

The Sports Council for Northern Ireland

Annual Report and Accounts

For the year ended 31 March 2017

The Sports Council for Northern Ireland
Annual Report and Accounts
For the year ended 31 March 2017

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 for Culture, Arts
and Leisure)

On 7th November 2019

© Crown Copyright 2019

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence> or email: psi@nationalarchives.gsi.gov.uk .

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned. For any other use of this material please write to Office of Public Sector Information, Information Policy Team, Kew, Richmond, Surrey, TW9 4DU or e-mail: licensing@opsi.gov.uk

This publication is also available for download from our website at <http://www.sportni.net/>.

CONTENTS

	Page
Performance Report:	
• Overview	4
- Chairman's Foreword	4
- Chief Executive's Introduction	6
• Purpose and Activities of Sports Council	7
• Performance Analysis	11
Accountability Report:	
• Corporate Governance Report	20
- Directors' Report	20
- Statement of the Council's and Accounting Officer's Responsibilities	22
- Governance Statement	23
• Remuneration and Staff Report	36
• Assembly Accountability and Audit Report	56
- Assembly Accountability Disclosure Notes	56
- The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	57
Financial Statements:	
• Statement of Comprehensive Net Expenditure	60
• Statement of Financial Position	61
• Statement of Cash Flows	62
• Statement of Changes in Taxpayers' Equity	63
Notes to the Accounts	64
Report by the Comptroller and Auditor General	78

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

The purpose of the ‘Overview’ section of the Performance Report is to give the user a brief summary that provides the lay user with sufficient information to understand the organisation, its purposes, the key risks to the achievement of its objectives and how it has performed during the year. It consists of the Chair’s Foreword, Chief Executive’s Introduction and the Purposes of the Sports Council for Northern Ireland (hereafter Sport NI).

Chairman’s Foreword

I am pleased to introduce the 2016-17 Annual Report for Sports Council for Northern Ireland Exchequer Account (hereafter Sport NI Exchequer Account). As well as providing an overview into some of the key strategic progress and achievements of Sport NI and its staff over the last year, it is also testament to the organisation’s commitment to working in partnership with our stakeholders to promote the development of local sport.



We believe passionately in the power of sport to enhance Northern Ireland’s health, mental wellbeing, social and economic development, and the promotion of more cohesive communities. In 2016-17, Sport NI has worked to, and invested in, creating sustainable opportunities for people from all sections of society to get active and involved in sport. In particular, we have been working to target underrepresented groups including women and girls, people with a disability and older people, to help them to enjoy all the benefits that come from sport and physical activity.

Sport also has the power to inspire and instil pride, and the last year has seen our local athletes continue to succeed on the world stage. In particular, we were proud to support our Paralympians Bethany Firth, Jason Smyth and Michael McKillop on their way to Gold medal success at the 2016 Paralympic Games in Rio. Other highlights included Carl Frampton winning the WBA (Super) Featherweight title in the summer of 2016, and Northern Ireland’s journey at the Euro 2016 Championship Finals. We continue to support our local athletes, sporting workforce and systems as we work together as a sporting community to produce winning performances and moments in the years ahead.

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

2016-17 has also seen the Board of Sport NI make considerable progress as part of the organisation’s Transformation Programme. Through exercising strong, visible and responsible leadership, the Board has focused on working to ensure compliance with high standards of governance and accountability, and to cultivate an organisational culture focused on delivery through respect, learning, innovation and collaboration.

In closing, I would like to pay tribute to my fellow Board Members for their commitment, time and expertise, and to the Sport NI staff whose dedication and enthusiasm for promoting sport are evidenced in this Report. We look forward to continuing to build on the progress and learning achieved over 2016-17 as we move forward, focused on delivering our strategic vision of 'Northern Ireland: renowned as a place where people enjoy, engage, and excel in sport'.

A handwritten signature in cursive script that reads "George Lucas".

George Lucas
Chairman
Sports Council for Northern Ireland

Date: 11th September 2019

Chief Executive's Introduction

From the playground to the podium, sport is a powerful force for inspiring local people, bringing communities together, and allowing everyone to lead healthier and more active lives.

This year in sport has been an outstanding one. The summer of 2016 saw record numbers of local athletes competing at the Olympic and Paralympic Games in Rio. Paralympians Jason Smyth and Michael McKillop delighted us with the successful defence of their respective 100m and 1500m titles, and swimmer Bethany Firth's outstanding performances saw her become Team GB's most decorated athlete of the Games. Such achievements are a testament to the athletes' incredible talents, their absolute commitment to their sport, and the hard work and dedication of their coaches and wider support network. Sport NI is proud to provide assistance to Jason, Michael and Bethany on their path to continued success, by supporting their training and competition programmes through our Athlete Investment Programme, and through the specialist support from our Sports Institute, in areas such as strength and conditioning, nutrition and sports medicine. Through our Pure Winner Programme we also worked with all our 2016 Olympians and Paralympians to continue to promote a message of clean sport. 2016 also saw us 'dare to dream' as the Northern Ireland Football Team competed at the Euro 2016 Finals. Again, we were delighted to provide support to the team through our Sports Institute, which has provided sports science services to the players and staff since 2009, accompanying the team on its incredible journey to Northern Ireland's first major finals in 30 years.

The success of our elite athletes plays a vital role in inspiring local communities to pursue their own sporting ambitions, at all stages of the performance pathway, and so it is vital that we provide inclusive opportunities for people to participate in sport and physical activity. That is why another highlight of the last year was the launch of Sport Council's new participation strategy Every Body Active 2020, which aims to increase participation in sport and physical activities across key life-course transitions. In particular, the programme is seeking to target people who are traditionally less likely to engage in sport and physical activity, and it is essential that we remain committed to providing opportunities, facilities and structures which are inclusive and accessible. That is why Sport NI is particularly pleased to have collaborated with the Department for Communities and our other partners on programmes such as the Active Living: No Limits Action Plan and the Women and Girls: Active Fit and Sporty project to engage people with disabilities and female participants and help them to get active and enjoy the benefits that come from involvement in sport and physical activity.

Sport NI 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.

On behalf of Sport NI, I would like to acknowledge and thank all of the individuals and organisations we have worked with over the last year, and in particular our local sporting workforce of coaches, officials, administrators and volunteers for their dedication to making sport happen day in day out. We remain committed to developing Northern Ireland sport, and to our belief in the positive contribution sport can make to the health, wellbeing and prosperity of our local communities.



Antoinette McKeown
Chief Executive
Sports Council for Northern Ireland

Date: 12th September 2019

Purpose and Activities of the Sport NI

Background information

The Sports Council for Northern Ireland (referred to as “Sport NI”) is an executive non-departmental public body sponsored by the Department for Communities. Sport NI was established on 31 December 1973 under the provisions of the Recreation and Youth Service (Northern Ireland) Order 1973 (as amended) with its main objective being the furtherance of sport and physical recreation.

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

Nature of Business

Sport NI is the statutory body through which public funding for sports in Northern Ireland is channelled.

Principal Functions Related to Grant in Aid Activities

Sport NI’s 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, District 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 Sport NI. These financial statements have been prepared on an accruals basis and show a true and fair view of the state of affairs of Sport NI’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).

2016-17 Grant in Aid Activities

Sport NI is primarily funded by grant in aid from the Department for Communities. The level of funding is agreed with the Department for Communities as part of a rolling funding agreement. This agreement also includes an agreed set of strategic targets as outlined in the business plan. During 2016-17, Sport NI received £13,577,356 (2015-16: £9,886,145) in funding. The movement related mainly to the timing of cash payments on grant activity. Grant in Aid funds are accounted for in Sports Council for Northern Ireland Exchequer Account (referred to as Sport NI Exchequer Account).

Future Developments

During 2017-18 Sport NI continued to make investments across the three strategic aims of Sporting Clubs, Sporting Winners and Sporting Communities. It is planned that investments in these themes will continue for the next few years until a new corporate plan is produced. The impact of reduced funding from the Department for Communities has been considered in budgeting exercises with proposed mechanisms on how to manage whilst protecting front line services.

Key Issues and Risks

Sport NI 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 Sport NI Lottery Account. Sport NI continues to review its budgets to identify efficiencies and provide plans to make savings if requested by Department for Communities.

The nature of Sport NI 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 Sport NI during the 2014-15 and 2015-16 years 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, with the actions taken mitigate their impact on Sport NI, are detailed in the Governance Statement:

- Dismissal of Chief Executive and related expenditure;
- Review undertaken by Department for Communities Head of Internal Audit;
- Interim Executive Leadership Team report and Transformation Programme;
- Board Resignations;
- Safety at Sports Grounds; and
- Delay in the publication of annual report and accounts.

Social & Community Issues

Sport NI supports charitable giving. The staff fund makes charitable donations each year.

Going Concern

The financial statements are produced on the Going Concern basis. Going concern was re-assessed and approved by the Board at its meeting on the 11 September 2019. Sport NI is not aware of any reason to adopt a different basis.

Non-Current Assets

The movement on non-current assets is set out in notes 5 and 6 to the financial statements. The carrying amount of assets decreased from £6,376,272 in 2015-16 to £6,294,607 in 2016-17. This movement has mainly been due to the downward valuation of Tollymore National Outdoor Centre.

Research and Development

Sport NI has no activities in relation to the research and development of assets.

Interest Rate and Currency Risk

Sport NI has no borrowing, relying on funds drawn down from the Department for Communities for its cash requirements and is therefore not exposed to liquidity risks. It has also no material deposits. 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

Sport NI made no such donations during 2016-17 (2015-16: Nil).

Payment of Suppliers

Sport NI 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 2016-17 Sport NI paid 90% of invoices within 10 working days (2015-16: 96%) and 100% of invoices within 30 days (2015-16: 100%).

Pension Fund (Audited Information)

The market value of Sport NI's share of the NILGOSC pension scheme's assets (excl. AVCs) at 31 March 2017 was £26.427m (31 March 2016: £21.887m). Sport NI's share of the scheme liabilities was £32.610m (31 March 2016: £25.531m). Sport NI's share of the scheme recorded net pension liabilities at 31 March 2017 was £6.183m (31 March 2016: £3.644m). The remuneration and staff report provide further details on pension liabilities and how they are treated in the accounts.

Accounts and Appointment of Auditors

The Sport NI Exchequer Accounts are prepared in a form directed by the Department for Communities with the consent of the Department of Finance and in accordance with Article 7 of the Recreation & Youth Service (Northern Ireland) Order 1986.

The Sport NI financial statements are required to be audited by the Comptroller and Auditor General, the head of the Northern Ireland Audit Office (NIAO). Once completed the Department is responsible for laying the audited accounts before the Northern Ireland Assembly. The fee for the audit of these financial statements is £27,000 (31 March 2016: £30,000). This cost is a notional cost included in other operating expenditure, see note 3 in the financial statements. Sport NI paid an additional £1,261 to the Northern Ireland Audit Office during the year for work associated with the National Fraud Initiative (NFI) exercise for 2016-17 (2015-16: Nil).

Disclosure of Relevant Audit Information

So far as the Accounting Officer of Sport NI is aware there is no relevant audit information of which the Sport NI's auditors are unaware. Given issues relating to corporate memory, she has taken all the steps that I ought to have taken to make herself aware of any relevant audit information and to establish that Sport NI's auditors are aware of that information.

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

Complaints Handling

Sport NI operates a complaints procedure to handle general complaints about our service. Complaints can be made informally by telephone or formally in writing. Further information on the complaints procedure can be found on the Sport NI website at:

<http://www.sportni.net/sportni/wp-content/uploads/2013/03/SNI-Complaints-Procedure-Aug-16.doc>

Performance Summary

Sport NI's Business Plan for 2016-17 responds to the Management Statement and Financial Memorandum, drawn up by the Department for Communities and sets out the organisation's Key Performance Indicator (KPI) targets for the financial year.

Per the end of year review of the Business Plan, 24 (89%) of the 27 KPI's were either achieved or likely to be achieved. Please refer to the Performance Analysis section below for further details.

PERFORMANCE ANALYSIS

Financial Results

Sport NI's key financial target is to operate within the allocated budget for the year. The results of Sport NI are set out in detail on page 60. The total comprehensive net expenditure for the year was £16,987,729 (31 March 2016: £7,845,233 restated). The reserves at the year-end show a deficit of £3,089,994 (31 March 2016: surplus £293,379).

