1 April 2015 onwards are based on a Career Average Revalued Earning Scheme. Past and present employees are covered by the provisions of the NILGOSC scheme. The funded nature of the scheme requires Sports Council and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. For 2015-16 the contribution rates were 20% employers and ranging between 5.5% and 10.5% employees (2014-15: 20% employers and ranging between 5.5% and 7.5% employees).

The defined benefit obligation is linked to yields on the AA-rated corporate bonds, while a significant proportion of the assets of the scheme are invested in equities. Changing markets in conjunction with discount rate volatility will lead to volatility in the funded status of the pension plan and thus to volatility in the net pension asset on the Sports Council's Statement of Financial Position and Other Comprehensive Expenditure. It will also lead to volatility in the IAS 19 pension expense in the Sports Council Statement of Comprehensive Net Expenditure.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

The latest actuarial valuation of Sports Council took place as at 31 March 2016. The calculation of the defined benefit obligation involves projecting future cash flows from the fund many years into the future. This means that the assumptions used can have a material impact on the Statement of Financial Position and the charge to the Statement of Comprehensive Net Expenditure. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method.

The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS 19 purposes were:

### 3.1 Principal Financial Assumptions (% per annum)

	2015-16	2014-15
	Years	Years
Duration of liabilities (years)*	23.3	23.3
	% PA	% PA
Discount rate	3.5	3.2
RPI Price Inflation	2.9	2.9
CPI Price Inflation	1.8	1.8
Pension Increase **	1.8	1.8
Pension accounts revaluation rate ***	1.8	1.8
Salary increases ****	3.3	3.3

\* The duration of the fund's liabilities is the average period between the calculation date and the date at which benefit payments fall due.

\*\* On pension in excess of Guaranteed Minimum Pension in payment where appropriate.

\*\*\* This is set equal to the assumption for pension increase.

\*\*\*\* This has been set as 1.5% above the CPI inflation assumption which is consistent with the assumption used at the 2013 Valuation.

### 3.2 Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

#### Post retirement mortality (retirement in normal health)

31 March 2016

31 March 2015

#### Males

Year of Birth base table	Standard SAPS Normal Health All Amounts (S1NMA)	Standard SAPS Normal Health All Amounts (S1NMA)
Rating to above base table (years)	0	0
Scaling to above base table rates	110%	110%
Improvements to base table rates	CMI 2012 with a long term rate of improvement of 1.5% p.a.	CMI 2012 with a long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (aged 65 at accounting date)	22.3	22.2
Future lifetime from age 65 (aged 45 at accounting date)	24.5	24.4

**Females**

Year of Birth base table	Standard SAPS Normal Health All Amounts (S1NFA)	Standard SAPS Normal Health All Amounts (S1NFA)
Rating to above base table (years)*	0	0
Scaling to above base table rates	110%	110%
Improvements to base table rates	CMI 2012 with a long term rate of improvement of 1.5%p.a.	CMI 2012 with a long term rate of improvement of 1.5%p.a.
Future lifetime from age 65 (aged 65 at accounting date)	24.8	24.7
Future lifetime from age 65 (aged 45 at accounting date)	27.2	27.0
<b>Commutation</b>	Each member was assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre-2009 service) is 75% of the permitted maximum	Each member was assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre-2009 service) is 75% of the permitted maximum

\* A rating of x years means that members of the Fund are assumed to follow the mortality pattern of the base table for an individual x years older than them. The ratings shown apply to normal health retirements. Different rates may apply to retirement in ill health.

**3.3 Asset Allocation**

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. The assets allocated to the Employer in the Fund are notional and the assets are assumed to be invested in line with the investments of the fund set out below for the purposes of calculating the return to be applied to those notional assets. The Fund is large and largely liquid and as a consequence there will be no significant restriction on realising assets if a large payment is required to be paid (e.g. bulk transfer value payment).

The Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

	Value at			Value
	31 March 2016 (%)			at 31 March 2015 (%)
	Quoted	Unquoted	Total	Total
Equities	71.7	0.2	71.9	73.0
Property	13.2	-	13.2	12.6
Government	5.7	-	5.7	5.7
Corporate Bonds	6.4	-	6.4	6.5
Cash	2.3	-	2.3	2.0
Other	-	0.5	0.5	0.2
Total	99.3	0.7	100.0	100.0

**3.4 Reconciliation of Funded status to Statement of Financial Position (SoFP)**

	Value at 31-Mar-16 £000s	Value at 31-Mar-15 £000s
Fair value of assets	21,887	20,497
Present value of funded defined benefit obligation	25,531	25,838
<b>Funded status</b>	<b>(3,644)</b>	<b>(5,341)</b>
Impact of minimum funding requirement/asset ceiling	-	-
<b>Asset/(Liability) recognised on the SoFP</b>	<b>(3,644)</b>	<b>(5,341)</b>

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

Active Members	52%
Deferred Pensioners	16%
Pensioners	32%

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

Amount Charged to Net Expenditure Account	Period Ending 31-Mar-16 £000s	Period Ending 31- Mar-15 £000s
<b>Operating Costs</b>		
Current Service Cost *	924	936
Past Service Cost (including curtailments)	9	-
Settlement Cost	-	-
<b>Financing Cost</b>		
Interest on net defined benefit liability/(asset)	157	142
<b>Pension Expense Recognised in the SoCNE</b>	<b>1,090</b>	<b>1,078</b>
<b>Remeasurements in Other Comprehensive Expenditure</b>		
Return on plan assets (in excess of)/Below that recognised in net interest	77	(1,561)
Actuarial (gains)/losses due to change in financial assumptions	(1,785)	2,980
Actuarial (gains)/losses due to change in demographic assumptions	-	-
Actuarial (gains)/losses due to liability experience	(208)	(92)
<b>Total Amount Recognised in Other Comprehensive Expenditure</b>	<b>(1,916)</b>	<b>1,327</b>
<b>Total Amount Recognised</b>	<b>(826)</b>	<b>2,405</b>

\* The current service cost includes an allowance for the administration expenses of £0.013m (2014-15: £0.012m).

**3.6 Movement in Deficit During the Year**

<b>Movement in Deficit During the Year</b>	<b>31-Mar-16 £000s</b>	<b>31-Mar-15 £000s</b>
Deficit in scheme at beginning of year	(5,341)	(3,588)
<b>Movement in the year</b>		
Current service costs	(924)	(936)
Past service costs (including curtailments)	(9)	-
Contributions	871	836
Net charge on Assets	(157)	(326)
Actuarial (loss)/gain	1,916	(1,327)
<b>Deficit in Scheme at End of Year</b>	<b>(3,644)</b>	<b>(5,341)</b>

**3.7 Changes to Present Value of Defined Benefit Obligation During the Accounting Period**

	<b>Period Ending 31-Mar-16 £000s</b>	<b>Period Ending 31-Mar-15 £000s</b>
<b>Opening defined benefit obligation</b>	<b>25,838</b>	<b>18,761</b>
Current service cost	924	936
Interest expense on defined benefit obligation	826	884
Contributions by participants	302	281
Actuarial (gains)/losses due to changes in financial assumptions	(1,785)	2,980
Actuarial (gains)/losses due to changes in demographic assumptions	-	-
Actuarial (gains)/losses due to liability experience	(208)	(92)
Net benefits paid out	(375)	(370)
Past service costs (including curtailments)	9	-
Net increase in liabilities from disposals/acquisitions	-	2,458
Settlements	-	-
<b>Closing defined benefit obligation</b>	<b>25,531</b>	<b>25,838</b>

**3.8 Changes to the Fair Value of Assets During the Accounting Period**

	<b>31-Mar-16 £000s</b>	<b>31-Mar-15 £000s</b>
<b>Opening fair value of assets</b>	<b>20,497</b>	<b>15,173</b>
Interest income on assets	669	742
Remeasurement gains/(losses) on assets	(77)	1,561
Contributions by the employer	871	836
Contributions by participants	302	281
Net benefits paid out	(375)	(370)
Net increase in liabilities from disposals/acquisitions	-	2,274
Settlements	-	-
<b>Closing fair value of assets</b>	<b>21,887</b>	<b>20,497</b>

### 3.9 Actual Return on Assets

	Period Ending 31-Mar-16 £000s	Period Ending 31-Mar-15 £000s
Interest income on assets	669	742
Remeasurement gain/(loss) on assets	(77)	1,561
<b>Actual return on assets</b>	<b>592</b>	<b>2,303</b>

### 3.10 Sensitivity Analysis

The results shown above are sensitive to the assumptions used. The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2016 and the projected services cost for the year ending 31 March 2017 are set out below.

