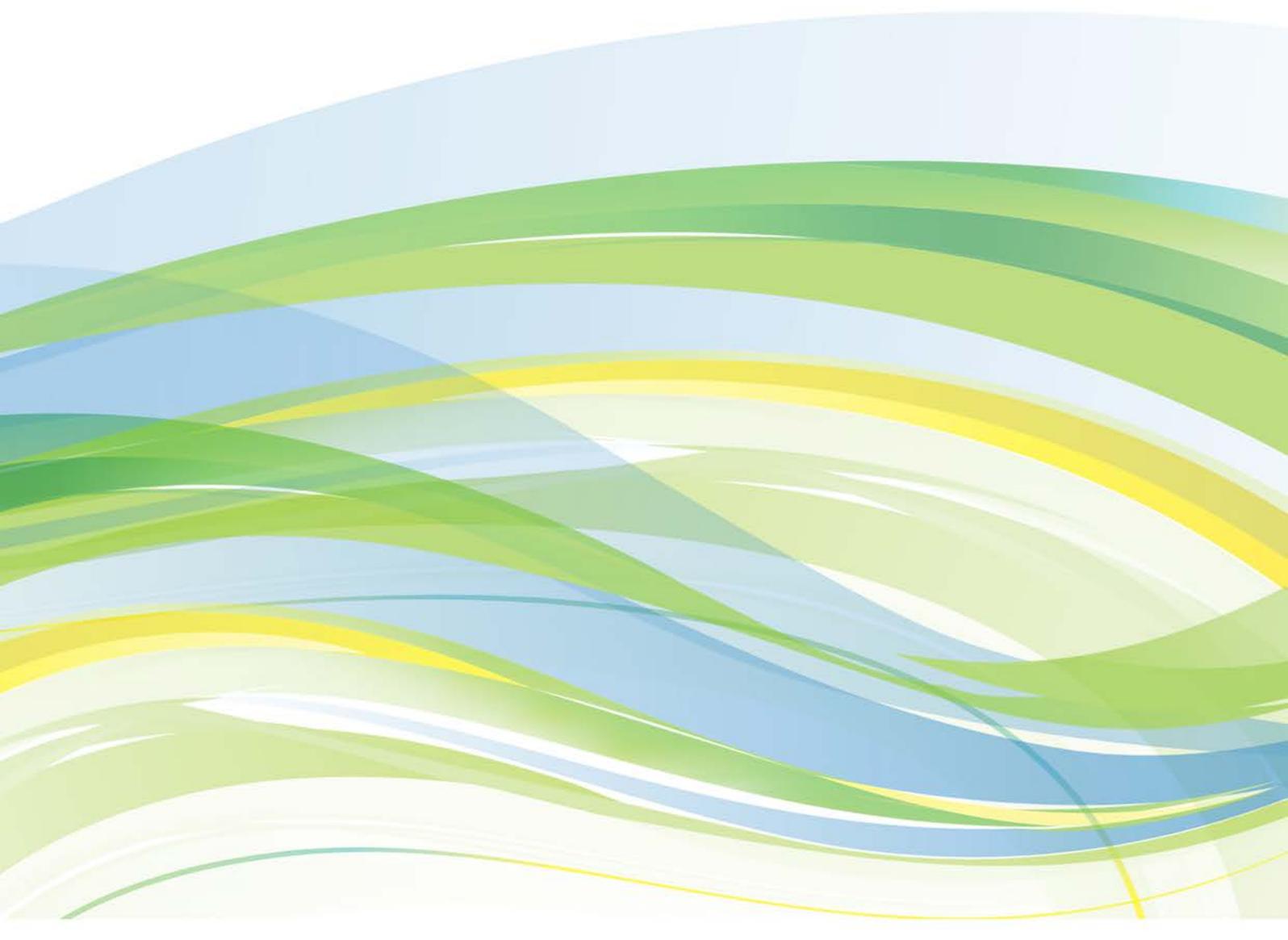




Education Authority
Annual Report and Accounts
for the year ended 31 March 2017



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Annual Report and Accounts
for the Year Ended 31 March 2017

Laid before the Northern Ireland Assembly under Paragraph 5 (5), Schedule 2 of the Education Act
(Northern Ireland) 2014 by the Department of Education

on

23 March 2018



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Education Authority, 40 Academy Street, Belfast, BT1 2NQ

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CHIEF EXECUTIVE'S FOREWORD

2016-17 was another exciting year for the Education Authority (EA).

Our children and young people did well with educational outcomes continuing to improve and increasing numbers accessing the range of services provided by EA, from youth outreach to psychology, transport and school meals.