In April 2017 the Board reviewed the implications of further cuts from the Department for Communities. The paper considered potential cuts of 5% per annum on the baseline resource budget for 2016-17 and projected spend over the period 2017-21 and how these expected reductions will be managed.

Review of Activities and Key Performance Indicators (KPIs)

Sport NI's Business Plan for 2016-17 responds to the Management Statement and Financial Memorandum (MSFM), drawn up by the Department and sets out the organisation's Priorities for Action, Key Activities, Key Performance Indicator (KPI) targets and their associated budget for the financial year.

The table below provides a summary of the 27 KPI targets using a 'traffic light' rating system showing progress against each strategic objective outlined in the Business Plan. Per the end of year review of the Business Plan, 24 (89%) of the 27 KPI's were either achieved or likely to be achieved.

Key:

Green = Target achieved or likely to be achieved

Amber = likely to be missed by a small margin (<10%)

Red = likely to be missed by a substantial margin (>10%)

None = KPI superseded mid-year.

Strategic Objectives	Priorities for Action	Key Activities	Progress Status at Year End
1. Sporting Communities	1. Lead, coordinate and invest in the development and delivery of grassroots sport, extending choice and quality opportunities which engage all.	1. Number of council-based community plans in development which include objectives and targets relating to physical activity.	Green
		2. Number of skills and leadership participant days at Tollymore National Outdoor Centre.	Green
		3. Identification of key sites in Northern Ireland critical to the development of specific outdoor sports.	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. Number of women/girls participating in sport as a result of Sport Northern Ireland investment.	Green
		5. Number of disabled people participating in sport as a result of Sport Northern Ireland investment.	Green
		6. Number of people participating in Sport Northern Ireland's initiatives from areas of greatest social need.	Green

2. Sporting Clubs	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.	7. Number of learning opportunities delivered to support the development of the sporting workforce through attendance at Sport Northern Ireland workshops, networks and training.	Green
		8. Number of Governing Bodies achieving an 'established' or 'better' rating through the completion of the 'PerformanceView' Coaching Self-Evaluation process.	Green
		9. Number of new sports club members engaged in sport as a result of Sport Northern Ireland investment.	Green
		10. Number of clubs engaged in development through Club Leaders NI, Clubmark NI, and Active Clubs.	Green
		11. Number of Governing Bodies achieving an 'Established' or 'better' rating through the completion of the PerformanceView Club Development Self Evaluation process.	Green
		12. Number of Governing Bodies achieving an 'Established' or 'Better' rating through the completion of the PerformanceView Governance and Culture Self Evaluation process.	Green
		13. Number of Governing Bodies achieving an 'Established' or 'better' rating through the completion of the PerformanceView Talent Systems Self Evaluation Templates.	Green
		14. Number of talent identification and talent transfer interventions initiated in partnership with Governing Bodies of Sport.	Green
	4. Invest in quality sports facilities that engage communities, support achievement of sporting goals and develop future champions.	15. Percentage of external reviews completed to quality assure plans and designs for sports facilities.	Green
		16. Number of inspection visits undertaken at designated venues.	None
		17. Number of training places made available to stewards.	Green
		18. Number of offers made to provide new and/or improved club community facilities for single sport clubs.	Red
		19. Number of capital projects identified for Sport Northern Ireland investment and support (subject to full business case appraisal).	Red
		20. Number of delivery partners identified and supported.	Green

		21. Number of capital projects identified for investment and support (subject to full business case appraisal).	Green
		22. Number of new and/or improved Boxing club facilities.	Green
3. Sporting Winner	1. Prioritise those sports and athletes who have the potential to achieve success and excel at the Olympic, Paralympic and Commonwealth Games.	23. Number of medals won by Sport Northern Ireland supported athletes competing at the highest level.	Green
		24. Competitiveness improved as the result of Sport Northern Ireland intervention	Green
		25. Number of volunteer days undertaken by Sport Northern Ireland funded world class and International athletes.	Green
	2. Work strategically with the sports (including culturally significant sports) to invest in our high performance expertise where it is most needed to ensure success.	26. Number of innovative interventions established to improve competitiveness.	Green
		27. Number of Governing Bodies achieving an 'Established' or 'Better' rating through the completion of the PerformanceView High Performance Operations Self- Evaluation process.	Green

As a result of the hard work of the Sport NI staff, while meeting the KPIs during 2016-17 became increasingly challenging due to the loss of staff, only three KPIs were not met during the year.

The loss of both the Safety at Sports Grounds Officers meant Sport NI was no longer in a position to provide this service. Sport NI submitted a formal request to Department for Communities in 2016 requesting an amendment to this KPI in the context of a new Operational Framework for 2017.

The loss of the Sport NI Technical Adviser and the prioritisation of 27 Sport NI Exchequer Account projects (KPI 18) resulted in the Sport NI Lottery Account Single Facility Fund projects (KPI 18) being delayed until 2017-18. The projects have since been progressed.

Sport NI's 'Multi-Facility Fund' for capital projects (KPI 19) did not open as planned in 2016-17 due to delays in the completion of the District Council Area Reports. The Multi Facility Fund opened for applications in March 2018.

The following narrative provides detail of the significant work of the Sport NI Exchequer Account during 2016-17:

1.0 Participation

1.1 Active Living: No Limits 2021 Action Plan

In October 2016, Communities Minister Paul Givan launched the Active Living: No Limits Action Plan, which aims to improve the health and wellbeing of people with disabilities in Northern Ireland through participation in sport and active recreation. Its vision is "that everyone with a disability has an equal opportunity to access sport and active recreation leading to a healthier and more active lifestyle".

The Action Plan was produced in response to extensive public consultation in 2015, led by Sport NI, on current and future sport provision to people with a disability in Northern Ireland. Sport NI then convened and serviced a Strategic Project Board to transform the views and opinions expressed into the Active Living: No Limits Action Plan.

Over the next four years it is hoped that, through delivery of the Action Plan, people with a disability will:

- Be supported by a strong, well-coordinated disability sport sector;
- Have positive experiences as a result of changed public attitudes and a greater understanding of disability;
- Lead active lifestyles and have improved health and wellbeing through involvement in sport and active recreation;
- Have equality of choice and consistency of accessible activities and sporting facilities; and
- Face 'No Limits' in sport and active recreation.

The plan has the support of the NI Executive across all its Departments, and was launched alongside an announcement of £300k to provide specialist sports equipment as part of the development of eleven disability sports hubs across Northern Ireland. Sport NI will continue to play a key role in the delivery and monitoring of the Action Plan over the next 5 years.

1.2 Motorsport

In 2016 Sport NI secured £534,000 of exchequer money from the Department for Communities to invest in the safety of participants and spectators at motorsport events in Northern Ireland. The funding was awarded to a number of motorsport clubs and organisations:

- Dundrod Motorcycle Club (Promoters of the Ulster Grand Prix);
- Coleraine And District Motorcycle Club (promoters of the North West 200);
- Armoy Motorcycle Club (Promoters of Armoy road races);
- AJ Plumbing Supplies (Bishopscourt Circuit);
- Nutts Corner Circuit Ltd;
- 500 Motorcycle Racing Club (Kirkistown Circuit);
- Motor Racing Association; and
- NI Karting Association.

The investment will go into safety enhancements at: road racing venues at the North-West 200, the Ulster Grand Prix and Armoy Road Races; short circuit tracks at Kirkistown, Nutt's Corner and Bishopscourt; and for the Motor Racing Association and the NI Karting Association. The Department is also providing £40,000 to improve disabled access for the Ulster Grand Prix circuit.

The funding will cover a range of capital equipment and services including safety bales, fencing, circuit resurfacing, toilet and shower facilities and a van to transport safety equipment to circuits across Northern Ireland.

1.3 Defibrillators for Sport

In March 2016 Sport NI developed the Defibrillators for Sport Programme, in partnership with the Department for Communities and Northern Ireland Ambulance Service.

Approximately 1,400 Out of Hospital Cardiac Arrests (OHCAs) take place in Northern Ireland per annum, with fewer than 10% of those suffering an OHCA surviving to be discharged from hospital. An OHCA victim's chance of survival decreases by around 10% with each passing minute. Modern defibrillator

devices are automated, providing visual prompts and audible instructions for operators. They also monitor vital signs and administer shocks only if required. As such, they can be used by lay persons in emergencies before the ambulance service arrives - a critical time period for OHCA victims.

There are thought to be over 1,000 Automated External Defibrillator devices (AEDs) machines available outside of hospitals in Northern Ireland. There is however no comprehensive record of who has an AED device, where the machines are located and who has access to them.

Recognising the risk of OHCAs in a community sport setting, and the unique role of sports clubs and centres as community 'hubs', the Defibrillators for Sport initiative invited clubs and community organisations from across Northern Ireland to apply for a free AED device through Sport NI. The allocation model used by Sport NI ensured distribution across Northern Ireland's eleven local councils, particularly in rurally isolated areas.

The initiative aims to increase the number of AED devices available in community settings in support of the Department of Health's Community Resuscitation Strategy. As well as receiving AED units, successful applicants were also offered CPR and defibrillation training. The initiative also includes a mapping exercise conducted in partnership with the Northern Ireland Ambulance Service to chart AEDs available at Northern Ireland sports clubs, allowing them to be more accessible to local people in the case of an OHCA.

By the end of the project, 1,094 AEDs will have been distributed to local sports clubs and community groups, and nearly 2,200 volunteers will have been offered the opportunity for training.

1.4 Fire Fitness

Sport NI's Every Body Active 2020 participation investment programme sets out a very clear role for partnership working with and investment in the eleven district councils. Through this work, Sport NI has been able to feature in and contribute to the emerging eleven community plans being developed by individual councils, and also to engage with them on initiatives and projects on social themes. One initiative developed through this partnership working was the Fire Fitness pilot project, developed as a result of engagement between Sport NI and Northern Ireland Fire and Rescue Service (NIFRS) officers within Lisburn and Castlereagh City Council's Community Planning Partnership.

The Fire Fitness pilot project aimed to increase children's levels of physical activity and raise awareness of fire safety. It was developed in the context NIFRS fitness protocols, drawing on the expertise of NIFRS Physical Training Instructors (PTIs) who developed a Physical Activity programme for children in Years 8 and 9 at two local post-primary schools in the Lisburn and Castlereagh area - Laurelhill Community College and St. Patricks College. Teachers from both schools identified a cohort of children to participate, with a focus on those who were inactive. The project also involved coaches deployed through Sport NI's Every Body Active 2020 programme. The project was conducted in hour-long after-school sessions over a period of six weeks.

To help sustain participation, children were also given information on local opportunities on how to stay fit and healthy. Children were also given information on future career opportunities within the NIFRS and also within the sports sector, in particular opportunities to participate in the Fire and Rescue Service Cadet Academy. As well as increasing physical activity levels among the children involved, the project has also helped to reduce negative and anti-social behaviour towards firefighters carrying out duties within the host communities.

1.5 Women and Girls in Sport: Active, Fit & Sporty

In order to help encourage more women and girls to participate in sport and physical activity, Sport NI has invested £250k over the last year into its Women and Girls: Active, Fit and Sporty project.

Working in partnership with the Department for Communities, Sport NI has invested in six enabling organisations:

- Women in Sport and Physical Activity;
- Disability Sport Northern Ireland;
- Ulster University;
- Northern Ireland Sports Forum (on behalf of Northern Ireland Female Sports Forum);
- Sported; and
- Youth Sport Trust.

The purpose of this investment is to create opportunities for female participants to get active and develop leadership skills through sport and physical recreation, and to promote female sport within the disability sport, education, community and voluntary sectors.

The project supports the delivery of the Female Sports Forum's Strategic Plan, and has provided 3,000 women and girls across Northern Ireland the chance to take part in a range of grassroots sport initiatives.

1.6 Tollymore National Outdoor Centre

Tollymore National Outdoor Centre (TNOC) delivered a number of skills and leadership programmes during 2016-17. The highlight was the participant throughput which was well above the target of 3,720 at 5,349 participants. 98% of those participants who returned a survey rated the overall service as good or excellent.

TNOC worked closely with the participation team in Sport NI's Defibrillators for Sport initiative, providing training to club and community organisation representatives who had received the defibrillators. TNOC continues to provide support to relevant National Governing Bodies and delivers core programmes and training courses in mountaineering and rock climbing, canoe-sport, first aid, orienteering and mountain biking.

1.7 Sports Facilities Strategic Framework / Council Area Reports

In 2014 Sport NI and all eleven District Councils agreed to jointly fund the development of a Sports Facilities Strategic Framework for Northern Ireland with eleven associated District 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.