In each case, only the assumption mentioned is altered, all other assumptions remain the same and are summarised in the notes above. Sensitivity of unfunded benefits (where applicable) are not included on materiality grounds.

#### Discount rate assumption

Adjustment to discount rate	+0.1 p.a.	-0.1 p.a.
Present value of total obligation (£M)	24.943	26.133
% change in present value of total obligation	-2.3%	2.4%
Projected service cost (£M)	0.813	0.886
Approximate % change in projected service cost	-4.3%	4.4%

#### Rates of general increase in salaries

Adjustment to salary increase rate	+0.1 p.a.	-0.1 p.a.
Present value of total obligation (£M)	25.711	25.353
% change in present value of total obligation	0.7%	-0.7%
Projected service cost (£M)	0.849	0.849
Approximate % change in projected service cost	0.0%	0.0%

#### Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption

Adjustment to pension increase rate	+0.1 p.a.	-0.1 p.a.
Present value of total obligation (£M)	25.950	25.119
% change in present value of total obligation	1.6%	-1.6%
Projected service cost (£M)	0.886	0.813
Approximate % change in projected service cost	4.4%	-4.3%

#### Post retirement mortality assumption

Adjustment to mortality assumption	-1 Year	+1 Year
Present value of total obligation (£M)	26.190	24.872
% change in present value of total obligation	2.6%	-2.6%
Projected service cost (£M)	0.879	0.819
Approximate % change in projected service cost	3.6%	-3.6%

### Sports Council for Northern Ireland Exchequer Account 2015-16

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

### **3.11 Estimated Profit and Loss/Surplus or Deficit in Future Periods**

The figures below are provided based on the assumption as at 31 March 2016 outlined above.

Contributions to the defined benefit pension scheme for the year ended 31 March 2017 are expected to be £890k.

<b>Funded LGPS Benefits - Expected Amounts Charged to SoCNE</b>	<b>31-Mar-17 £000s</b>
Current service cost *	849
Interest on the net defined benefit liability/(asset)	112
<b>Total</b>	<b>961</b>

\* The projected service cost includes an allowance for administration expenses of £0.013m in the period ending 31 March 2017.

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

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

### **3.12 Funded Benefits**

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

<b>Active Members as at 31 March 2013</b>	<b>Number</b>	<b>Total Pay (£M)</b>
Total	104	3.169

<b>Pensioner &amp; deferred pensioner members as at 31 March 2016</b>	<b>Number</b>	<b>Total Pension (£M)</b>
Deferred members	63	0.159
Pensioner and dependants	35	0.298

<b>Funded cash-flow data provided</b>	<b>Months Provided</b>	<b>Amount Provided (£M)</b>	<b>Amount Used (£M)</b>
Employer - Normal contributions	10	0.718	
Employer - Additional capital contributions	-	-	
Employer - Early retirement strain on fund payments	10	0.009	
<b>Total contributions by the Employer</b>			<b>0.871</b>
Employee - Normal contributions	10	0.252	
Employee - Added years contributions	-	-	
<b>Total contributions by Participants</b>			<b>0.302</b>
Transfers in	-	-	
Other income	-	-	
Transfers out	-	-	
Retirement lump sums	-	-	
Other outgo	-	-	
Death in service lump sums *	-	-	
Benefits paid (i.e. pension paid)	-	-	
<b>Net benefits paid out **</b>			<b>0.375</b>

\* Calculated over the year to be £0.007m.

\*\* Figure includes an allowance for expenses of £0.013m.

<b>Annualised pensionable payroll over the accounting period</b>	<b>(£M)*</b>
Period ending 31 March 2016	4.309
Period ending 31 March 2015	4.141

\* These figures have derived from the contributions paid over the relevant accounting period.

### 3.13 Fund Return

The investment return used to roll forward the notional share of assets from the last formal valuation of the fund to the accounting date has been calculated using returns provided by the Fund Administering Authority, where known. Where necessary, index returns appropriate to the mix of assets have been used for any remaining period to obtain an estimate of the total return over the period to the accounting date. To that return, a deduction of 0.3% p.a. has been made to allow for investment management expenses based on the Fund's experience.

The overall annualised Fund return over the accounting period has been calculated as 2.8%. This includes any adjustment to reflect the difference between Fund returns and estimated index returns used over the last accounting period, where appropriate.



**4.0 Staff Composition (Audited Information)**

The actual composition of staff employed by Sports Council is as follows:

	Male Directors	Male Employees	Female Directors	Female Employees
<b>2015-16</b>				
Payroll	4	63	1	62
Board*	-	-	-	-
Agency	-	5	2	3
<b>Total</b>	<b>4</b>	<b>68</b>	<b>3</b>	<b>65</b>

	Male Directors	Male Employees	Female Directors	Female Employees
<b>2014-15</b>				
Payroll	4	69	2	73
Board*	-	-	-	-
Agency	-	3	-	-
<b>Total</b>	<b>3</b>	<b>72</b>	<b>2</b>	<b>73</b>

\*Board Members are employed by the Department. The Chair and Vice Chair are the only Members to receive honorarium from Sports Council.

**5.0 Sickness Absence Data**

The number of sick days reported in 2015-16 was 1,507 (2014-15:1,325). Sports Council had an average of 10.84 days absence per full time equivalent person in 2015-16 (10.1 days: 2014-15). This was due to there being an increase in long-term sickness absence in 2015-16. This is being managed in line with the Absence Management Policy.

**6.0 Staff Policies Applied During the Financial Year****6.1 Employee Consultation**

On matters of policy and procedure which affect the employees of Sports Council, there is normally consultation with the recognised trade union of which staff are members. This trade union is also a member of the Whitley Council which negotiates the terms and conditions of members with the Department of Finance.

**6.2 Equality of Opportunity**

Sports Council is committed to the development of positive policies to promote equal opportunity in employment based on practices which are non-discriminatory as between people of differing abilities, religion, political view, nationality, race, colour or sex, including sexual orientation. An equal opportunities policy has been in place since March 2004 and was last reviewed in July 2016.

**6.3 Employees with a Disability**

Sports Council ensures that people with a disability are given opportunities for suitable employment and that they are not discriminated against on the grounds of disability for recruitment, training or promotion purposes.

## 6.4 Health and Safety

Sports Council is committed to providing staff with an environment that is as far as possible, safe and free from risk to health. In accordance with this commitment, Sports Council has complied with relevant legislation.

## 7.0 Expenditure on Consultancy

The following costs were incurred during the year for consultancy (excluding managed service).