Organisational transformation continues as we work towards establishing EA as a regional organisation. Five Directors were appointed during the year to form the new Senior Management Team. We are now recruiting Assistant Directors and Heads of Service who will play a key role in the reorganisation of structures and services on a regional basis.



The Directors are driving the change programme and are looking creatively at how we can continually improve all areas of our business. We are committed to using modern technology to help deliver cost efficiencies and better customer service. For example, our new online application process for home to school transport assistance has won industry awards and has greatly simplified the process for parents. This innovative work will also inform developments in other service areas and has set a benchmark for what can be achieved through digital transformation.

A key achievement this year was the publication of 'Providing Pathways - A Draft Strategic Area Plan for School Provision 2017-2020.' For the first time, there is now a single area plan for education provision in Northern Ireland which places the needs of our children and young people at the heart of the planning process. It aims to ensure that they have access to pathways through a broad and balanced curriculum which meets their needs with *a network of sustainable schools that are the right type, the right size and are located in the right places.*

The Strategic Review of Nursery Provision in Special Schools was also a priority in 2016-17. Key stakeholders contributed significantly to the development of a new draft framework for nursery provision in special schools. This new model will be subject to public consultation during 2017 and we intend to begin implementation of the new arrangements from September 2018.

Whilst there have been many achievements, we have also been dealing with some very significant challenges this year. A reduction in our budget of £38million created very real pressures, particularly as we also experienced an increase in demand for services such as special educational needs support.

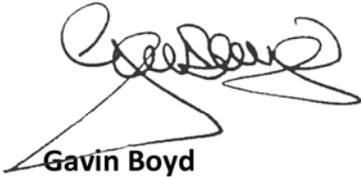
Through the implementation of a range of efficiency measures, we reduced our spending significantly. However, given that only a small proportion of our budget for centrally managed services relates to spending that is not contractual or related to statutory services, there was very little room for manoeuvre creating a very difficult financial position.

A major disappointment during the year, was the escalation of industrial action by some teachers in schools. The Education and Training Inspectorate (ETI), principals and our own staff have told us how this is disrupting the work of schools and is impacting on educational experiences and opportunities for young people. We value our teachers and we continue to work with the teachers' unions. We understand the concerns about teachers' workload and we are committed to finding an equitable resolution.

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Looking to the future, it is evident that education will experience further financial pressures with reducing budgets and increasing demand for services. This will be challenging. EA will continue to work with schools and other stakeholders across the education sector to ensure that we are doing everything we can to protect and enhance educational experiences for our young people.

We believe that it is possible to reshape the school estate and the related support services in a way that can respect community wishes, enhance educational experiences and improve outcomes.

A handwritten signature in black ink, appearing to read 'Gavin Boyd', with a large, sweeping flourish extending to the left.

Gavin Boyd
Chief Executive

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CHAIRPERSON'S REFLECTION

At the end of our second year as the Education Authority (EA), I can reflect on the significant progress we have made in the last 12 months. We have moved far beyond the old structures and are well on our way to becoming a truly regional Authority.



The publication of the draft of our first Strategic Plan for public consultation is a key milestone on our transformational journey. The plan was published in September 2017 and will guide our work over the next 10 years.

I wish to thank our Board members, education partners, principals, staff and other stakeholders for their constructive engagement and valuable contributions to date. Their insight has been invaluable in helping to shape the draft plan. I am confident that it is reflective of the views, hopes and aspirations of the people most impacted by the work that we do.

Although still in draft, our vision indicates that we want to give our children and young people the best start in life and our mission is to provide a high quality education for every child. These are not aspirations, they are commitments and will run core to everything that we do for the next 10 years.

The values we are proposing are centred on openness, respect, reflection, responsibility, excellence and quality. I already see these values in our skilled and talented workforce who are delivering important services right across Northern Ireland every day. Each and every one of them plays an important role in improving the educational achievement of our children. Their varied roles include getting children to and from school safely, providing them with nutritious meals, ensuring they have a safe and clean environment to learn in, providing additional support for those children who need extra help and of course delivering creative and stimulating lessons in the classroom. EA staff work tirelessly in challenging circumstances to deliver the best they can for all our children and young people. I wish to express my thanks to all EA staff for their continued dedication.

The current financial situation has created significant challenges this year. The pressures have been building for a number of years and in 2016-17 we have really begun to see the impact. The Board, along with senior officers worked hard to develop and implement strategies to deal with the increasing budget pressures.

We saw a £38million cash reduction in our budget for 2016-17. Although we have managed to reduce spending significantly this year, it has not been enough to meet the pressures on the budget.