In 2016-17, Sport NI continued to work with the Department for Communities and Strategic Leisure Ltd to complete the final draft of the Framework, which will help identify the need for facilities of a regional importance that are required for high performance sports or culturally significant sports. This draft Framework has now been submitted to the Department for Communities for approval pending the appointment of a Minister.

Strategic Leisure Ltd worked with local councils to develop and finalise the Area Reports, which will sit below the Framework and reflect the local sports facility need in each of the eleven District Council areas. Sport NI utilises information highlighted within these Local Area reports, alongside other relevant data such as community plans, to inform assessment and review processes in the development of sports capital and facilities business cases.

2.0 Performance

2.1 Sports Institute

During 2016-17, the Sports Institute continued to deliver high performance sport expertise to athletes, coaches and sports through provision of services. The Sports Institute also continued to collaborate with high performance sport organisations within the UK, Ireland and internationally to exchange knowledge and development of innovative practices that focus on improving performance.

2016-17 marked an Olympic and Paralympic year, with the Rio Games taking place in the summer of 2016.

At the 2016 Olympic Games:

- 28 NI athletes competed in Rio 2016 across nine different sports;
- 8 NI athletes represented Team GB (2% of the 366 athletes in the team); and
- 20 athletes represented Team Ireland (26% of the 77 athletes in the team).

This was the highest ever number of competitors from NI at an Olympic Games.

At the 2016 Paralympic Games:

- 9 NI athletes competed in Rio 2016 across six different sports (an additional athlete was selected for the Team Ireland Football 7-a-side squad but had to withdraw through injury);
- 4 NI athletes represented Team GB (1.5% of the 264 athletes in the team); and
- 5 NI athletes represented Team Ireland (11% of the 44 athletes in the team).

A medal haul of 6 (including 5 Golds) represents the most successful Paralympics ever for NI athletes:

- Jason Smyth won his fifth Paralympic Gold Medal;
- Michael McKillop his fourth Paralympic Gold Medal, (in each case across 3 Paralympic cycles Beijing, London and Rio); and
- Bethany Firth became NI's most decorated Paralympian at a single Games winning 3 Gold medals and one Silver. Bethany set two new Games records and one new World Record. Bethany also won one Gold at London 2012.

All three athletes received specialist support services through the Sports Institute.

Sports Institute staff also provided physiology support to the Northern Ireland Football Team in the run-up to and during the Euro 2016 Finals, the side's first major finals in 30 years.

2.2 Club Development

The Club Leaders Programme continued to support the business skills of sports club volunteers. Over the course of the year 21 workshops were delivered which supported the development of 280 club volunteers from 206 different clubs. Further learning opportunities were also provided through delivery of "Safeguarding Children and Young People in Sport" and "Designated Officer" workshops with 126 workshops delivered to date in 2016-17 to 2,312 participants.

Sport NI has continued to lead the Clubmark NI sport club accreditation programme in partnership with governing body and local authorities. During 2016-17 93 clubs registered to participate in the programme with 15 clubs achieving accreditation during the year.

2.3 Coaching

Sport NI 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 performance coaches. These events attracted over 200 coaches and coach developers.

The Sport NI Coaching Awards had another successful year, both in terms of numbers of nominations and coach profile raising. Two of the Northern Ireland winners were shortlisted as finalists for the UK Coaching Awards, with one being awarded the Mussabini Medal. Support was also provided for the development of high performance coaches (Coaching Connects Excellence) and to support emerging Performance coaches (Coaching Connects Potential).

2.4 Anti-Doping

Sport NI 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.

2.5 The North West Programme

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

- North West Coaching Forum – The Coaching Forum is a seminar event which offers delegates an opportunity to acquire new knowledge and gain access to sporting experts who can support their learning and development. Over 60 coaches from a range of sports attended the 2016 Forum.
- Coach Masterclass Series - The masterclass programme provided bespoke coaching workshops to assist coaches with knowledge and skills in specific topic areas.

2.6 Governance and Leadership

In 2017 an amended version of the UK Sport Councils Recognition policy was launched, providing a clear process through which governing bodies and sports can be recognised. The Policy also provides a clear criteria through which recognised governing bodies can be measured against minimum operating standards and the policy provides guidance through a framework against which a sport can assess its own governance standards. As part of this Policy, Sport NI has launched a self-submission process where recognised governing bodies provide relevant documentation and assurances that they are operating appropriately. This scheme provides a system where Sport NI can identify issues with recognised governing bodies and provide appropriate support.

Sustainability Report

Sport NI 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, Sport NI Procurement Policy seeks to implement Department of Finance procurement guidance in integrating social considerations into contracts where appropriate.

Sport NI 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; and
- Biodiversity remains an element in planning for sports facilities and developments.



Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 12th September 2019

ACCOUNTABILITY REPORT

Corporate Governance Report

Directors' Report

Board Members of Sport NI and Members of its Committees

The Board of Sport NI consists of a Chair and Vice-Chair and other Members appointed by the Minister for Communities, after a selection and recruitment process that is carried out by the Department for Communities.

Sports Council Board Membership

The following persons served as members during the financial year 2016-17:

Mr. G. Lucas – (Chair) (appointed February 2017)
Mr. J. Colville – (Vice-Chair) (appointed February 2017)
Mr. B. Delaney (Interim Chair) *
Dr. C. O'Mullan (Interim Vice-Chair)*
Ms. W. Erskine
Mr. K. Ferguson
Mr. K. Harding
Ms. C. McStravick
Ms. A. Bingham
Mr. R. Bullick
Ms. J. Bryson (appointed February 2017)
Mr. D. Petticrew (appointed February 2017)
Ms. S. Weir (appointed February 2017)

* Mr. B. Henning and Mr. I. McAvoy resigned from their positions of Chair and Vice-Chair on the 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.

Board Directorships or Other Interests

Note 16 within the financial statements details any interests held by Sport NI Board Members. The register of interests can be seen at <http://www.sportni.net/about-us/register-of-interests>.

Audit and Risk Assurance Committee

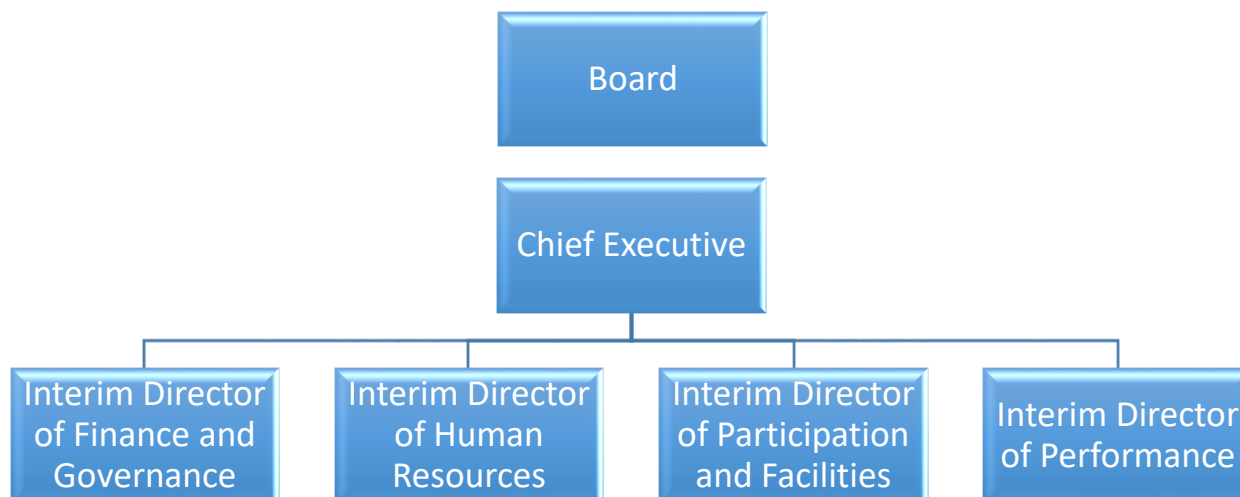
The members of the Committee during 2016-17 were:

Mr. K. Harding
Ms. C. McStravick
Ms. A. Bingham
Mrs. K. Godfrey (co-optee)
Mr. D. Malcolm (co-optee)

Chief Executive

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

Organisational structure



The organisational structure, systems and skills make-up of the Sports Council are designed to maximise delivery, improve responsiveness, and ensure resources are tailored and matched to meet the needs of the Sport NI stakeholders.

An Interim Director of Human Resources was appointed from May 2016, as detailed in the Remuneration Report.

Work on organisational restructuring due to begin under the “Pitch Perfect” Transformation Programme was impacted in 2015-16 due to the absence of the Chief Executive. During 2016 a business case was submitted to the Department for Communities to address significant findings from a range of Interim Executive Leadership reports highlighting gaps in Sport Councils governance, leadership, culture, policies, systems and processes. A transformation programme was led by the Interim Chief Executive however this did not include restructuring. Work on the restructuring is due to resume in 2019.

Personal Data Related Incidents

Please refer to page 32 of the Governance Statement for details.

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

Under the Recreation & Youth Service (Northern Ireland) Order 1986 the Department for Communities has directed Sport NI to prepare for each financial year a statement of accounts in the form and on the basis determined by the Department for Communities with the approval of the Department of Finance. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Sport NI and its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

- Observe the accounts direction issued by the Department for Communities 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 as set out in the Government Financial Reporting Manual 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 has designated the Chief Executive of Sport NI as the Accounting Officer. 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 the keeping of proper records and for safeguarding Sport NI's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, which is issued by the Department of Finance and published in Managing Public Money Northern Ireland.

Governance Statement

1. Overview

Sport NI is required to include a Governance Statement with its annual accounts. The purpose of the Governance Statement is to explain what arrangements Sport NI has in place to identify, evaluate and manage the risks to the achievement of objectives. Sport NI'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.

2. Compliance and Structure of Governance

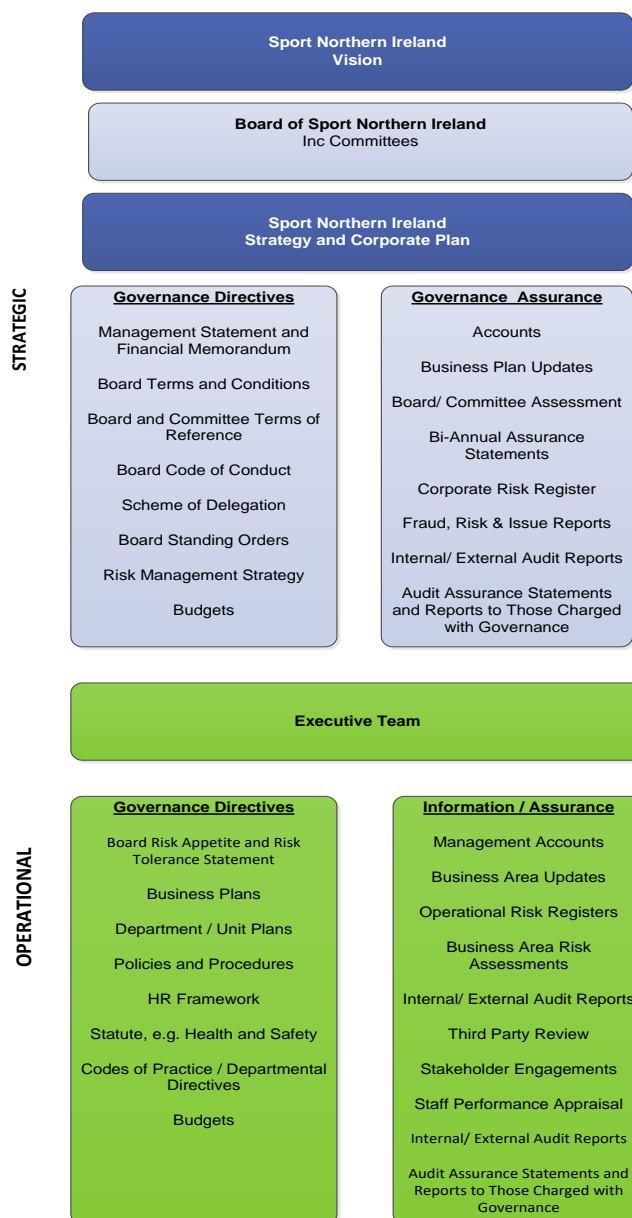
The governance framework comprises the systems, processes, culture and values, by which Sport NI is directed and controlled and the activities through which it accounts to and engages with the public and other stakeholders. It enables Sport NI to monitor the achievement of its strategic objectives and 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 Sport NI'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.