	2015-16	2014-15
	£	£
Actuary Report	2,400	708
<b>Total Expenditure on Consultancy</b>	<b>2,400</b>	<b>708</b>

## 8.0 Off-Payroll Engagements

Off-payroll engagements are those where individuals, either self-employed or acting through a personal service company, are paid gross by the employer. In line with HM Treasury requirements, the Department of Finance requires disclosure of such engagements that were in place during 2015-16 costing over £58,200. Sports Council had one off-payroll engagement in 2015-16 (2014-15: NIL) in respect of Acting Chief Executive. Further information on their appointment can be found in the Governance Statement and details of pay can be found in Chief Executives Remuneration on page 46.

## 9.0 Core Exit Packages (Audited Information)

Exit Package Cost Band	2015/16 Number of Compulsory Redundancies	2015/16 Number of Other Departures Agreed	2015/16 Total Number of Exit Packages by Costs Band	2014/15 Total Number of Exit Packages by Costs Band
< £10,000	-	2	2	-
£10,000- £25,000	-	4	4	-
£25,000-£50,000	-	3	3	-
£50,000- £100,000	-	-	-	-
£100,000- £150,000	-	-	-	-
£150,000- £200,000	-	-	-	-
<b>Total Number of Exit Packages</b>	-	<b>9</b>	<b>9</b>	-
<b>Total Resource Cost</b>	-	<b>£196,803</b>	<b>£196,803</b>	-

Redundancy and other departure costs have been paid in accordance with the provisions of Sports Council's Voluntary Exit Scheme. Exit costs are accounted for in full in the year of departure, including recognised liabilities as accruals at the point at which offers were accepted. Exit costs were fully processed through the Exchequer Account with the same amount received from government funding provided by the Department. If the exit costs had been recharged to the Lottery Account in line with other salary costs, nil would have been charged.



Antoinette McKeown  
Accounting Officer  
Sports Council for Northern Ireland

Date: 19 June 2019

## **Assembly Accountability and Audit Report**

### **Assembly Accountability Disclosure Note (Audited)**

#### **1. Losses and Special Payments**

There were no losses during the year which required disclosure in the accounts (2014-15: NIL). However, Sports Council has accrued a special payment which was made during 2016-17, for a case which was had a compromise agreement prior to going to court. Part of the agreement advised that the details and payments had protected disclosure. In 2014-15, Sports Council accrued £32,000 in relation to a special payment made during 2018-19 relating to a Fair Employment settlement.

#### **2. Fees and Charges**

Tollymore National Outdoor Centre (TNOC) is the only operation within Sports Council that would have a significant level of income generation (see further details below). For all other areas a detailed analysis of fees and charges information is not provided as the income and full costs of each service are immaterial.

TNOC income is mainly generated through booking of courses; climbing wall use; accommodation; venue hire; and catering. During the year, TNOC generated £297,414 of income. Subvention required was £87,579 against forecasted subvention of £86,524.

The activities of TNOC are subsidised by funding received from the Department. In May 2015, concerns were raised by the Northern Ireland Audit Office (NIAO) in respect of the pricing of commercial activities at the Tollymore National Outdoor Centre (TNOC), in particular the need to apply full cost recovery as required by Managing Public Money Northern Ireland (MPMNI).

Sports Council has worked with the Department and the Department of Finance to obtain compliance with the principles in MPMNI. A full Green Book appraisal of TNOC was prepared by external consultants in September 2016 to ensure TNOC is fully compliant with Managing Public Money NI. The business case received conditional approval in November 2016. The conditions have now been met by Sports Council and was formally signed off in February 2017.

#### **3. Remote Contingent Liabilities**

There were no remote contingent liabilities during the year which required disclosure (2014-15: Nil).



**Antoinette McKeown**  
**Accounting Officer**  
**Sports Council for Northern Ireland**

**Date: 19 June 2019**

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

### **Opinion on financial statements**

I certify that have audited the financial statements of the Sports Council for Northern Ireland for the year ended 31 March 2016 under the Recreation and Youth Service (Northern Ireland) Order 1986. The financial statements comprise: the Statement of Comprehensive Net Expenditure, Financial Position, Cash Flow, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Annual 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 Sports Council for Northern Ireland's affairs as at 31 March 2016 and of the Sports Council for Northern Ireland's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986 and the Department of Culture, Arts and Leisure<sup>2</sup> issued thereunder.

### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income 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 of opinions**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Sports Council for Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, 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.

### **Other Information**

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

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<sup>2</sup> The Department of Culture, Arts and Leisure became part of the Department for Communities in May 2016

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 parts of the Accountability Report to be audited have been properly prepared in accordance with the Department of Culture, Arts and Leisure directions made under the Recreation and Youth Service (Northern Ireland) Order 1986; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Responsibilities of the Council and Accounting Officer for the financial statements**

As explained more fully in the Statement of Council's and Accounting Officer Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### **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 Recreation and Youth Service (Northern Ireland) Order.

My objectives are to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

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](http://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 expenditure and income 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.

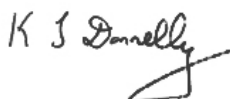
**Matters on which I report by exception**

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
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

**Report**

My report on these financial statements can be found on pages 80 to 84.



*KJ Donnelly  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU*

*11 July 2019*

**FINANCIAL STATEMENTS****Statement of Comprehensive Net Expenditure  
For the year ended 31 March 2016**

	Notes	2015-16 £	2014-15 £
Income	5	2,012,387	1,951,297
<b><i>Total Operating Income</i></b>		<b>2,012,387</b>	<b>1,951,297</b>
Staff Costs		(6,177,799)	(5,981,205)
Depreciation	8&9	(496,820)	(529,503)
Grants	3	(3,959,544)	(6,262,952)
Other Operating Costs	3	(2,495,001)	(2,068,879)
Notional Costs	4	(30,000)	(30,000)
<b>Total Operating Expenditure</b>		<b>(13,159,164)</b>	<b>(14,872,539)</b>
<b><i>Net Operating Expenditure</i></b>		<b>(11,146,777)</b>	<b>(12,921,242)</b>
Interest Receivable	6	475	0
<b><i>Net Expenditure After Interest</i></b>		<b>(11,146,302)</b>	<b>(12,921,242)</b>
Taxation	7	(95)	(140)
<b><i>Net Expenditure after Taxation</i></b>		<b>(11,146,397)</b>	<b>(12,921,382)</b>
Credit in Respect of Notional Costs	4	30,000	30,000
<b>Net Expenditure After Excluding Notional Costs</b>		<b>(11,116,397)</b>	<b>(12,891,382)</b>
<b>Other Comprehensive Net Expenditure</b>			
<b>Items which will not be reclassified to net operating costs:</b>			
Net gain on Revaluation of Property, Plant and Equipment		1,383,923	151,086
Net Gain on Revaluation of Intangibles		1,241	1,317
Actuarial Gain/(Loss)		1,916,000	(1,327,000)
<b>Comprehensive Net Expenditure</b>		<b>(7,815,233)</b>	<b>(14,065,979)</b>

The notes on pages 64 to 79 form part of these accounts.