In addition, the financial challenges facing schools have also resulted in schools exceeding their budget allocations by around £19million, further increasing the schools' deficits and adding pressure to the EA budget. This combination of factors has led to an overall overspend of 1% for EA in 2016-17.

It is very clear that we can no longer continue to do things as they have been done in the past. Difficult decisions will have to be made in the years ahead as budgets reduce and demand for services goes up.

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We are working to transform the way we deliver services and that will be a key priority in the years ahead. Our focus will be on protecting young people whose lives are directly or indirectly affected by the services we provide.

Despite these challenges, our goals are clear. We are working to improve educational outcomes, child development and the quality of education of all our children and young people.



Sharon O'Connor
Chairperson

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ABOUT THE EDUCATION AUTHORITY

The Education Authority (EA) was established on 1 April 2015 under the Education Act (Northern Ireland) 2014. It replaced the five Education and Library Boards (ELBs) and their Staff Commission as a regional authority with responsibility for the delivery of education services in Northern Ireland.

EA is a non-departmental public body sponsored by the Department of Education (DE) and the Department for the Economy (DfE), responsible for ensuring that efficient and effective primary and secondary education and educational services are available to meet the needs of children and young people and for ensuring the provision of efficient and effective youth services. EA's duties and responsibilities include:

- providing a wide range of functions for the funding and delivery of local education and youth services;
- ensuring there are sufficient schools providing primary and post-primary education to meet the needs of all the people in Northern Ireland;
- providing all the finance for controlled schools (i.e. grant-aided schools under the direct control and management of EA);
- equipping, maintaining and meeting other running costs of maintained schools (i.e. grant-aided schools which are not under the direct control and management of EA);
- providing milk and meals, free books, and free transport for eligible pupils;
- enforcing school attendance;
- securing the provision of youth service facilities;
- providing a curriculum advisory and support service to all schools; and
- managing the third level student grant function for the Department of the Economy.

EA has a budget of approximately £1.5billion. It is Northern Ireland's biggest employer with over 39,000 staff including 7,700 teachers, 19,000 school-based support staff and around 12,600 office based and other non-school-based staff.

As the employing authority for teachers in controlled schools, EA is responsible for the management of the teaching appointments processes for teachers and principals and provision of learning and development opportunities for teachers. In addition, EA has new duties in relation to Shared Education and the community use of school premises. In April 2016, EA also subsumed the Youth Council for Northern Ireland (YCNI) and became the funding authority for Voluntary Grammar and Grant-Maintained Integrated Schools (VG/GMIS).

In 2016-17 the Chairperson and Chief Executive were located at 40 Academy Street, Belfast with five main offices in Armagh, Ballymena, Belfast, Dundonald and Omagh.

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PRINCIPAL RISKS AND UNCERTAINTIES

The Corporate Risk Register reflects:

- the functions EA is required to provide under statutory legislation and Ministerial/Departmental direction;
- EA's corporate aims and objectives;
- the business processes adopted; and
- the key risks which have impacted on the achievement of results and the execution of functions.

It also details how the Chief Executive, supported by Directors, strategically managed risks associated with:

- achieving education targets;
- the transformation and regionalisation of structures;
- delivering consistency and equity of treatment to customers and stakeholders;
- oversight of governance, training and information flows; and
- the timely and appropriate management of finance which includes budgetary control and the implementation of a voluntary severance scheme.

EA's key risk related to the failure to achieve DE's five strategic targets as detailed in the Business Plan, within the budget allocated.

The Corporate Risk Register, which was aligned to DE's Corporate Risk Register, was regularly updated during the period under review and was presented to the Audit and Risk Assurance Committee at meetings held in April 2016, October 2016, January 2017 and April 2017 and shared with the DE at each Governance and Accountability Review (GAR) meeting.

Each Director presented Directorate level risk registers to the Audit and Risk Assurance Committee (ARAC) in February 2017 and provided assurance to Members on how risks are being managed and how this analysis informs the quarterly updates of the Corporate Risk Register. Directors also completed subsidiary assurance statements in April 2017 regarding their management of risks in the period under review which is reflected in the content of the Governance Statement.

The DE has reviewed the EA Corporate Risk Register and made some recommendations which have been implemented. The EA Corporate Risk Register fully complies with Department of Education recommended format and practice and key risks to the achievement of business objectives have been identified. Risks and Management actions to mitigate risks are a standing item on the agenda for the ARAC quarterly meetings. Some EA key risks remain high and are kept under close review. Further details on the review of the effectiveness of EA's system of internal control are provided in

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the Governance Statement which also outlines the significant governance issues encountered during the 2016-17 financial year.