As an Arms Length Body (ALB) of the Department for Communities (DfC), Sport NI is publicly accountable to the Department for Communities (formerly Department for Culture Arts and Leisure) and it's Minister for its performance and the use of its resources.

Sport NI's governance framework is predicated on the provisions laid out within its Management Statement and Financial Memorandum with its parent Department, the Department for Communities and 'Corporate Governance in Central Government Departments : Code of Good Practice NI 2013' ("the 2013 Code") as detailed below in figure 1.

Fig 1: Sport NI’s Governance Framework



The key elements of the systems and processes that comprise Sport NI’s governance arrangements are:

Vision, Purpose and Intended Outcomes

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

Sport NI drafted a new Corporate Plan for the period 2015-20. This plan adopts a Balanced Scorecard approach enabling the employment of an “outcomes-based” approach in support of the new Programme for Government 2016-21. 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’. Sport NI 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, Sport NI 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.

Accounting Officer Role

The Accounting Officer of Sport NI is personally responsible for safeguarding the public funds for which she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of Sport NI.

The Accounting Officer exercises 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 Sport NI'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 Sport NI 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.

Board

The Board is the ultimate place for decision-making on new policy, strategic planning, budgets and organisational 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 Sport NI 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.

Sport NI's Board met on 11 occasions during 2016-17 to discuss and consult on key strategic matters. Attendance by Board Members was 82% compared to 86% for the previous year. These included strategic planning, delivery of the Transformation Programme, budgeting, stewardship reporting, risk management and governance, advising on and overseeing on key policies such as Governing Body recognition and performance review.

The Boards attendance during 2016-17 was as follows:

	Apr 2016	May 2016	June 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2017	Jan 2017	Feb 2017	Mar 2017
Mr. G. Lucas*										✓	✓
Mr. J. Colville*										✓	✓
Mr. B. Delaney	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. C. O'Mullan	✓	X	X	✓	X	✓	✓	✓	X	✓	✓
Ms. A. Bingham	✓	X	X	✓	✓	✓	✓	✓	✓	✓	X
Mr. R. Bullick	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. W. Erskine	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓
Mr. K. Harding	✓	X	X	✓	✓	✓	✓	✓	✓	✓	X
Mr. K. Ferguson	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓
Ms. C. McStravick	✓	✓	X	X	✓	✓	✓	✓	X	✓	X
Mr. D. Petticrew*										✓	✓
Ms. J. Bryson*										✓	✓
Ms. S. Weir*										X	✓

*Appointed February 2017

Board Effectiveness

A Board self-effectiveness review was undertaken in early 2016 using the 2013 Code of Good Practice. This assessment demonstrated compliance with the 2013 Code and highlighted the need for Members to retain and build on their skills and experience. However, a range of reviews undertaken by the Interim Executive Leadership Team (IELT) reported contrary to this and raised significant comments in respect of Board skills and decision making on governance, leadership, objectivity, risk management and propriety in managing public monies. Members subsequently benefitted from training in governance and public accountability, financial reporting and the Nolan Principles. This training was delivered under the auspices of the Transformation Programme which was predicated on the work by the IELT (see "Risk Management" below). Current arrangements ensure that Board Members have access to any individual training they may require to manage risks associated with their responsibilities.

As a result of the Transformation Programme and the subsequent appointment of five new Members in February 2017, a self-assessment was not undertaken in 2016-17. These new appointments helped address skills and experience gaps identified in an earlier assessment of board skills.

A self-assessment was undertaken in March 2018. This covered the two year period from 1 April 2016 to 31 March 2018 and was formally reported to the Board on 13 June 2018. In February 2019, the self-assessment was reviewed, revised and resubmitted to the Department for Communities. This evaluation uses the National Audit Office checklist 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 Sport NI met the requirements of the guidance.

The Board also took assurance from a Project Assessment Report (PAR) into the Transformation Programme undertaken by an independent team engaged by the Department of Finance in October 2017. The review provided an Amber / Green confidence assessment and which highlighted that the majority of the 116 recommendations made by the Interim Executive Leadership Team had been completed with outstanding tasks having moved into business as usual. The review team also identified indicators of a healthy organisation.

The Board's role is to provide leadership of the Sport NI within a framework of prudent and effective controls which enables risk to be assessed and managed. It functions to ensure that the Sport NI acts in the public interest at all times and that its obligations to its stakeholders and others are understood and met.

The Board fulfils its accountability role by setting the Sport Council's strategic aims, assessing assurances that the necessary financial and human resources are in place to meet objectives and regularly reviewing and where necessary challenging organisational performance.

Critical to this accountability obligation is the availability of good quality and well timed information. The positive conclusions of an Internal Audit review in 2016-17 into the quality of information provided to the Board has provided them with assurance that the requisite information is provided to them to support them in their strategic oversight of the Sport NI.

Financial Expertise

Following the resignation on 31 March 2016 of the Vice-Chair, a qualified accountant, a skills assessment was carried out and it was established that there was a gap in recent and relevant financial expertise on the Audit and Risk Assurance Committee.

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.

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

Audit and Risk Assurance Committee

The Board is supported by an Audit and Risk Assurance Committee. This Committee met on 5 occasions during 2016-17. Attendance by Members was 84% compared to 63% for the previous year.

The Audit and Risk Assurance Committee's Terms of Reference requires 4 members appointed by the Chair of the Board. During the 2016-17, the Audit and Risk Assurance Committee has comprised (in addition to its Chair) two substantive Board Members and two Senior Civil Servant co-optees. These co-optees completed their term in April 2017 and new appointments were made to the Committee from the Board.

The Audit and Risk Assurance 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.

Audit committee attendance by members was as follows;

	May 2016	Aug 2016	Oct 2016	Dec 2016	Feb 2017
Mr. A. Bingham	✓	✓	✓	✓	✓
Mr. K. Harding	✓	✓	✓	✓	✓
Mr. C. McStravick	X	X	✓	✓	X
Mr. K. Godfrey (co-optee)	✓	✓	✓	✓	X
Mr. D. Malcolm (co-optee)	X	✓	✓	✓	✓

The work of the Audit and Risk Assurance Committee during 2016-17 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 Bi-Annual assurance statements;
- Fraud and irregularity updates;
- Updates on new guidance and directives issued by the Department of Finance 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 Sport NI Lottery and Exchequer Accounts and supported the Board with its stewardship responsibilities;
- Considered the planning and timetable for accounts including Northern Ireland Audit Office 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.
- Considered and informed the Annual Governance Statement and advised the Board accordingly

In March 2015, and subsequent years, a number of risks materialised which were subject to departmental and other independent reports. These risks had not been identified or considered by the Audit and Risk Management Committee.

Remuneration Committee

The Board is also supported by a Remuneration Committee. This 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 dismissal of the Chief Executive in November 2016, the Committee did not fulfil its functions as outlined within its Terms of Reference. Therefore the committee did not meet in 2016-17 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.

Executive Team

The Executive Team in 2016-17 consisted of four Directors and the Interim Chief Executive who met monthly. It is responsible for the operational leadership of Sports Council in pursuance of the strategic objectives as defined by the Board.

Executive Team meetings during 2016-17 covered normal scheduled business with particular focus on finance, risk management and performance management. Relevant non-members were invited to attend for specific items over the course of the year.

During 2016-17, the Executive Team led on the Transformation Programme which has enhanced Sport NI's framework of governance and its ability to deliver on its strategic priorities.

Finance and Governance Committee

During 2016-17, Sport NI established an Executive Finance and Governance Committee. This Committee comprises of the Directors and was chaired by the Interim Chief Executive and its purpose is to support the Interim Chief Executive through active dialogue and reporting on matters pertaining to financial management, internal control, risk and governance. Specific aspects of the Committee's work include reviewing the deployment of financial resources, ensuring sound systems of control and risk, overseeing compliance and managing the dissemination of key information.

Human Resources Committee

During 2016-17, Sport NI established an Executive Human Resources Committee. This Committee comprises of the Directors and was chaired by the Interim Chief Executive and its purpose is to support the Executive in effective human resources oversight in the delivery of business priorities.

3. Business Planning, Risk Management and Assurance

Business Planning

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

Risk Management

Sport NI assesses how the achievement of its policies, aims and objectives might be affected by the risks it faces, and a system of internal control is designed which mitigates those risks. The system is not designed to eliminate all risk but to strike a balance between control, cost of control and appropriate risk taking. A system of internal control has been in place for the whole of 2016-17.

Sport NI's approach to risk management is guided by HM Treasury and other professional best practice, and takes full cognisance of the context and environment in which it operates. Sport NI has in place a risk management strategy which sets out roles and responsibilities and determines procedures for risk identification, monitoring, reporting and escalation of issues. It addresses risk appetite and tolerance across the breadth of business activities.

The Corporate Risk Register is compiled and managed by the Executive Team and facilitates the identification, assessment and ongoing monitoring of risks significant to Sport NI.

During 2016-17, the Corporate Risk Register was a standing item at each meeting of the Executive Finance and Governance Committee, the Audit and Risk Assurance Committee and the Board.

Areas of particular focus during 2016-17 were as follows:

Dismissal of Chief Executive and Related Expenditure

The Chief Executive of Sport NI was suspended in March 2015. From the 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 the Sport NI from 1 May 2016.

Following the dismissal of the Chief Executive in November 2016, 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 of 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 her 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 for Communities' Head of Internal Audit

In May 2015 the Department's internal auditor met with a number of Sport NI staff in response to whistleblowing allegations regarding governance and management processes in the organisation. The subsequent scoping exercise report, provided to the board in April 2016, referenced concerns in respect of leadership and management; the culture within Sport NI; sexism and gender bias; and application of human resources 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 Sport NI relating to organisational culture; HR capability, policies and recruitment practices; performance management; leadership and management; and Board operating framework, conduct and induction. These reports were provided to the Board on 1 April 2016, with 116 detailed recommendations, which were carried forward under a Transformation Programme.

At the invitation of the then Minister for Culture, Arts and Leisure, the Sport NI 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 resignations. 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 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.

Safety at Sports Grounds

In September 2016, the Board of Sport NI secured Departmental approval for a new Operational Framework articulating the scope of its service delivery in respect of Departmental delegated responsibilities under the Safety at Sports Grounds (NI) Order 2006.

This Operational Framework will see Sport NI engage with the Sports Grounds Safety Authority who are the UK Government's expert body on safety at sports grounds via a Service Level Agreement.

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 2016-17 and 2017-18 financial statements are in a position of backlog. Annual Reports and Accounts for 2014-15 and 2015-16 have now been laid. Sport NI has agreed a timeframe with the Northern Ireland Audit Office (NIAO), for completing the remaining outstanding Annual Reports in 2019-20 year. This work is a priority for the organisation and when completed will see a return to a regularised position with the regard to publication of Sport NI's Annual Reports.

Sport NI undertook an extensive review, as requested by the Permanent Secretary, of the reasons why this backlog has occurred to ensure that future financial statements are both high quality and timely. A final "Lessons Learnt" was submitted to the Department for Communities and the NIAO in June 2019, following board endorsement. The review found a range of complex and inter-related issues resulted in the annual accounts being published, which were exacerbated by the 2014-15 not being submitted initially, creating a "knock-on" effect. Principal reasons for the delays included the following;

- Governance issues within Sport NI from March 2015 to July 2017 (Northern Ireland Audit Office is to prepare a separate report on these matters);
- A lack of expertise, in Sport NI 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 Sport NI failed to meet the audit timetable.

This lessons learnt 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 Sport NI to be published in 2019. The Chief Executive, as Accounting Officer, will lead on addressing any issues arising from this report.

Voluntary Exit Scheme

During 2016-17, 16 members of staff left under the Voluntary Exit Scheme (VES). 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. The Executive Team, along with oversight and concurrence of the Board, will be leading on future exit initiatives.

Information Governance

As part of the Transformation Programme, self-assessment using the National Archives records management self-assessment tool demonstrated that Sport NI's systems and procedures are not compliant with the Lord Chancellor's Code of Good Practice for Information Management issued under section 46 of the Freedom of Information Act 2000. Sport NI has engaged with the Public Record Office and has developed a remediation plan.

An Information Governance Manager has been appointed as of 27 April 2017. They will lead on the implementation of an action plan to ensure compliance with the Lord Chancellor's Code of Good Practice in Records Management issued under section 46 of the Freedom of Information Act 2000 and readiness for the introduction of the General Data Protection Legislation in 2018.