## Statement of Financial Position as at 31 March 2016

	Notes	2016 £	2015 £
<b>Non-Current Assets</b>			
Property, plant and equipment	8	6,282,331	5,347,546
Intangible assets	9	93,941	134,037
<b>Total non-current assets</b>		<b>6,376,272</b>	<b>5,481,583</b>
<b>Current Assets</b>			
Inventories	10	72	18
Trade and other receivables	11	350,052	605,669
Cash and cash equivalents	12	702,652	343,506
<b>Total current assets</b>		<b>1,052,776</b>	<b>949,193</b>
<b>Total assets</b>		<b>7,429,048</b>	<b>6,430,776</b>
<b>Current Liabilities</b>			
Trade and other payables	13	(1,303,017)	(672,368)
Grant Commitments	13	(2,141,532)	(2,147,821)
<b>Total Current Liabilities</b>		<b>(3,444,549)</b>	<b>(2,820,189)</b>
<b>Non-current assets less net current liabilities</b>		<b>3,984,499</b>	<b>3,610,587</b>
<b>Non-current Liabilities</b>			
Provisions	14a	(47,120)	(47,120)
Pension Liability	14b	(3,644,000)	(5,341,000)
<b>Total Non-current Liabilities</b>		<b>(3,691,120)</b>	<b>(5,388,120)</b>
<b>Assets Less Liabilities</b>		<b>293,379</b>	<b>(1,777,533)</b>
<b>Taxpayers' equity</b>			
General Reserve		2,420,318	3,387,358
Pension Reserve		(3,644,000)	(5,341,000)
Revaluation Reserve		1,517,061	176,109
<b>Total Taxpayers' equity</b>		<b>293,379</b>	<b>(1,777,533)</b>

The notes on pages 64 to 79 form part of these accounts.

The financial statements on pages 60 to 63 were approved by the Board on 19 June 2019 and are signed on its behalf by:

**Antoinette McKeown**  
Accounting Officer  
Sports Council for Northern Ireland

**Date: 19 June 2019**



## Statement of Cash Flows

### For the Year Ended 31 March 2016

	Notes	2016 SCNI £	2015 SCNI £
<b>Cash Flows From Operating Activities</b>		<b>(11,146,777)</b>	<b>(12,921,242)</b>
Integration of Sports Institute		-	(270,309)
Depreciation and Amortisation	8 & 9	496,820	529,503
Permanent Diminution	3	(851)	(103,931)
Loss on Disposal of Assets	3	43,778	41,595
Notional Cost - Audit Fee	4	30,000	30,000
(Increase)/Decrease in Inventories	10	(54)	8
Decrease/(Increase) in Trade and Other Receivables	11	255,617	(204,711)
Increase/(Decrease) in Trade and Other Payables	13	624,360	(946,170)
Increase/(Decrease) in Pension Fund Payable Less Actuarial Losses		219,000	242,000
<b>Net Cash Outflow From Operating Activities</b>		<b>(9,478,107)</b>	<b>(13,603,257)</b>
<b>Cash Flows From Investing Activities</b>			
Interest Received	6	475	-
Tax Paid	7	(95)	(140)
Receipts from disposal of non current assets		-	-
Transfer of assets and deferred creditor Sports Institute Northern Ireland		-	28,750
Proceeds from disposal of non-current assets		6,820	-
Purchase of property, plant and equipment	8	(30,054)	(125,586)
Purchase of intangible assets	9	(26,038)	(43,061)
<b>Net Cash Outflow From Investing Activities</b>		<b>(48,892)</b>	<b>(140,037)</b>
<b>Cash Flows From Financing Activities</b>			
Grants from DCAL		9,886,145	13,659,931
<b>Net Financing</b>		<b>9,886,145</b>	<b>13,659,931</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents in the Period</b>		<b>359,146</b>	<b>(83,363)</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>		<b>343,506</b>	<b>426,869</b>
<b>Cash and Cash Equivalents at the End of the Period</b>		<b>702,652</b>	<b>343,506</b>

The notes on pages 64 to 79 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2016

	General Reserve £	Pension Reserve £	Revaluation Reserve £	Total Reserves £	Group Reserves £
<b>Balance at 31 March 2014</b>	<b>2,181,171</b>	<b>(3,588,000)</b>	<b>35,344</b>	<b>(1,371,485)</b>	<b>(1,464,985)</b>
<b>Changes in Equity for 2014-15</b>					
Net Gain on Revaluation of Non-Current Assets	-	-	152,403	152,403	
Actuarial Loss	-	(1,327,000)	-	(1,327,000)	
Comprehensive expenditure for the year	(12,477,978)	(426,000)	12,596	(12,891,382)	
Grant in Aid from DCAL	13,659,931	-	-	13,659,931	
Release of Revaluation Reserve	24,234	-	(24,234)	-	
<b>Balance at 31 March 2015</b>	<b>3,387,358</b>	<b>(5,341,000)</b>	<b>176,109</b>	<b>(1,777,533)</b>	
<b>Changes in Equity for 2015-16</b>					
Net Loss on Revaluation of Non-Current Assets	-	-	1,385,164	1,385,164	
Actuarial Gain	-	1,916,000	-	1,916,000	
Comprehensive expenditure for the year	(10,897,397)	(219,000)	-	(11,116,397)	
Grant in Aid from DCAL	9,886,145	-	-	9,886,145	
Release of Revaluation Reserve	44,212	-	(44,212)	-	
<b>Balance at 31 March 2016</b>	<b>2,420,318</b>	<b>(3,644,000)</b>	<b>1,517,061</b>	<b>293,379</b>	

The notes on pages 64 to 79 form part of these accounts.

**Notes to the Accounts**  
**For the year ended 31 March 2016**

**1. Statement of Accounting Policies**

The financial statements have been prepared in accordance with the requirements of the 2015-16 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Sports Council, for the purpose of giving a true and fair view, has been selected. The particular policies adopted by Sports Council are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

*1.1 Accounting Convention*

These financial statements have been prepared in accordance with the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

*1.2 Impending application of newly issued accounting standards not yet effective*

Sports Council has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. Sports Council considers that these are unlikely to have a significant impact on the accounts in the period of initial application.

*1.3 Income*

Grant-in-aid from the Department is used to finance activities and expenditure which support the statutory, and other, objectives of the entity are treated as financing, and credited to the General Reserve, because they are regarded as contributions from a controlling party.

Other income sources are accounted for on a receivable basis and matched to the expenditure that it finances. This income is taken to the net expenditure account for the year to which it relates.

Fees or charges for services provided by Sports Council are determined in accordance with the Treasury's "Fees and Charges Guide".

A service level agreement operates between Exchequer Account and Lottery Account. This comprises of recharges for administrative costs and salaries incurred by Sports Council from which the Lottery Fund has benefited directly.

*1.4 Capital and Revenue Grants Payable*

Grants awarded to organisations and individuals are charged to the Statement of Comprehensive Net Expenditure in the year to which they relate. Any amounts of unpaid grant at 31 March are included as liabilities in the Statement of Financial Position.

### *1.5 Research and Development*

Research and Development costs are written off as incurred and not carried forward as an asset.

### *1.6 Property, Plant and Equipment and Intangible Assets*

Sports Council applied a capitalisation limit of £1,000 to individual items. Items below the £1,000 threshold were charged directly to the Statement of Comprehensive Net Expenditure.

### *1.7 Depreciation and Amortisation*

Depreciation/amortisation has been provided using the straight line method so as to write off each asset over its estimated useful life. Depreciation/amortisation is charged from the month acquired/coming into use, to the month in which it is disposed.

Assets are depreciated over their useful lives as follows:

Buildings	10-25 Years
Computer Equipment	2-10 Years
Furniture and Fittings	2-20 Years
Specialist Sports Equipment	7-10 Years
Motor Vehicles	4-10 Years
Intangible Assets – Computer Equipment	2-10 Years

### *1.8 Impairment of Non-Current Assets*

An impairment review is carried out annually, any loss in value which exceeds the credit in the revaluation reserve is then charged to the Statement of Comprehensive Net Expenditure.