EQUALITY STATEMENT

In carrying out its functions, EA has a statutory responsibility, under section 75 of the Northern Ireland Act 1998, to have due regard to the need to promote equality of opportunity:

- between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- between men and women generally;
- between persons with disability and persons without; and
- between persons with dependents and persons without.

In addition, and without prejudice to the above obligation, EA also, in carrying out its functions, has regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

GOING CONCERN STATEMENT

Management has reviewed the appropriateness of the preparation of the financial statements on a 'going concern' basis. The Education Act (Northern Ireland) 2014 enabled EA to assume the functions and responsibilities of the former organisations and will continue to be funded by DE and DfE for the foreseeable future. For these reasons, EA has adopted the going concern basis in preparing the annual report and financial statements.

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PERFORMANCE OVERVIEW: KEY THEMES IN 2016-17

Governance

Following the Stormont elections on 5 May 2016, political members were appointed to the EA Board on 1 June 2016. Members prioritised the development of a 10 year Strategic Plan. Staff and key stakeholders were consulted on development of the strategic plan followed by a public consultation process. Following a further Stormont election on 2 March 2017, political members were appointed to the board on 3 April 2017.

Development of the EA Strategic Plan

The challenging transition from the Education and Library Boards to the Education Authority has been successfully completed. EA's focus has subsequently turned to organisational transformation with the commitment to build an organisation which has a truly regional focus, is innovative, forward-looking and delivers excellent education services for all. Central to this transformation process has been the development of a comprehensive Strategic Plan which can deliver positive outcomes for children and young people across Northern Ireland. The EA Board initiated the work to develop its first Strategic Plan for the period 2017-2027, in Autumn 2016.

Following an extensive period of engagement with Board Members, school principals, young people, employees and wider education partners, a draft Strategic Plan was developed. The draft plan set out EA's Vision, Mission and Key Strategic Priorities and Values. It also outlined what EA will do over the next decade to achieve key objectives, deliver consistently high-quality services to the community across the entire region and produce positive outcomes for all children and young people. The financial situation presents significant challenges for EA as demand for its services continues to grow at a time when budgets are under severe pressure. It is acknowledged that EA can no longer continue to provide services in the same way. Change is essential and as a result, difficult choices will have to be made. The draft Strategic Plan focused on transforming services in a way which delivers and underpins a strong, resilient and world-class education system in Northern Ireland.

On 4 April 2017 EA launched an eight-week consultation on the draft Plan. As a result of this consultation the Plan was amended to reflect the views of respondents to the consultation exercise, and was ratified by the EA Board. The final Strategic Plan includes EA's Vision: *'To inspire, support and challenge all our Children and Young People to be the best that they can be'*, and its Mission which is: *'To provide a high quality education for every child'*. The Plan also contains EA's Key Strategic Priorities which outline what we will do to achieve our Vision, and our Values which will guide the way we work, how we develop as an organisation, and our decision making in the years ahead.

This first EA Strategic Plan for the period 2017-2027 was launched in October 2017.

Annual Business Plans at a Corporate, Directorate and Sectional level have been developed and derive from the agreed Strategic Plan.

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Business Continuity in a Time of Change

Following the appointment of Directors the EA completed the transition from the geographical structure of the ELB's to the new EA functional structure in April 2016. The complex transfer of responsibility from the Regional Managing Directors to the newly appointed EA Directors was completed during the handover period. Interim structures to maintain service delivery were developed and implemented with the support of the voluntary exit scheme, prior to the population of the next tier of management - the Assistant Directors (AD).

Senior management designed and developed the recruitment and selection process for the appointment of the Assistant Directors. DE and DoF approval for the AD structure, roles and remuneration was sought and obtained. Board Members and external experts supported Directors in the recruitment, evaluation and selection process. The recruitment process commenced in February 2017 and as of January 2018, EA has successfully appointed 18 out of a total of 19 Assistant Directors through a combination of internal and external recruitment processes. These new appointees have all taken up post. One Assistant Director post, in Children and Young People's Services, remains to be filled. A further recruitment exercise will take place early in 2018. Training in advance of the competition was supplied to interested staff.

Prioritising Area Planning, a sophisticated analytical model is in development which draws upon the extensive data within the education sector. This base of evidence will assist decision makers collating and presenting information in a user friendly format.

Raising Standards for All: Focus on School Improvement

Throughout 2016-17, EA continued to support the implementation of DE's '*Every School a Good School*' (ESaGS) Policy in relation to school improvement, pupil attainment, formal intervention and school development planning. The interim regional School Development Service (SDS), which was established in January 2016, continued to develop revised models of service delivery.