Commercial Activities – Tollymore National Outdoor Centre

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).

Sport NI has worked with Department for Communities and Department of Finance to obtain compliance with the principles in MPMNI in relation to setting its charges, specifically in relation to full cost recovery activities. A revised business case received conditional approval from Department of Finance (formerly Department of Finance and Personnel). The conditions were met by Sport NI in November 2016 and were formally signed off in February 2017.

Evaluating the Impact on Resources

Sport NI 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.

4. Fraud and Information Risk

Fraud

During the course of 2016-17, one case of alleged/suspected fraud was notified to Sport NI. This was dealt with under the Fraud Response Plan, investigated and no evidence was found to substantiate the allegation.

Personal data-related incidents

There was one known protected personal data-related incident during 2016-17 which resulted in a complaint to the Information Commissioner's Office which found Sport NI to be non-compliant with legislative requirements. Sport NI has provided further training to staff. Currently two information requests are outstanding. These relate to sensitive matters and legal advice has been sought in relation to progressing these requests.

5. Governance and Accountability within Arm's Length Bodies

Sport NI is an arm's length body of the Department for Communities. The Accounting Officer is accountable to the Department for the effective and compliant deployment of financial resources.

The business operations of Sport NI is governed by a Management Statement and Financial Memorandum which defines the relationship between the Department and Sport NI, and articulates the financial and administrative framework within which Sport NI operates. This document was revised by the Department in 2016 to reflect the change in name of the Department, but has not yet been formally signed by off both parties as it is currently subject to internal departmental review.

Accountability is embedded into the governance framework of Sport NI. Accountability arrangements also include regular reporting to the Department and completion of Stewardship reports which inform quarterly accountability meetings with senior departmental officials.

6. Internal Audit

The achievement of strategic objectives predicated on good governance, sound systems of internal control and risk management and timely assurance. Timely and meaningful assurance provides confidence that opportunities are being exploited and risks are being managed in order that strategic priorities can be delivered in an efficient and effective manner.

Internal audit function is a key line of defence and assurance. 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.

Internal Audit provides an independent opinion on the adequacy and effectiveness of Sport NI system of internal control, corporate governance and risk management, together with recommendations for improvement. Internal Audit made a total of 29 recommendations. Management agreed appropriate actions to address these recommendations and progress is subject to regular review by the Audit and Risk Assurance Committee and also the Department as part of its quarterly accountability meetings.

Sport NI outsources its internal audit function. During 2016-17, Deloitte were the internal auditors until August 2016. From October 2016, KPMG were appointed by the Audit and Risk Assurance Committee to carry out the audit plan which the committee had approved. The internal auditor attended four meetings of the Audit and Risk Assurance Committee during 2016-17.

During the year internal audit completed eight reviews. These covered Cash Management, Financial Management, Grant Funding, Procurement, Management of Third Parties, Use of GIFTS and Information to the Board. All reviews concluded with a satisfactory opinion except for the reviews of Procurement and Use of GIFTS which concluded with a limited opinion. Management has put in place actions to address the weaknesses identified.

With regards to Procurement, control improvements have seen the level of assurance provided by Internal Audit in relation to this increase in subsequent reviews.

7. External Audit

The Northern Ireland Audit Office is the appointed external auditor of the financial statements of Sport NI. 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 Sport NI'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 Sport NI from March 2015 to July 2017 (Northern Ireland Audit Office is to prepare a separate report on these matters);
- A lack of expertise, in Sport NI 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 Sport NI failed to meet the audit timetable.

8. Review of Effectiveness of Internal Governance

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. Her review is informed by the work of the Internal Auditor, the Northern Ireland Audit Office, the Executive Team, Executive Committees and the Audit and Risk Assurance Committee.

Key risks which could affect the achievement of the Sport NI's objectives are managed actively under the risk management arrangements described above, with progress being reported regularly to the Audit and Risk Assurance Committee.

Sport NI 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.

9. Internal Control Weaknesses

Delivery of the Transformation Programme

During 2016-17, new management arrangements were introduced which worked towards compliance with the high standards of governance and public accountability that will be required to take the organisation forward.

This was predicated on the work by the Interim Executive Leadership Team which was established by the then Minister of Culture, Arts and Leisure. The IELT led on a review of Sport NI subsequent to which a series of recommendations were presented which the Board took forward through a Transformation Programme.

The Transformation Programme has given rise to a significant body of work, which has changed the way that Sport NI operates, for example, On-Boarding to IT Assist, exploration of On-Boarding to AccountNI and systematic improvements to governance, risk management and internal control. Through the Transformation Programme, for example, Sport NI has put in place a suite of HR Policies that reflect best practice, revised our procurement policy, procedures and practices. In addition, Sport NI has ensured that there are robust whistleblowing and raising concern policies and established an Internal Communications Strategy.

An independent review into the delivery of the Transformation Programme provided for a confident assessment of amber/green and stated that staff had an appetite for more radical change. Sport NI will be actively progressing the outworking of this Transformation Programme with a clear route map for changes which will embed new practices and develop further work on culture change, leadership skills and organisational restructuring.

10. Emerging Issues

Challenges outlined in Risk Management section above continue to carry risks which will require active management. In particular the dismissal of the Chief Executive and associated legal challenge, completion of outstanding annual accounts and implementation of new strategic investment programmes.

Sport NI is mindful that challenges lie ahead that will influence how it delivers on its objectives. Key challenges include:

Arm Length Bodies review

The Department for Communities commenced a review of all its arms-length bodies, which has not been completed due to the dissolution of the Assembly. Any subsequent decision arising from the review will require approval by the Minister.

Transformation Programme

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 the Sport NI's work over 2016-17.

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

11. Conclusion

Given the issues noted in section 3 under 'Risk Management' 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: 12th September 2019



George Lucas
Chair
Sports Council for Northern Ireland

Date: 11th September 2019

Remuneration and Staff Report

1.0 Remuneration Report

1.1 Remuneration Policy

The Minister of Finance approves the pay remit for Senior Civil Service (SCS) staff. The SCS remuneration arrangements are based on a number of pay points from minima to maxima, allowing progression towards the maxima based on performance. In 2012, upon creation, there were 11 points on each scale. The minimum point has been removed in each year from 2014 to 2016 (the scales now have 8 points) to allow progression through the pay scales within a reasonable timescale.

Within Sport NI, the Chief Executive is normally employed on terms analogous to Senior Civil Service Grade 5. However, subsequent to a benchmarking exercise, the Department for Communities agreed that special salary scales could be applied to this position in order to attract the required candidate. Following the implementation of the agreed new special salary scales for the Chief Executive, the pay remits for 2014-15 to 2016-17 for the Chief Executive have been approved by the Remuneration Committee and submitted to the Department for Communities for approval.

Since the amalgamation of the Sports Institute, Sport NI has been collating an additional pay remit for former Sports Institute staff. It is anticipated that the pay remits will be combined in future years, once pay remits are no longer backlogged. Pay remits for 2016-17 were approved by the Department for Communities and paid to Sport NI staff and Sport Institute staff in July 18 and July 19 respectively.

The Remuneration Committee is responsible for approving the Chief Executive's salary and assessing performance. Membership includes the Chair of the Sport NI Board. Due to the dismissal of the Chief Executive in November 2016, the Committee did not fulfil its functions as outlined within its Terms of Reference. Therefore the committee did not meet in 2016-17 and the Chief Executive was not appraised. Senior Civil Servants who occupied the position on an interim basis were appraised by the 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

Sport NI staff appointments are made in accordance with the Sport 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. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org. Policy relating to notice periods and termination payments is contained in the Sport NI 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 the Sport NI Exchequer Account.

1.4 Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. 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; and Income Tax and Class 1B National Insurance Contributions for travel and subsistence expenses of part time office holders.

1.5 Remuneration (including salary) and Pension Entitlements – Senior Staff (Audited Information)

The following section provides details of the Remuneration (including salary) and pension entitlements of the Chief Executive and Directors of Sport NI.

Employee	2016-17					2015-16				
	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total to nearest £'000	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total to nearest £'000
Antoinette McKeown Chief Executive***	#95-100 (80-85 full year equivalent)	-	200	17	110-115	80-85	-	200	27	110-115
Arthur Scott Interim Chief Executive** (15 July 2015 to 30 April 2016)	5-10 (70-75 full year equivalent)	-	-	(5)	0-5	-	-	-	-	-
Maggie Smith Interim Chief Executive** (1 May 2016 to 31 March 2017)	70-75 (70-75 full year equivalent)	-	-	18	85-90	-	-	-	-	-
Christine Kerr Interim Director of Human Resources** (appointed 16 May 2016)	40-45 (45-50 full year equivalent)	-	-	13	55-60	-	-	-	-	-
Nick Harkness Director of Participation (career break 17 Oct 2016 to vacated post 28 February 2016)	#35-40 (65-70 full year equivalent)	-	100	-	70-75	65-70	-	200	37	100-105
Shaun Ogle Director of Performance	65-70	-	200	10	75-80	65-70	-	200	34	100-105

Employee	2016-17					2015-16				
	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total to nearest £'000	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total to nearest £'000
Andrew Sloan Director of Sports Management Services (vacated post 28 February 2017)	#60-65 (65-70 full year equivalent)	-	100	13	75-80	65-70	-	200	29	95-100
John News Acting Director of Participation (appointed 18 May 2016)	50-55 (55-60 full year equivalent)	-	200	48	95-100	-	-	-	-	-
Emma Bohill Transformation Facilitator (to 11 November 2015)	-	-	-	-	-	30-35 (45-50 full year equivalent)	-	-	12	40-45
Leigh Brown Acting Director of Finance and Governance (appointed 18 May 2016)	50-55 (55-60 full year equivalent)	-	200	40	90-95	-	-	-	-	-

Salary costs include salary arrears from previous financial years. # Includes holiday pay of £15k, £5k and £2k for A McKeown, N Harkness and A Sloan respectively.

*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.

**During 2016-17 there were three Interim Senior Staff seconded to Sport NI. Salary details disclosed relate to charges invoiced by their employer (excluding VAT). Further details on Interim Chief Executives remuneration can be found in Chief Executive's remuneration below.

*** Please refer to the Governance Statement for further details.

Fair Pay Disclosures	2016-17 to nearest £'000	2015-16 to nearest £'000
Range of Salaries	4 - 85	5 – 85
Band of Highest Paid Director's Total Remuneration*	80 - 85	80 - 85
Median Total Remuneration	29,491	29,783
Ratio	2.8	2.8

*Excludes holiday pay.

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 banded remuneration of the highest-paid director in Sport NI in the financial year 2016-17 was £80-85k (2015-16, £80-85k). This was 2.8 times (2015-16, 2.8) the median remuneration of the workforce, which was £29,491 (2015-16, £29,783).

In 2016-17, 0 (2015-16, 2) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £4k to £85k (2015-16 £5k-£85k). The lowest salary paid is in respect of Instructor Development Programme student remuneration.

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions

The ratio is calculated based on annualised, full-time equivalent (FTE) remuneration as at the reporting period date as follows:

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

1.7 Board Members' Honoraria (Audited Information)

The Interim Chair received honorarium totalling £8,360, and Chair received £4,480 (2015-16: £10,000). The Interim Vice-Chair received £2,926 and Vice Chair received £583 (2015-16: £3,500). These amounts are recorded in the Sport NI Exchequer Account. Board Member's honoraria was not directly recharged to the Sport NI Lottery Account during 2016-17.

A pension contribution of £667 was made for the Interim Chair as a result of new auto enrolment legislation. No contributions were made for the Vice Chair as they did not meet the relevant criteria for auto enrolment.

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 2016-17 (2015-16: Nil).

1.9 Exit Packages (Audited Information)

During 2016-17, two Directors exited via Sport NI's voluntary exit scheme (2015-16: Nil). The details of exit packages for all staff members during the period, including Directors are detailed in section 9.0.

1.10 Sport NI Pensions (Audited Information)

Sport NI participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) and made contributions for 128 employees. All assets, liabilities and operating costs relating to the pension scheme are processed through the Sport NI Exchequer Account. A recharge is made to the Sport NI Lottery Account for any pension costs incurred on its behalf. During the year 27 staff were recharged to Sport NI 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 2016-17 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 2016-17 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 and section 3 below.

Secondes are members of the PCS(NI), further details of the scheme can be found at <https://www.finance-ni.gov.uk/publications/civil-service-pensions-information>.