### *1.9 Revaluation of Non-Current Assets*

Non-current assets included in the Statement of Financial Position are annually reviewed to ensure that they are stated at fair value. This is carried out through applying indices. Increases in valuations are credited to the Revaluation Reserve. Downward movements are accounted through the revaluation reserve to the extent that there is a credit in that reserve that relates to the revalued asset.

Tollymore National Outdoor Centre was valued by Land and Property Services at 31 March 2016 and will have a further formal valuation undertaken in 5 years, supplemented by annual indexation.

### *1.10 Operating leases*

Rentals payable under operating leases are written off in the Statement of Comprehensive Net Expenditure in the year. The amount charged in the year and amount of the payments to which the entity is committed is disclosed in note 16 to the accounts.

### *1.11 Notional Costs*

The auditor's remuneration is included as a notional cost. Full details of these costs are given in note 6.

*1.12 Pension Costs/Employee Benefits*

Sports Council staff belong to the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC). The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuations of the scheme were at 31 March 2016. Pension scheme liabilities are measured using the projected unit credit method.

A building block approach is used to determine the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each class is set out within the notes. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 March 2016.

The increase in the present value of the liabilities of Sports Council's defined benefit scheme arising from employee service in the period is charged to the Statement of Comprehensive Net Expenditure. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the Statement of Changes in Taxpayer's Equity.

In accordance with IAS 19, Sports Council accrues for untaken employee leave and flexi.

*1.13 Value Added Tax*

Sports Council is registered for VAT. Sports Council does not reclaim VAT on purchases.

*1.14 Trade Receivables*

Trade receivables mainly arise from regular users of services at House of Sport and Tollymore National Outdoor Centre. Bad debt provision is assessed annually.

*1.15 Trade Payables*

Trade payables represent liabilities for goods and services provided to Sports Council prior to the end of the reporting period, which are unpaid. Purchase orders are not included as trade payables.

*1.16 Inventories*

Inventory is stated at the lower of cost and net realisable value. Inventory of stationery is not included in the Statement of Financial Position since it is incidental and deemed not to be material to the accounts.

*1.17 Financial Instruments*

Sports Council has adopted IAS 39. There has been no impact on the net assets of the organisation as a result of this.

*1.18 Loans and Receivables*

Receivables, Cash and Cash Equivalents are classified as 'loans and receivables', in accordance with IAS 39, and are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less any impairment.

Receivables do not carry any interest and are recognised at their recoverable amount, which equates to their fair value.

Cash held in the bank is a liquid resource. The carrying value of the asset approximates to fair value.

Cash equivalents are short term, highly liquid investments that are readily convertible to cash and are subject to a low risk of changes in value.

Payables & Grant Commitments are classified as 'loans and receivables', in accordance with IAS 39, and are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

Payables are not interest bearing and are stated at their nominal value, which equates to their fair value.

Grant commitments are stated as per the value of the award made to the applicant, this equates to fair value.

*1.19 Provisions*

Sports Council provides for legal or constructive obligations as a result of a past event, which are of uncertain timing or amount at the Statement of Financial Position date, on the basis of the best estimate of the expenditure required to settle the obligation.

*1.20 Contingent Liabilities*

Contingent Liabilities are disclosed in accordance with IAS 37. In addition to the contingent liabilities disclosed in accordance with IAS 37, Sports Council discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefits is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

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

### *1.21 Estimation Techniques Used and Key Judgements*

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

#### *Depreciation of property, plant and equipment, and amortisation of intangible assets.*

Depreciation and amortisation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are shown in note 1.8.

#### *Going Concern*

The financial statements of Sports Council are produced on the Going Concern Basis. This was formally considered by the Board at its Board meeting on 19 June 2019. Sports Council is not aware of any reason to adopt a different basis.

## **2. Operating Segments**

In line with IFRS 8, Sports Council does not have any segmental data to disclose. The Board of Sports Council review the financial performance on a bi-monthly basis, based on similar information contained within the Statement of Comprehensive Net Expenditure of the financial statements.

**3. Other Operating Costs**

	<b>2015-16</b>	<b>2014-15</b>
	<b>£</b>	<b>£</b>
Repairs & Renewals	493,835	256,643
Professional Fees/Consultancy Fees/Special Payment	419,220	392,283
Committees, Receptions & Publicity	308,307	311,716
Rent & Rates	280,899	211,723
Sports Development	219,668	280,065
Travel & Subsistence	217,255	197,559
Heat & Light	92,096	100,466
Telephone & Postage	86,032	91,721
Insurance	77,150	47,033
Caretaking & Cleaning	70,178	66,147
Information Services, Journals & Subscriptions	63,808	61,326
Training	57,788	43,404
Publications, Printing & Stationery and IT Consumables	49,958	40,132
Loss on Disposal of Fixed Assets	43,778	41,595
Sundry Expenses	5,760	6,526
Coaches	3,121	4,498
Fees and Bank Charges	2,980	2,432
Photography	1,847	1,977
Recruitment	1,763	8,694
Promotions & Sponsorships	409	5,638
Auditor Remuneration	-	1,232
Permanent Diminution	(851)	(103,931)
<b>Total Operating Costs</b>	<b>2,495,001</b>	<b>2,068,879</b>
<b>Total Grants</b>	<b>3,959,544</b>	<b>6,262,952</b>
<b>Total Costs</b>	<b>6,454,545</b>	<b>8,331,831</b>

\*Auditor remuneration relates to amounts paid to the Northern Ireland Audit Office for work associated with the National Fraud Initiative (NFI). There was no such costs incurred in 2015-16 (2014-15: £1,232).

Staff costs for 2015-16 were £6,177,799 (2014-15: £5,981,205) details for these are provided within the remuneration report on page 45 of this report.

**4. Notional Costs**

Auditors remuneration remains a notional charge disclosed in the financial statements.

	<b>2015-16</b>	<b>2014-15</b>
	<b>£</b>	<b>£</b>
Notional Auditors Remuneration	30,000	30,000
<b>Total Notional Costs</b>	<b>30,000</b>	<b>30,000</b>



## 5. Income

	Note	2015-16 £	2014-15 £
Sports Development		137,440	100,162
Tollymore National Outdoor Centre		297,414	241,644
Services to Partners		55,746	233,128
Service to Lottery Activities		1,521,787	1,106,054
Integration of Sports Institute		-	270,309
<b>Total Other Income</b>		<b>2,012,387</b>	<b>1,951,297</b>

## 6. Interest Receivable

	2015-16 £	2014-15 £
Interest Received	475	-

## 7. Corporation Tax

	2015-16 £	2014-15 £
Corporation Tax Current Year	95	140

**8. Property, Plant and Equipment**

2015-16	<b>Buildings</b>	<b>Leasehold Improvements</b>	<b>Specialist Sports Equip</b>	<b>Furniture &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Computer Equipment</b>	<b>Total</b>
	£	£	£	£	£	£	£
<b>Cost or Valuation</b>							
At 1st April	5,613,585	99,418	834,306	169,563	107,360	1,097,761	7,921,993
Additions	-	-	1,900	8,386	-	19,768	30,054
Disposals	-	-	(41,558)	-	-	(210,610)	(252,168)
Impairment	-	-	1,137	(130)	(27)	2,812	3,792
Revaluation	130,174	(3,846)	2,743	1,046	1,831	6,446	138,394
At 31st March	<b>5,743,759</b>	<b>95,572</b>	<b>798,528</b>	<b>178,865</b>	<b>109,164</b>	<b>916,177</b>	<b>7,842,065</b>
<b>Depreciation</b>							
At 1st April	1,001,673	22,175	500,861	100,056	60,856	888,826	2,574,447
Provided During Year	251,993	6,988	99,556	8,661	3,741	103,019	473,958
Disposal	-	-	(37,906)	-	-	(208,311)	(246,217)
Impairment	-	-	960	(218)	46	2,287	3,075
Revaluation	(1,253,665)	(856)	1,502	641	1,510	5,339	(1,245,529)
At 31st March	<b>1</b>	<b>28,307</b>	<b>564,973</b>	<b>109,140</b>	<b>66,153</b>	<b>791,160</b>	<b>1,559,734</b>
<b>Carrying Value at 31 March 2016</b>	<b>5,743,758</b>	<b>67,267</b>	<b>233,555</b>	<b>69,725</b>	<b>43,011</b>	<b>125,017</b>	<b>6,282,331</b>
<b>Carrying Value at 31 March 2015</b>	<b>4,611,912</b>	<b>77,243</b>	<b>333,444</b>	<b>69,509</b>	<b>46,504</b>	<b>208,934</b>	<b>5,347,546</b>
<b>Asset financing:</b>							
Short Leasehold	5,743,756						5,743,756
Owned		67,267	233,554	69,727	43,011	125,016	538,575
<b>Carrying Value at 31 March 2016</b>	<b>5,743,756</b>	<b>67,267</b>	<b>233,554</b>	<b>69,727</b>	<b>43,011</b>	<b>125,016</b>	<b>6,282,331</b>

2014-15

	<b>Buildings</b>	<b>Leasehold Improvements</b>	<b>Specialist Sports Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Information Technology</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or Valuation</b>							
At 1 April 2014	5,309,189	-	177,406	151,700	82,131	998,714	6,719,140
Additions	28,084	-	57,428	1,914	25,398	12,762	125,586
Disposals	-	-	(151,539)	(29,707)	-	(91,324)	(272,570)
Impairment	-	-	47	(353)	(169)	2,411	1,936
Reclassifications/Assets Acquired*	-	87,263	748,187	45,273	-	168,083	1,048,806
Revaluation	276,312	12,155	2,777	736	-	7,115	299,095
<b>At 31st March 2015</b>	<b>5,613,585</b>	<b>99,418</b>	<b>834,306</b>	<b>169,563</b>	<b>107,360</b>	<b>1,097,761</b>	<b>7,921,993</b>
<b>Depreciation</b>							
At 1 April 2014	714,275	-	108,900	74,983	60,695	700,051	1,658,904
Charge In Year	250,418	5,452	79,325	11,099	212	128,432	474,938
Disposals	-	-	(146,781)	(9,378)	-	(85,022)	(241,181)
Impairment	-	-	41	(493)	(51)	1,288	785
Reclassifications/Assets Acquired*	-	14,643	457,775	23,483	-	139,647	635,548
Revaluation	36,980	2,080	1,601	362	-	4,430	45,453
<b>At 31st March 2015</b>	<b>1,001,673</b>	<b>22,175</b>	<b>500,861</b>	<b>100,056</b>	<b>60,856</b>	<b>888,826</b>	<b>2,574,447</b>
<b>Carrying value at 31 March 2015</b>	<b>4,611,912</b>	<b>77,243</b>	<b>333,445</b>	<b>69,507</b>	<b>46,504</b>	<b>208,935</b>	<b>5,347,546</b>
<b>Carrying value at 31 March 2014 (Restated)</b>	<b>4,594,914</b>	<b>-</b>	<b>68,506</b>	<b>76,717</b>	<b>21,436</b>	<b>298,663</b>	<b>5,060,236</b>
<b>Asset Financing:</b>							
Short Leasehold	4,611,912	77,243	-	-	-	-	4,689,155
Owned	-	-	333,445	69,507	46,504	208,935	658,391
<b>Carrying value at 31 March 2015</b>	<b>4,611,912</b>	<b>77,243</b>	<b>333,445</b>	<b>69,507</b>	<b>46,504</b>	<b>208,935</b>	<b>5,347,546</b>

\*Reclassification/Acquired relates to assets previously belonging to Sports Institute being integrated 100% with the Sports Council accounts.

All buildings, property, plant and equipment were valued at 31 March 2016 through application of indices as published by the Office for National Statistics.

The leases entered into in respect of the land at Tollymore National Outdoor Centre and Altnadue Quarry have been expensed to the Net Expenditure Account (see Note 16).

## 9. Intangible Assets

	<b>2015-16</b>	<b>2014-15</b>
	<b>Information Technology</b>	<b>Information Technology</b>
	<b>£</b>	<b>£</b>
<b>Cost or Valuation</b>		
<b>At 1 April</b>	756,392	680,453
Additions	26,038	43,061
Disposals	(492,707)	(120,998)
Impairment	273	428
Reclassification/Assets Acquired*	-	149,792
Revaluation	5,691	3,656
<b>At 31 March</b>	<u>295,687</u>	<u>756,392</u>
<b>Amortisation</b>		
<b>At 1 April</b>	622,355	538,548
Charge in year	22,862	54,565
Disposals	(448,060)	(110,792)
Impairment	139	205
Reclassification/Assets Acquired*	-	137,490
Revaluation	4,450	2,339
<b>At 31 March</b>	<u>201,746</u>	<u>622,355</u>
<b>Carrying value At 31 March</b>	<u><u>93,941</u></u>	<u><u>134,037</u></u>
Carrying value At 1 April	<u>134,037</u>	<u>141,905</u>
<b>Asset Financing:</b>		
Owned	93,941	134,037
<b>Carrying value at 31 March</b>	<u><u>93,941</u></u>	<u><u>134,037</u></u>

\*Reclassification/Assets Acquired relates to assets previously belonging to Sports Institute Northern Ireland being integrated 100% with the Sports Council accounts

Intangible assets comprise purchased software and licenses.

## 10. Inventory of Luncheon Vouchers

	<b>2015-16</b>	<b>2014-15</b>
	<b>£</b>	<b>£</b>
Balance 1 April	18	26
Receipts	12,317	12,930
Issued to Staff	(12,263)	(12,938)
Balance 31 March	<u>72</u>	<u>18</u>

**11. Trade receivables, financial and other assets**

	<b>2015-16</b>	<b>2014-15</b>
	<b>£</b>	<b>£</b>
Trade Receivables	50,831	54,594
Other Receivables	128,620	67,885
Amount Owed by Lottery	170,560	330,087
Amount Owed by SINI	-	125,600
Grant Clawback	41	27,503
<b>Total</b>	<b><u>350,052</u></b>	<b><u>605,669</u></b>

**12. Cash and Cash Equivalents**

<b>Cash at Bank and in Hand</b>	<b>2015-16</b>	<b>2014-15</b>
	<b>£</b>	<b>£</b>
Bank	702,372	343,244
Petty Cash	280	262
<b>Total Cash at Bank and in Hand</b>	<b><u>702,652</u></b>	<b><u>343,506</u></b>

<b>Petty Cash Movement</b>	<b>2015-16</b>	<b>2014-15</b>
	<b>£</b>	<b>£</b>
Petty Cash – 1 April	262	206
Net Movement in Petty Cash	18	56
Petty Cash – 31 March	<u>280</u>	<u>262</u>

<b>Cash at Bank Movement</b>	<b>2015-16</b>	<b>2014-15</b>
	<b>£</b>	<b>£</b>
Balance at 1 April	343,244	426,663
Net Change in Cash and Cash Equivalent Balances	359,128	(83,419)
<b>Balance at 31 March</b>	<b><u>702,372</u></b>	<b><u>343,244</u></b>