Pension Entitlements (Audited Information)

Employee	Accrued pension at pension age as at 31/3/17 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/17	CETV at 31/3/16	Real increase in CETV
	£'000s	£'000s	£'000s	£'000s	£'000s
Antoinette McKeown Chief Executive	5-10 plus Nil lump sum	0-2.5 plus Nil lump sum	64	44	8
Arthur Scott* Interim Chief Executive	35-40 plus 110-115 lump sum	(0-2.5) plus (0-2.5) lump sum	820	824	(5)
Maggie Smith* Interim Chief Executive	20-25 plus 60-65 lump sum	0-2.5 plus 2.5-5 lump sum	532	493	17
Christine Kerr* Interim Director of Human Resources	15-20 plus 45-50 lump sum	(0-2.5) plus (0-2.5) lump sum	307	302	(6)
Nick Harkness Director of Participation (career break 17 October 2016 to vacated post 28 February 2016)	25-30 plus 60-65 lump sum	0-2.5 plus (0-2.5) lump sum	516	500	9
Shaun Ogle Director of Performance	25-30 plus 55-60 lump sum	0-2.5 plus (0-2.5) lump sum	547	519	17
Andrew Sloan Director of Sports Management Services (vacated post 28 February 2017)	15-20 plus 25-30 lump sum	0-2.5 plus (0-2.5) lump sum	278	260	11
John News Acting Director of Participation (appointed 18 May 2016)	15-20 plus 25-30 lump sum	0-2.5 plus 2.5-3 lump sum	234	191	37
Leigh Brown Acting Director of Finance and Governance (appointed 18 May 2016)	10-15 plus 15-20 lump sum	0-2.5 plus 0-2.5 lump sum	159	133	21

1.11 Cash Equivalent Transfer Values

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It 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 office holder service, not just their current appointment. . CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

1.12 Real increase in CETV

This is the increase in accrued pension due to the organisation's contributions to the AMPS, and excludes increases due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and is calculated using valuation factors for the start and end of the period.

2.0 Staff Report

2.1 Number of Directors (Audited Information)

Director's Salary (FTE)	2016-17	2015-16
£45,000-£50,000	-	1
£50,000-£55,000	-	-
£55,000-£60,000	3	-
£60,000-£65,000	-	-
£65,000-£70,000	3	3
£70,000-£75,000	-	-
£75,000-£80,000	-	-
£80,000-£85,000	1	1
£85,000-£90,000	-	-
£95,000-£95,000	-	-
£95,000-£100,000	1	-
£100,000-£105,000	-	-
£105,000-£110,000	1	-
Total Number of Directors	9	5

The table above includes temporary secondments to Sport NI.

2.2 Staff Numbers and Costs (Audited Information)

(a) Staff Costs

	2016-17	2016-17	2016-17	2015-16
	£	£	£	£
	Permanent	Others	Total	Total
Wages and Salaries	4,874,335	-	4,874,335	4,649,204
Pension Costs	936,450	-	936,450	884,649
Social Security Costs	392,392	-	392,392	300,297
Agency Costs	-	386,082	386,082	124,649
Other Pension Costs*	-	-	-	219,000
Sub Total	6,203,177	386,082	6,589,259	6,177,799
Staff Costs Recharged to Sport NI Lottery Account	(1,113,128)	(5,418)	(1,118,546)	(1,055,227)
Total Net Costs	5,090,049	380,664	5,470,713	5,122,572

*Other Pension Costs relate to the increase in the present value of the liabilities of the Sport NI's defined benefit pension scheme arising from employee service in the period so as to recognise the cost of pensions over the employees' working lives.

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

Under terms and conditions of service, some 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 Sport NI Exchequer Account and no costs recharged to Sport NI Lottery Account.

(b) Average Number of Persons Employed (Audited Information)***Sport NI***

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

	2016-17			2015-16
	Permanently Employed Staff	Others	Total	Total
Directly employed	102	8	110	130
Agency/Secondment	-	13	13	6
Total	102	21	123	136

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

Sport NI Lottery Account

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

	2016-17			2015-16
	Permanently Employed Staff	Others	Total	Total
Directly employed	27	-	27	26
Agency/Secondment	-	-	-	-
Total	27	-	27	26

2.3 Chief Executive's Remuneration (Audited Information)

The remuneration received by the Chief Executive during the year was £99,362, inclusive of £15k holiday pay. (2015-16: £84,760). On 15 July 2015 the Department for Communities appointed A. Scott to lead on a review of Sport NI and subsequently appointed him interim Chief Executive. The Interim Chief Executive salary was only recharged by Department for Communities from April 2016. The remuneration received by Interim Chief Executives during the year was £5,927 excluding VAT (2015-16: Nil) for A. Scott and £65,325 excluding VAT (2015-16: Nil) for M. Smith.

3.0 Pension Costs and Commitments

Sport NI 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 Sport NI and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. For 2016-17 the contribution rates were 20% employers and ranging between 5.5% and 10.5% employees (2015-16: 20% employers and ranging between 5.5% and 10.5% 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 Sport NI's Statement of Financial Position and Other Comprehensive Expenditure. It will also lead to volatility in the IAS19 pension expense in the Sport NI 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.

An actuarial valuation of Sport NI took place as at 31 March 2017. The calculation of the defined benefit obligation involves projecting future cash flows 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 Changes in 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 IAS19 purposes were:

3.1 Principal Financial Assumptions (% per annum)

	2016-17	2015-16
	Years	Years
Duration of liabilities (years)*	24.7	23.3
	% PA	% PA
Discount rate	2.6	3.5
RPI Price Inflation	3.1	2.9
CPI Price Inflation	2.0	1.8
Pension Increase **	2.0	1.8
Pension accounts revaluation rate ***	2.0	1.8
Salary increases ****	3.5	3.3

* The duration of the 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 2016 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 2017	31 March 2016
Males		
Year of Birth base table	Standard SAPS S2P tables	Standard SAPS Normal Health All Amounts (S1NMA)
Rating to above base table (years)*	0	0
Scaling to above base table rates	95%	110%
Improvements to base table rates	CMA 2014 core projections with 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)	23.2	22.3
Future lifetime from age 65 (aged 45 at accounting date)	25.4	24.5
Females		
Year of Birth base table	Standard SAPS S2P tables	Standard SAPS Normal Health All Amounts (S1NFA)
Rating to above base table (years)*	0	0
Scaling to above base table rates	90%	110%
Improvements to base table rates	CMA2014 core projections with 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)	25.8	24.8
Future lifetime from age 65 (aged 45 at accounting date)	28.1	27.2
Commutation	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 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 over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Committee) is shown in the disclosures.

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

	At 31 March 2017 (%)			At 31 March 2016 (%)
	Quoted	Unquoted	Total	Total
Equities	74.3	0.2	74.5	71.9
Property	10.5	-	10.5	13.2
Government Bonds	5.4	-	5.4	5.7
Corporate Bonds	6.1	-	6.1	6.4
Cash	2.6	-	2.6	2.3
Other	-	0.9	0.9	0.5
Total	98.9	1.1	100.0	100.0

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

Reconciliation of Funded status to Statement of Financial Position	31-Mar-17 £000s	31-Mar-16 £000s
Fair value of assets	26,427	21,887
Present value of funded defined benefit obligation	32,610	25,531
Funded status	(6,183)	(3,644)
Unrecognised Asset	-	-
Asset/(Liability) recognised on the SoFP	(6,183)	(3,644)

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

Active Members	62%
Deferred Pensioners	13%
Pensioners	25%

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

	31-Mar-17	31-Mar-16
	£000s	£000s
Operating Costs		
Current Service Cost *	934	924
Past Service Cost (including curtailments)	(231)	9
Settlement Cost	-	-
Financing Cost		
Interest on net defined benefit liability/(asset)	113	157
Pension Expense Recognised in the SoCNE	816	1090
Remeasurements in Other Comprehensive Expenditure		
Return on plan assets (in excess of)/Below that recognised in net interest	(3,081)	77
Actuarial (gains)/losses due to change in financial assumptions	7,480	(1,785)
Actuarial (gains)/losses due to change in demographic assumptions	(269)	-
Actuarial (gains)/losses due to liability experience	(1,584)	(208)
Total Amount Recognised in Other Comprehensive Expenditure	2,546	(1,916)
Total Amount Recognised in SoCNE	3,362	(826)

*The current service cost includes an allowance for the administration expenses of £0.016m (31 March 2016: £0.013m).

3.6 Movement in Deficit During the Year

	31-Mar-17	31-Mar-16
	£000s	£000s
Deficit in scheme at beginning of year	(3,644)	(5,341)
Movement in the year		
Current service costs	(934)	(924)
Past service costs (including curtailments)	231	(9)
Contributions	823	871
Net charge on Assets	(113)	(157)
Actuarial (loss)/gain	(2,546)	1,916
Deficit in Scheme at End of Year	(6,183)	(3,644)

3.7 Changes to Present Value of Defined Benefit Obligation

	31-Mar-17	31-Mar-16
	£000s	£000s
Opening defined benefit obligation	25,531	25,838
Current service cost	934	924
Interest expense on defined benefit obligation	891	826
Contributions by participants	248	302
Actuarial (gains)/losses due to changes in financial assumptions	7,480	(1,785)
Actuarial (gains)/losses due to changes in demographic assumptions	(269)	-
Actuarial (gains)/losses due to liability experience	(1,584)	(208)
Net benefits paid out	(390)	(375)
Past service costs (including curtailments)	(231)	9
Net increase in liabilities from disposals/acquisitions	-	-
Settlements	-	-
Closing defined benefit obligation	32,610	25,531

3.8 Changes to the Fair Value of Assets

	31-Mar-17	31-Mar-16
	£000s	£000s
Opening fair value of assets	21,887	20,497
Interest income on assets	778	669
Remeasurement gains/(losses) on assets	3,081	(77)
Contributions by the employer	823	871
Contributions by participants	248	302
Net benefits paid out	(390)	(375)
Net increase in liabilities from disposals/acquisitions	-	-
Settlements	-	-
Closing fair value of assets	26,427	21,887

3.9 Actual Return on Assets

	31-Mar-17	31-Mar-16
	£000s	£000s
Interest income on assets	778	669
Remeasurement gain/(loss) on assets	3,081	(77)
Actual return on assets	3,859	592

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 2017 and the projected services cost for the year ending 31 March 2018 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.

Funded LGPS Benefits

Discount rate assumption	+0.1 p.a.	Base Figure	-0.1 p.a.
Adjustment to discount rate			
Present value of total obligation (£M)	31.815	32.610	33.425
% change in present value of total obligation	-2.4%		2.5%
Projected service cost (£M)	1.328	1.374	1.421
Approximate % change in projected service cost	3.3%		3.4%

Rates of general increase in salaries	+0.1 p.a.	Base Figure	-0.1 p.a.
Adjustment to salary increase rate			
Present value of total obligation (£M)	32.881	32.610	32.343
% change in present value of total obligation	0.8%		-0.8%
Projected service cost (£M)	1.374	1.374	1.374
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	+0.1 p.a.	Base Figure	-0.1 p.a.
Adjustment to pension increase rate			
Present value of total obligation (£M)	33.151	32.610	32.079
% change in present value of total obligation	1.7%		-1.6%
Projected service cost (£M)	1.421	1.374	1.328
Approximate % change in projected service cost	3.4%		-3.3%

Post retirement mortality assumption

Adjustment to mortality age rating assumption*	-1 Year	Base Figure	+1 Year
Present value of total obligation (£M)	33.564	32.610	31.661
% change in present value of total obligation	2.9%		-2.9%
Projected service cost (£M)	1.422	1.374	1.326
Approximate % change in projected service cost	3.5%		-3.5%

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

3.11 Estimated Pensions Expense in Future Periods

The figures below are provided based on the assumption as at 31 March 2017 outlined above.

Contributions to the defined benefit pension scheme for the year ended 31 March 2018 are expected to be £1.524m.

Funded LGPS Benefits - Expected Amounts Charged to SoCNE	31-Mar-18 £000s
Current service cost *	1,374
Interest on the net defined benefit liability/(asset)	150
Total	1,524

*The projected service cost includes an allowance for administration expenses of £0.017m in the period ending 31 March 2018.