The cash and cash equivalent balances are denominated in Sterling. For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following balance at the 31 March:

	<b>2015-16</b>	<b>2014-15</b>
	<b>£</b>	<b>£</b>
Commercial Banks and Cash in Hand	<u>702,652</u>	<u>343,506</u>

**13. Trade payables and other current liabilities**

	2015-16	2014-15
	£	£
Trade Payables	675,494	241,657
VAT	6,078	8,700
Other Tax and Social Security	127,544	140
Other Payables	493,901	421,871
<b>Total Trade and Other Payables</b>	<b><u>1,303,017</u></b>	<b><u>672,368</u></b>
<b>Grant Commitments</b>	<b><u>2,141,532</u></b>	<b><u>2,147,821</u></b>
<b>Total Current Liabilities</b>	<b><u>3,444,549</u></b>	<b><u>2,820,189</u></b>

**14. Non-Current Liabilities**

<b>(a). Provision</b>	2015-16	2014-15
	£	£
Balance at 1 April	47,120	47,120
Provided in Year	-	-
Balance at 31 March	<u>47,120</u>	<u>47,120</u>

*Analysis of expected timing of discounted flows*

	2015-16	2014-15
	£	£
Not later than one year	-	-
Later than one year and not later than five years	47,120	47,120
Later than five years	-	-
Balance at 31 March	<u>47,120</u>	<u>47,120</u>

The provision relates to legal costs that Sports Council may have to pay to a third party.

<b>(b). Pension</b>	2015-16	2014-15
	£	£
Pension Liability	<u>3,644,000</u>	<u>5,341,000</u>

## 15. Explanation of Reserves

### *General Reserve*

This is the balance of recurrent grants provided by the Department through grant in aid, net of expenditure in year funded by the Department.

### *Pension Reserve*

This is the balance required by Sports Council to meet the current pension deficit on its share of the NILGOSC pension scheme.

### *Revaluation Reserve*

This is the balance arising on the revaluation of property, plant and equipment and intangible assets.

## 16. Commitments Under Leases

At 31 March Sports Council had annual commitments under operating leases as set out below:

	2015-16		2014-15	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Operating Leases which Expire:				
Within One Year	2,350	-	2,350	-
Within Two and Five Years Inclusive	9,400	-	9,400	-
Over Five Years	30,093	-	32,443	-
Total	<u>41,843</u>	<u>-</u>	<u>44,193</u>	<u>-</u>

The land which Tollymore National Outdoor Centre resides on is subject to rent reviews every five years.

The House of Sport rental agreement with the Department is leased on a rolling agreement, cancellable with 6 months prior notice. There are no specific rent reviews contained within the lease. A general review of rental values for government properties was undertaken in 2008, which increased the rent from £36,000 to £90,000 per annum.

## 17. Other Financial Commitments

Amounts contracted but not provided in the financial statements total NIL (2014-15: NIL).

## 18. Contingent Liabilities

Sports Council has one outstanding legal cases for which the outcome is uncertain and the associated value unquantifiable (2014-15: NIL).

## 19. Related Party Transactions

Several members of the Board and senior staff (Executive Team) are involved in sports organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. They do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest.

Sports Council for Northern Ireland Exchequer Account 2015-16

A list of awards made to the organisations concerned together with details of those who declared an interest is detailed below. All the transactions relating to these organisations were conducted at arm's length by Sports Council.

The following transactions are considered to be disclosable Related Party Transactions in respect of Board Members and Senior Executive Team.

<b>Board Member</b>	<b>Grantee</b>	<b>Commitments to Grantee/Supplier Payments £</b>	<b>Relationship of Staff Member to Grantee</b>
Brian Delaney	Athletics NI	38,545	Occasional volunteer marshal
	Belfast Community Sports Development Network	15,000	Board Member (resigned 07.04.16)
Kyle Ferguson	Irish Football Association	20,000	Related work through Ulster University
	Monkstown Boxing Club	In kind (TBUC kitbag)	Evaluator of programme
	Ulster University	137,385	Salaried employee
Katrina Godfrey	East Down Athletics Club	In kind (TBUC kitbag)	Person Connected - Subscribing Member - Former
	Swim Ireland	28,720	Club Member – Current
Kieran Harding	Irish Football Association	20,000	Coach (part time)
	Rosario FC	In kind (TBUC kitbag)	Coach
David Malcolm	Football Association	20,000	Referees Committee - Current
Rosin Mallon	Mountaineering Council of Ireland	125	Subscribing member - Current
Ian McAvoy	Disability Sport NI	3,000	Honorary member, subscribing member and former treasurer
Shane McCullough	Ulster University	137,385	Manager/coach
Catherine O'Mullan	Odyssey Trust Company Ltd.	40,000	Board Member



Executive Team Staff Member	Grantee	Commitments to Grantee/Supplier Payments £	Relationship of Staff Member to Grantee
Nick Harkness	Golfing Union of Ireland	19,000	Person Connected - Subscribing Member - Current
	Odyssey Trust Company Ltd	40,000	Director
	Queen's University Belfast	12,495	Student
John News	Cycling Ireland	36,600	Subscribing Member - Current
	St Peter's GAA Club	In kind (TBUC kitbag)	Subscribing Member – Current
Shaun Ogle	Cycling Ireland	36,600	Subscribing Member – Current
Andrew Sloan	Queen's University Belfast	12,495	Former part-time tutor

**Other related parties include:**

Sports Council is a Non-Departmental Public Body sponsored by the Department. The Department is regarded as a related party. In May 2016, the Department for Culture Arts and Leisure was dissolved and the Department of Communities became the sponsoring body of Sports Council.

During the year Sports Council has had various transactions with the Department and with other entities for which the Department is regarded as the parent department. None of the Board Members, key managerial staff or other related parties has undertaken any material transactions with Sports Council during the year.

Sports Council operates a Lottery Account in which awards are distributed. A number of recharges are made to the Lottery Account.

As a matter of policy and procedure, Sports Council maintains a publicly available register of interests where Board Members and staff declare any direct interest in grant applications made to Sports Council or any commercial relationships of Sports Council. In addition, Exchequer grants were paid during the year to a number of organisations in which Board Members declared an interest. Having declared an interest Board Members are required to leave the meeting while the relevant application is discussed and a decision is made.

## **20. Financial Instruments**

IAS 39 requires disclosure of the role which financial instruments have had during the period in creating or changing the risks Sports Council faces in undertaking its role.

Sports Council does not use financial instruments to manage financial risks associated with its underlying business activities and the financing of those activities, nor does it undertake any trading activity in financial instruments.

## **21. Events after the Reporting Period Date**

### Voluntary Exit Scheme

Sixteen departures were agreed under the second phase of VES in 2016-17, with a further fifteen in 2017-18.

### Change in Name of Sponsoring Department

Following the amalgamation of the former Department of Culture, Arts and Leisure (DCAL), Department for Social Development (DSD) and some of the functions of other departments, the new Department for Communities (DfC), effective from 9 May 2016, became Sports Council's Sponsoring Department.

For detail on the absence of Chief Executive, Interim Executive Leadership Team Report and Transformation Programme, Board Resignations, absence of Chief Executive and the delay of publication of annual report refer to the Governance Statement.

### **Date for Authorisation for Issue**

The Accounting Officer authorised the issue of these financial statements on 11 July 2019.

## **Annex A: Report by the Comptroller and Auditor General Sport NI Annual Report and Accounts 2015-16**

Due to the delay in certifying a number of Sport NI Accounts (2014-15, 2015-16, 2016-17 and 2017-18) the circumstances surrounding the delay, as set out in this report, are appropriate to all four accounting periods.