The actual pension cost for the next financial year might be different to that estimated. Reasons why the pension cost may change include:

- Actual increases in payroll being different to that used in the calculations. The projected payroll figure used was estimated from the implied payroll over the current accounting period. 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 (e.g. outsourcing exercises, redundancy exercises or bulk transfers); and
- Actual cash-flows over the next accounting periods may differ from those assumed.

3.12 Funded Benefits

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

Active Members as at 31 March 2016	Number	Total Pay (£M)
Total	128	4.052

Pensioner & deferred pensioner members as at 31 March 2016	Number	Total Pension (£M)
Deferred members	93	0.170
Pensioner and dependants	46	0.340

Funded cash-flow data provided	Months Provided	Amount Provided (£M)	Amount Used (£M)
Employer - Normal contributions	10	0.686	
Employer - Additional capital contributions	-	-	
Employer - Early retirement strain on fund payments	10	0.000	
Total contributions by the Employer			0.823
Employee - Normal contributions	10	0.207	
Employee - Added years contributions	-	-	
Total contributions by Participants			0.248
Transfers in	-	-	
Other income	-	-	
Transfers out	-	-	
Retirement lump sums	-	-	
Other outgoings	-	-	
Death in service lump sums *	-	-	
Benefits paid (i.e. pension paid)	-	-	
Net benefits paid out **			0.390

* Calculated over the year to be £0.006m.

** Figure includes an allowance for expenses of £0.016m.

Annualised pensionable payroll over the accounting period	(£M)*
Period ending 31 March 2017	4.116
Period ending 31 March 2016	4.309

* 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 17.7%. This includes any adjustment to reflect the difference between Fund returns and estimated index returns used over the last accounting period, where appropriate. The overall annualised Fund return from the 2016 Valuation date without such an adjustment is 20.6% and this return has been used to roll forward the assets notionally allocated to the Employer at the 2016 Valuation.

4.0 Staff Composition (Audited Information)

The actual composition of staff employed by the Sport NI at 31 March was as follows:

2016-17	Male Directors	Male Employees	Female Directors	Female Employees
Payroll	3	53	1	55
Board*	-	-	-	-
Agency/Secondments	1	11	2	18
Total	4	64	3	73

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

*Board Members are employed by the Department for Communities. The Chair and Vice Chair are the only Members to receive honorarium from Sport NI.

5.0 Sickness Absence Data

The number of sick days reported in 2016-17 was 1,419 (31 March 2016: 1,507). Sport NI had an average of 12.23 days absence per full time equivalent person in 2016-17 (31 March 2016: 10.84 days). This was due to there being an increase in long-term sickness absence in 2016-17. 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 Sport NI, the Board normally consults 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 Northern Ireland Department of Finance.

During 2016-17 Sport NI revised a number of staff policies in consultation with NIPSA. These policies included:

- Grievance Policy;
- Disciplinary Policy;
- Uniform Appeals Policy;
- Dignity at work Policy;
- Sick Absence Policy;
- Inefficiency Absence Policy;
- Inefficiency Performance Policy; and
- Equal Diversity and Inclusion Policy.

6.2 Equality of Opportunity

Sport NI 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

Sport NI 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

Sport NI 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, Sport NI has complied with relevant legislation.

7.0 Expenditure on Consultancy

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

	2016-17	2015-16
	£	£
Actuary Report	618	2,400
Total Expenditure on Consultancy	618	2,400

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 2016-17 costing over £58,200. The Sport NI had one such 'off-payroll' engagements in 2016-17 in respect of M Smith, for which the costs were £108,590 including £18,098 VAT (2015-16: Nil).

9.0 Core Exit Packages (Audited Information)

Exit Package Cost Band	2016-17			2015-16
	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Costs Band	Total Number of Exit Packages by Costs Band
< £10,000	-	-	-	2
£10,000- £25,000	-	7	7	4
£25,000-£50,000	-	2	2	3
£50,000- £100,000	-	6	6	-
£100,000 - £150,000	-	1	1	-
£150,000 - £200,000	-	-	-	-
Total Number of Exit Packages	-	16	16	9
Total Resource Cost	-	£827,782	£827,782	£196,803

Redundancy and other departure costs have been paid in accordance with the provisions of the Sport NI's Voluntary Exit Scheme. During 2016-17, 16 staff left under the scheme (2015-16: 9). Payments to these staff were wholly funded through the Public Sector Transformation Fund. Exit costs are accounted for in full in the year of departure. Exit costs were fully processed through the Sport NI Exchequer Account with the same amount received from government funding provided by the Department. If the exit costs had been recharged to the Sport NI Lottery Account in line with other salary costs, nil would have been charged (2015-16: Nil).

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Assembly Accountability Disclosure Note

1. Losses and Special Payments

This section is subject to audit.

During 2015-16 Sport NI accrued a special payment which was made during 2016-17, for a case which had a compromise agreement prior to going to court. Part of the agreement advised that the details and payments had protected disclosure. There were no other losses during the year which required disclosure in the accounts. A special payment of £27,500 (inclusive of legal fees) which was made during 2018-19, relating to a Fair Employment settlement for the Chief Executive has also been accrued.

2. Fees and Charges

This section is subject to audit.

Tollymore National Outdoor Centre (TNOC) is the only operation within Sport NI 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 £283,320 of income. Subvention required was £586,914 against forecasted subvention of £642,160.

The activities of TNOC are subsidised by funding received from the Department for Communities (DfC). 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).

Sport NI 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 Sport NI and the business case was formally signed off in February 2017.

3. Remote Contingent Liabilities

This section is subject to audit.

There were no remote contingent liabilities during the year which required disclosure in the accounts (31 March 2016: Nil).



Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 12th September 2019

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

Opinion on financial statements

I certify that I have audited the financial statements of the Sports Council for Northern Ireland for the year ended 31 March 2017 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 2017 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 Leisureⁱ directions 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.

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. 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 78 to 82

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

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

28th October 2019

¹ The Department of Culture, Arts and Leisure became part of the Department for Communities in May 2016

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2017

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which includes changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

		2016-17	2015-16
	Notes	£	£
		£	£
Operating Income	4	2,203,198	2,012,862
Total Operating Income		2,203,198	2,012,862
Staff Costs	3	(6,589,259)	(6,177,799)
Depreciation and Amortisation	3	(526,313)	(496,820)
Grants	3	(7,677,433)	(3,959,544)
Other Operating Expenditure	3	(2,104,390)	(2,525,096)
Total Operating Expenditure		(16,897,395)	(13,159,259)
Net Operating Expenditure For the Year		(14,694,197)	(11,146,397)
Other Comprehensive Net Expenditure			
Items which will not be reclassified to net operating costs:			
Net Gain on Revaluation of Property, Plant and Equipment	5	247,868	1,383,923
Net Gain on Revaluation of Intangible Assets	6	4,600	1,241
Actuarial (Loss)/Gain on Pension Scheme	4/11B	(2,546,000)	1,916,000
Comprehensive Net Expenditure for the Year		(16,987,729)	(7,845,233)

The notes on pages 64 to 77 form part of these accounts.

STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2017**

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

	Notes	2016-17 £	2015-16 £
Non-current assets:			
Property, plant and equipment	5	6,219,179	6,282,331
Intangible assets	6	75,428	93,941
Total non-current assets		6,294,607	6,376,272
Current assets			
Inventories		4	72
Trade and other receivables	8	396,352	350,052
Cash and cash equivalents	9	519,477	702,652
Total current assets		915,833	1,052,776
Total assets		7,210,440	7,429,048
Current liabilities			
Trade and other payables	10	(1,334,022)	(1,303,017)
Grant Commitments	10	(2,736,292)	(2,141,532)
Total current liabilities		(4,070,314)	(3,444,549)
Total assets less current liabilities		3,140,126	3,984,499
Non-current liabilities			
Provisions	11a	(47,120)	(47,120)
Pension Liability	11b	(6,183,000)	(3,644,000)
Total non-current liabilities		(6,230,120)	(3,691,120)
Total assets less total liabilities		(3,089,994)	293,379
Taxpayers' equity and other reserves:			
General Fund		1,415,374	2,420,318
Pension Reserve		(6,183,000)	(3,644,000)
Revaluation Reserve		1,677,632	1,517,061
Total equity		(3,089,994)	293,379

The financial statements on pages 60 to 63 were approved by the Board on 11 September 2019 and are signed on its behalf by:

Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 12th September 2019

The notes on pages 64 to 77 form part of these accounts.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

The Statement of Cash Flows shows the changes in cash and cash equivalents of Sport NI during the reporting period. The statement shows how Sport NI generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by Sport NI. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to Sport NI's future public service delivery.

		2016-17	2015-16
	Notes	£	Restated £
Cash Flow From Operating Activities			
Net Operating Cost		(14,694,197)	(11,146,397)
Adjustments for Non-Cash Transactions	3	552,483	569,747
Decrease/(Increase) in Inventories		68	(54)
(Increase)/Decrease in Trade and Other Receivables	8	(46,300)	255,617
Increase in Trade, Other and Grant Payables	10	625,765	624,360
(Decrease)/Increase in Pension Fund Payable Less Actuarial Losses		(7,000)	219,000
Net Cash Outflow From Operating Activities		(13,569,181)	(9,477,727)
Cash Flows From Investing Activities			
Purchase of Property, Plant and Equipment	5	(196,684)	(30,054)
Purchase of Intangible Assets	6	-	(26,038)
Proceeds from Disposal of Property, Plant and Equipment		5,334	6,820
Net Cash Outflow From Investing Activities		(191,350)	(49,272)
Cash Flows From Financing Activities			
Grants from Sponsoring Department		13,577,356	9,886,145
Net Financing		13,577,356	9,886,145
Net (Decrease)/Increase in Cash and Cash Equivalents in the Period		(183,175)	359,146
Cash and Cash Equivalents at the Beginning of the Period	9	702,652	343,506
Cash and Cash Equivalents at the End of the Period	9	519,477	702,652

The notes on pages 64 to 77 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2017

This statement shows the movement in the year on the different reserves held by Sport NI, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of an Agency, to the extent that the total is not represented by other reserves and financing items.

	General Fund	Pension Reserve	Revaluation Reserve	Taxpayers' Equity
	£	£	£	£
Balance at 31 March 2015	3,387,358	(5,341,000)	176,109	(1,777,533)
Grant from Sponsoring Department	9,886,145	-	-	9,886,145
Comprehensive Net Expenditure for the Year	(10,927,397)	(219,000)	1,385,164	(9,761,233)
Auditors Remuneration	30,000			30,000
Actuarial Gain and Losses	-	1,916,000	-	1,916,000
Transfers between reserves	44,212	-	(44,212)	-
Balance at 31 March 2016	2,420,318	(3,644,000)	1,517,061	293,379
Grant from Sponsoring Department	13,577,356	-	-	13,577,356
Comprehensive Net Expenditure for the Year	(14,701,197)	7,000	252,468	(14,441,729)
Auditors Remuneration	27,000			27,000
Actuarial Gain and Losses	-	(2,546,000)	-	(2,546,000)
Transfers between reserves	91,897	-	(91,897)	-
Balance at 31 March 2017	1,415,374	(6,183,000)	1,677,632	(3,089,994)

The notes on pages 64 to 77 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2016-17 Government Financial Reporting Manual (FRoM) issued by the Department of Finance. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Sport NI, for the purpose of giving a true and fair view has been selected. The particular policies adopted by Sport NI are described below. They have been applied consistently in dealing with items considered material to the accounts.

1.1 Accounting Convention

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

The financial statements are stated in sterling, which is the functional and presentational currency.

1.2 Income

Grant-in-aid, from the Department for Communities, used to finance activities and expenditure which support the statutory and other objectives of the entity is 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 Sport NI are determined in accordance with the Treasury's "Fees and Charges Guide".

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

1.3 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.

1.4 Research and Development

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

1.5 Property, Plant and Equipment and Intangible Assets

Sport NI 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.

1.6 *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, and not in 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

1.7 *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.

1.8 *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.

The 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 desktop valuations.

1.9 *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 13 to the accounts.

1.10 *Pension Costs/Employee Benefits*

Sport NI 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 2017.

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.

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 2017.

The increase in the present value of the liabilities of Sport NI's defined benefit scheme arising from employee service in the period is charged to the Statement of Comprehensive Net Expenditure, so as to recognise the cost of pensions over the employees' working life. 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 Changes in Taxpayer's Equity.

In accordance with IAS 19, Sport NI accrues for untaken employee leave and flexi.

1.11 *Value Added Tax*

Sport NI is registered for VAT. Sport NI does not reclaim VAT on purchases.

1.12 *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.

1.13 *Trade Payables*

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

1.14 *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.

1.15 *Financial Instruments*

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

1.16 *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.

1.17 *Provisions*

Sport NI 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.

1.18 *Contingent Liabilities*

Contingent Liabilities are disclosed in accordance with IAS 37. In addition to the contingent liabilities disclosed in accordance with IAS 37, Sport NI 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.

1.19 *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 Sport NI'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 1.6.

Going Concern

The financial statements of Sport NI are produced on the Going Concern Basis. This was formally considered by the Board at its Board meeting on the 11 September 2019. Sport NI is not aware of any reason to adopt a different basis.

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

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

2. Operating Costs by Operating Segment

In line with IFRS 8, Sport NI does not have any segmental data to disclose. The Board of Sport NI reviews 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. Operating Costs

	2016-17	2015-16
	£	£
Grants	7,677,433	3,959,544
Staff Costs¹:		
Wages and Salaries	4,874,335	4,649,204
Social Security Costs	392,392	300,297
Pension Costs	936,450	884,649
Other Staff Costs	386,082	343,649
	6,589,259	6,177,799
Non-Cash Items:		
Depreciation	502,869	473,958
Amortisation	23,444	22,862
	526,313	496,820
Other Operating Expenditure:		
Repairs & Renewals	431,342	493,835
Professional Fees/Consultancy Fees*	312,847	419,220
Rent & Rates	270,670	280,899
Sports Development	270,606	219,668
Travel & Subsistence	168,184	217,255
Committees, Receptions & Publicity	158,166	308,307
Insurance	92,650	77,150
Heat & Light	83,925	92,096
Telephones & Postage	82,396	86,032
Publications, Printing & Stationery and IT Consumables	61,684	49,958
Caretaking & Cleaning	49,124	70,178
Training	48,291	57,788
Information Services, Journals & Subscriptions	28,114	63,808
Sundry Expenses	8,205	5,760
Photography	4,875	1,847
Fees and Bank Charges	2,230	2,980
Recruitment	1,931	1,763
Coaches	1,649	3,121
Promotions & Sponsorships	-	409
Corporation Tax	-	95
Bad Debt Written Off	70	-
Permanent Diminution	691	(851)
Loss/(Profit) on Disposal	1,521	43,778
Auditors Remuneration**	28,261	30,000
	2,104,390	2,525,096
Total	16,897,395	13,159,259

*2015-16 includes a special payment for a case which had a compromise agreement which has protected disclosure.

**During the year Sport NI paid Northern Ireland Audit Office £1,261 for work associated with National Fraud Initiative 2016-17 exercise (2015-16: Nil).

4. Income

	2016-17	2015-16
	£	£
Sports Development	156,940	137,440
Tollymore National Outdoor Centre	283,320	297,414
Services to Partners	79,574	55,746
Service to Sport NI Lottery Activities	1,676,364	1,521,787
Interest Received	-	475
Pension	7,000	-
Total	2,203,198	2,012,862

5. Property, Plant and Equipment

2016-17

	<u>Buildings</u>	<u>Leasehold Improvements</u>	<u>Specialist Sports Equip</u>	<u>Furniture & Fittings</u>	<u>Motor Vehicles</u>	<u>Computer Equipment</u>	<u>Total</u>
Cost or Valuation							
At 1st April 2016	5,743,759	95,572	798,528	178,865	109,164	916,177	7,842,065
Additions	3,900	-	129,788	22,353	38,881	1,762	196,684
Disposals	-	-	(12,719)	(15,989)	-	-	(28,708)
Impairment	-	-	-	-	-	-	-
Reclassifications	95,572	(95,572)	(54,779)	-	11,915	42,864	-
Revaluation	(82,298)	-	4,765	(108)	2,065	51,728	(23,848)
At 31st March 2017	5,760,933	-	865,583	185,121	162,025	1,012,531	7,986,193
Depreciation							
At 1st April 2016	1	28,307	564,973	109,140	66,153	791,160	1,559,734
Charged in Year	330,739	-	81,338	9,875	4,481	76,436	502,869
Disposals	-	-	(12,119)	(12,776)	-	-	(24,895)
Impairment	-	-	-	-	-	-	-
Reclassifications	28,307	(28,307)	(50,403)	-	10,744	39,659	-
Revaluation	(323,592)	-	2,626	360	960	48,952	(270,694)
At 31st March 2017	35,455	-	586,415	106,599	82,338	956,207	1,767,014
Carrying Value at 31 March 2017	5,725,478	-	279,168	78,522	79,687	56,324	6,219,179
Carrying Value at 1 April 2016	5,743,758	67,265	233,555	69,725	43,011	125,017	6,282,331
Asset financing:							
Short Leasehold	5,725,478	-	-	-	-	-	5,725,478
Owned	-	-	279,168	78,522	79,687	56,324	493,701
Carrying Value at 31 March 2017	5,725,478	-	279,168	78,522	79,687	56,324	6,219,179

5. Property, Plant and Equipment (Continued)**2015-16**

	<u>Buildings</u>	<u>Leasehold Improvements</u>	<u>Specialist Sports Equip</u>	<u>Furniture & Fittings</u>	<u>Motor Vehicles</u>	<u>Computer Equipment</u>	<u>Total</u>
	£	£	£	£	£	£	£
Cost or Valuation							
At 1st April 2015	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 2016	5,743,759	95,572	798,528	178,865	109,164	916,177	7,842,065
Depreciation							
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 2016	1	28,307	564,973	109,140	66,153	791,160	1,559,734
Carrying Value at 31 March 2016	5,743,758	67,265	233,555	69,725	43,011	125,017	6,282,331
Carrying Value at 31 March 2015	4,611,912	77,243	333,445	69,507	46,504	208,935	5,347,546
Asset financing:							
Short Leasehold	5,743,758	-	-	-	-	-	5,743,758
Owned	-	67,265	233,555	69,725	43,011	125,017	538,573
Carrying Value at 31 March 2016	5,743,758	67,265	233,555	69,725	43,011	125,017	6,282,331

Tollymore National Outdoor Centre buildings had a full valuation completed for 31 March 2016. Land and Property Services valued the Centre at £5,743,758. Sport NI has requested Land and Property Services to value the building on the assumption that the life of the building and its useful life to Sport NI should be restricted to the term of the operating lease of the land on which the building resides. The valuer has the qualification MRICS. An interim desktop valuation was carried out by LPS at 31 March 2017, as per accounting policy.

All other buildings, property, plant and equipment were valued at 31 March 2017 through application of indices (where possible) 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 13).

6. Intangible Assets

	2016-17	2015-16
	Information	Information
	Technology	Technology
Cost or Valuation	£	£
At 1 April	295,687	756,392
Additions	-	26,038
Disposals	-	(492,707)
Impairments	-	273
Revaluations	20,686	5,691
At 31 March	<u>316,373</u>	<u>295,687</u>
Amortisation		
At 1 April	201,746	622,355
Charge for the Year	23,444	22,862
Disposals	-	(448,060)
Impairments	-	139
Revaluations	15,755	4,450
At 31 March	<u>240,945</u>	<u>201,746</u>
Carrying value at 31 March	<u>75,428</u>	<u>93,941</u>
Carrying value at 1 April	<u>93,941</u>	<u>134,037</u>
Asset Financing:		
Owned	75,428	93,941
Carrying value at 31 March	<u>75,428</u>	<u>93,941</u>

Intangible assets comprise purchased software and licenses.

7. Financial Instruments

As the cash requirements of Sport NI are met through Grant-in-Aid provided by Department for Communities, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Sport NI's expected purchase and usage requirements and Sport NI is therefore exposed to little credit, liquidity or market risk.

Sport NI 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.

8. Trade receivables, Financial and Other Assets

Amounts falling due within one year:	2016-17	2015-16
	£	£
Owed by Sport NI Lottery Account	241,385	170,560
Trade Receivables	53,498	50,831
Prepayments and Accrued Income	101,469	128,661
	<u>396,352</u>	<u>350,052</u>

9. Cash and Cash Equivalents

	2016-17	2015-16
	£	£
Balance at 1 April	702,652	343,506
Net Change in Cash and Cash Equivalent Balances	(183,175)	359,146
Balance at 31 March	<u>519,477</u>	<u>702,652</u>

The following balances at the 31 March were held at:

	2016-17	2015-16
	£	£
Commercial Banks and Cash in Hand	<u>519,477</u>	<u>702,652</u>
Balance at 31 March	<u>519,477</u>	<u>702,652</u>

10. Trade Payables and other Current Liabilities

Amounts falling due within one year	2016-17	2015-16
	£	£
Trade Payables	362,999	675,494
VAT	86,733	6,078
Other Tax and Social Security	26,051	127,544
Accruals & Deferred Income	858,239	493,901
Total Trade and Other Payables	1,334,022	1,303,017
Grant Commitments	2,736,292	2,141,532
Total Current Liabilities	4,070,314	3,444,549

11. Provisions for Liabilities and Charges**a) Legal Provision**

	2016-17	2015-16
	£	£
Balance at 1 April	47,120	47,120
Provided in Year	-	-
Balance at 31 March	47,120	47,120

Analysis of expected timing of cashflows	2016-17	2015-16
	£	£
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	47,120	47,120

The provision relates to legal costs that Sport NI may have to pay to a third party.

b) Pension Provision

	2016-17	2015-16
	£	£
Pension Deficit	6,183,000	3,644,000

Details of the pension scheme are outlined in the Remuneration and Staff Report.

12. Capital Commitments

There were no capital commitments as at 31 March 2017 (31 March 2016: Nil).

13. Commitments Under Leases

Total future minimum lease payments under operating leases are given in the table below, for each of the following periods:

13.1 Operating Leases

	2016-17	2015-16
	£	£
Obligations under operating leases comprise:		
Land & Buildings		
Not later than one year	2,350	2,350
Later than one year and not later than five years	9,400	9,400
Over Five Years	<u>27,743</u>	<u>30,093</u>
Total	<u>39,493</u>	<u>41,843</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 of Culture, Arts and Leisure 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.

14. Other Financial Commitments

There were no other financial commitments as at 31 March 2017 (31 March 2016: Nil).

15. Contingent Liabilities Disclosed Under IAS37

Sport NI has one unquantifiable contingent liabilities as a result of a legal case ongoing from 2015-16.

16. 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.

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 Sport NI.

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

Board Member	Grantee	Commitments to Grantee/Supplier £	Relationship of Staff Member to Grantee
Richard Bullick	Netball NI	3,000	Non-executive Director
Jackie Bryson	Mountain Training UK	1,243	Observer
Kyle Ferguson	University of Ulster	176,395	Salaried Employee
Kieran Harding	Irish Football Association	2,200	Salaried Employee - Current
George Lucas	Downshire Tennis Club	67,224	Chair (until 29.01.17)
Celine McStravick	Belfast City Council	18,788	Contract
	South Eastern Health	2,250	Contract
Darryl Petticrew	Disability Sport NI	1,401,850	Chief Executive family friend

Executive Team Staff Member	Grantee	Commitments to Grantee/Supplier £	Relationship of Staff Member to Grantee
Leigh Brown	Lurgan Rugby Football & Cricket Club	11,160	Person Connected – Member
	CIPFA	7,302	Professional Member
Antoinette McKeown	Friends of St Malachy's College	5,252	Person Connected – Pupil
	Glenavon FC	4,899	Person Connected – Assistant Manager
John News	Sported	51,495	Volunteer Mentor – Current
	Ulster Council GAA	9,570	Subscribing Member – St Peters GAC
	Cycling Ireland	300	Subscribing Member – Current
Shaun Ogle	Cycling Ireland	300	Subscribing Member – Current

Other related parties include:

Sport NI is a Non-Departmental Public Body sponsored by the Department for Communities. The Department for Communities is regarded as a related party.

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

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

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

17. Third Party Assets

There are no third party assets as at 31 March 2017 (31 March 2016: Nil).

18. Events After the Reporting Period

Events after the balance sheet date are those material events, both favourable and adverse, that occur between the end of the reporting period and the date when the accounts are authorised for issue. There were no such events.

Date of Authorisation for Issue

The Accounting Officer authorised the issue of these financial statements on 28th October 2019

Report by the Comptroller and Auditor General Sport NI Annual Report and Accounts 2016-17

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 that extends to the right.

K J Donnelly
Comptroller and Auditor General

28th October 2019

¹ The Department of Culture, Arts and Leisure became part of the Department for Communities in May 2016