### **Governance Issues**

#### **Chief Executive's suspension, dismissal and subsequent reinstatement**

In September 2013 Antoinette McKeown took up post as Chief Executive Officer of the Sports Council for Northern Ireland (Sport NI). In this role she was responsible for implementing the strategic vision, policy and direction of Sport NI and for ensuring that the organisation met the agreed objectives and targets in the Corporate and Business plans. The Chief Executive Officer was also responsible for advising the Board on the discharge of its responsibilities and ensuring the Board was kept fully informed on the condition of the organisation, its performance, including the systems of internal control, and all important factors influencing it as part of supporting good governance.

The Department of Culture, Arts and Leisure (DCAL) appointed the Chief Executive Officer as Accounting Officer for Sport NI on 9 September 2013.

On the 10 March 2015 the Sport NI Board suspended the Chief Executive Officer from her position to conduct an open and unhindered investigation into leadership issues. The Leadership Investigation concluded and was presented to the Board at its 16 June 2015 meeting. On the 22 June 2015 the Board informed the Chief Executive Officer that they were moving to disciplinary action. The disciplinary case concluded on 22 November 2016, some 518 days later, with the dismissal of the Chief Executive Officer, subject to appeal. The Chief Executive Officer appealed the decision of the disciplinary panel and her appeal was upheld. The Board confirmed this decision on 14 June 2017 and the Chief Executive Officer returned to work on 31 July.

## **The appointment of the Interim Executive leadership Team (IEL Team)**

In May 2015 whistle-blowing allegations were received by DCAL. These allegations referenced the view that there were other individuals in Sport NI, who had similar concerns, but felt unable to raise these within the organisation.

The DCAL Permanent Secretary issued a letter to all Sport NI staff providing direct contact details for the DCAL Head of Internal Audit should staff have issues of concerns which they felt unable to raise within Sport NI. As a result of this letter ten more staff came forward to raise issues which resulted in DCAL asking its Head of Internal Audit to complete a Scoping Exercise into Sport NI's management and governance issues.

The DCAL Internal Audit report (1 July 2015) made a number of recommendations for DCAL to take forward, regarding concerns raised by Sport NI staff. On 8 July the DCAL Minister set up an Interim Executive Leadership Team (IEL Team) to investigate concerns raised by Sport NI staff. The IEL Team, led by a senior civil servant (designated interim Chief Executive Officer and Accounting Officer) and two staff, were seconded from DCAL, to manage the executive functions within Sport NI.

A key aim for the IEL Team was to develop an action plan to address the recommendations made in DCAL's 1 July 2015 Internal Audit report.

## **Board resignations and the appointment of interim members**

In accordance with the Recreation and Youth Service (Northern Ireland) Order 1986, the Department with responsibility for Sport, appoints the members of the Sport NI Board, including a Chair and Vice Chair. At 1 July 2015 the Sport NI Board comprised 12 members in addition to the Chair and Vice Chair, 14 in total. On 6 July 2015 nine Board members resigned.

At the August 2015 Sport NI Board meeting three senior civil servants were co-opted to support the Board in an advisory capacity. On 29 September 2015 DCAL launched an open public appointments competition to recruit Sport NI Board members. On 1 January 2016, five new members joined the Board. In February 2016 a co-opted advisor stepped down from the Board.

The Chair and Vice Chair of Sport NI resigned on the 31 March 2016. DCAL appointed an interim Chair and interim Vice Chair from the existing Board members, with immediate effect. From 9 May 2016 responsibility for sport transferred from DCAL to the Department for Communities (DfC). In June 2016 a second advisor stepped down from the Board. At the 17 August 2016 Board meeting the third co-opted member stepped down from the Board but remained on the Audit, Risk Assurance Committee. On 8 September 2016 DfC launched an open public appointments competition to recruit additional Sport NI Board members. Appointments to the Board were made with effect from 1 February 2017, including a Chair and Vice Chair.

## **Account Completion Issues**

It is my view that the unique circumstances outlined in this report meant an inevitable delay in completion of the Sport NI 2014-15 and 2015-16 financial statements. Given the strengthening of the Sport NI Board and the return of the Chief Executive on 31 July 2017, NIAO anticipated that the completion of Sport NI financial statements (as required for both Exchequer and Lottery funds) would begin to return to a normal footing later in 2017. This did not occur and in 2018 the financial statements for 2014-15, 2015-16 and 2016-17 were all in a backlog position. It is extremely unusual for a body audited by NIAO to have so many years' financial statements in backlog.

In February 2015 NIAO commenced interim audit work on Sport NI's financial statements for 2014-15. This work was suspended as the draft statements and the supporting audit file were of poor quality. Although further drafts of the financial statements were provided in August 2015 and April 2016, financial statements which were of an acceptable quality to enable the audit to proceed were not submitted until July 2016. The 2014-15 audit was carried out in parallel with the audit of the 2015-16 financial statements which were submitted by Sport NI on August 2016.

An issue arose during the audit of the 2015-16 financial statements which also impacted upon the 2014-15 statements. NIAO raised the matter with Sport NI in January 2017 and in October 2017 updated financial statements for 2014-15 and 2015-16 were provided by Sport NI (in addition to a number of versions provided in 2016.)

On 13 November 2017 NIAO provided Sport NI with a number of extensive lists setting out how the information provided by Sport NI needed to be progressed to allow for the completion of outstanding audits of the financial statements, which now included 2016-17 as well as the 2014-15 and 2015-16 financial statements. My staff met with the Chair of the Audit and Risk Assurance Committee on the same day to outline our concerns that Sport NI was still unable to finalise the financial statements.

Following regular meetings and discussions with NIAO, further drafts of the 2014-15, 2015-16 and 2016-17 financial statements were provided on 18 June 2018. NIAO's review found that the statements were not to the required standards.

Normally I will only complete the audit of financial statements when an audited body has ensured compliance with guidance such as the Department of Finance's Financial Reporting Manual and Managing Public Money NI. However, Sport NI had failed to do so in relation to its 2014-15, 2015-16 and 2016-17 financial statements. Preparing financial statements to an acceptable standard and on a timely basis is a key governance requirement as these provide accountability for the funds made available to Sport NI by the Department.

NIAO became increasingly concerned at the time taken by Sport NI to complete its backlog financial statements and was not assured that the issue was being resolved by Sport NI. The delay was attributable to three factors:

- The governance issues with Sport NI from March 2015 to July 2017;
- A lack of expertise in Sport NI at various times over this period on the preparation of financial statements to recognised public sector standards; and
- Difficulty in retaining corporate knowledge on issues with regards to the 2014-15 financial statements in particular.

As a consequence of Sport NI failing to meet the routine audit timetables, NIAO had to give priority to completion of other audits which were not in backlog.

In February 2019 NIAO indicated to Sport NI that it was closing the audits of the 2014-15 and 2015-16 financial statements. NIAO requested signed copies of the financial statements and advised that it would respond to any outstanding issues in the audit certificate and report. Following certification of the 2014-15 and 2015-16 financial statements, NIAO will bring the 2016-17 and 2017-18 audits to a close on a similar basis.

## **Further Report**

It is my intention, in accordance with Article 8 of the Audit (Northern Ireland) Order 1987, to publish a report covering, in more detail, the governance issues outlined above, including giving third parties the opportunity to comment on my findings.

A handwritten signature in black ink that reads "K J Donnelly". The signature is written in a cursive style with a long, sweeping underline.

**K J Donnelly**  
**Comptroller and Auditor General**

**11 July 2019**

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