Between April 2016 and March 2017, 133 schools were inspected with 72% of those schools (96 schools) being evaluated as demonstrating capacity/high levels of capacity for sustained improvement. This figure does not include sustaining improvement or monitoring inspections which have only been published since January 2017. A further 13 schools were inspected, and due to non-engagement with the inspection process due to teacher action short of strike, ETI considered that it was not possible to reach a conclusion on one of the four effectiveness outcomes, and the inspections were therefore considered incomplete.

The SDS provided post-inspection follow-up advice and support, as appropriate. In accordance with the priorities of the service, schools in the formal intervention process and schools receiving a conclusion requiring them '*to address important areas for improvement*' received intensive support. This included supporting them with developing action plans to address the areas for improvement as identified by the Education Training Inspectorate (ETI), and assisting them to deliver progress against their action plans. As a result, 28 of the 35 schools, which had follow-up inspections published within this period, improved their grades.

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Overview of Published School Inspection Outcomes

Conclusion	Number of Schools	%
The school has a high level of capacity for sustained improvement in the interest of all the learners. ETI will monitor how the school sustains improvement.	57	43
The school demonstrates the capacity to identify and bring about improvement in the interest of all the learners. ETI will monitor how the school sustains improvement.	39	29
The school needs to address (an) important area(s) for improvement in the interest of all the learners. ETI will monitor the report on the school's progress in addressing the area(s) for improvement. There will be a formal follow-up inspection.	25	19
The school needs to address urgently the significant areas for improvement identified in the interest of all the learners. It requires external support to do so. ETI will monitor and report on the school's progress in addressing the areas for improvement. There will be a formal follow-up inspection.	12	9
Total	133	100

Developing the Education Workforce

EA remains committed to developing the education workforce. From April 2016 to March 2017 the Literacy and Numeracy Key Stages 2 and 3 Continuing Personal Development (CPD) Project has continued to identify best practice in learning and teaching that exists in the education system and to encourage knowledge transfer and collaboration between primary and post-primary schools on issues related to Literacy and Numeracy. The project's vision for teacher professional learning is in line with DE's "*Learning Leaders*" Strategy (2016):

Every teacher is a learning leader, accomplished in working collaboratively with all partners in the interests of children and young people.

In 2016-17 the 3 key outcomes of the project have been:

1. Teacher Professional Learning: 1,580 teachers in total attended the four teacher professional learning units and 45 primary and post-primary teachers completed a cross-phase placement to explore an area of Literacy or Numeracy at transition in greater depth.
2. Professional Learning Communities: schools partnerships, clusters and Area Learning Communities (ALC), 189 in total, have focused on improving learning and teaching in Literacy and Numeracy and Transition between KS2 and KS3, e.g. standards, effective transfer of data, etc.
3. Building Capacity and Raising Standards: the five parts of the project in 2016-17 (cross-phase development, the teacher professional learning programme, the cross-phase teacher placements, the Area Learning Community support and the project website on Fronter where training units can be accessed for further professional development) were dedicated

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to helping teachers share effective practice, e.g. active learning, skills-based, independent learning etc.

In addition, specific training was provided to 2,885 School Governors to enhance the skills and knowledge they need to discharge effectively their roles on the governing bodies of schools. EA also supported 72 teachers in achieving the Professional Qualification for Headship (PQH) following the completion of a programme that reflects the changing role of school leadership and seeks to meet the professional learning and development needs of those aspiring to progress in their teaching careers.

Shared Education

EA continues to manage the implementation of the Delivering Social Change, Shared Education Signature Project (SESP) funded by The Executive Office, the Department of Education and the Atlantic Philanthropies. Funded partnership activity commenced in September 2015.

The Shared Education Signature Project aims to grow existing school partnerships and develop collaboration and shared activity between schools. Ongoing work includes the development of partnership clusters focusing on school improvement through a shared basis, building on existing relationships of trust and sustaining these relationships.

Investing in Schools

In 2016-17, nearly £28million was invested in schools through the Major Works Programme, including significant expenditure on ongoing new facilities for Castle Tower School in Ballymena and Park Hall Integrated College in Antrim. New, state-of-the-art buildings for Ebrington Primary School and Dromore Central Primary School were also completed. A range of other smaller capital projects including school extensions, mobile replacements, internal remodelling and Special Educational Needs (SEN) suites were also completed. A further £3.5million was invested in major capital projects in youth centres.

The investment in School Enhancement Programme projects totalled £11.6million, with significant projects at the Armstrong Primary School, Millington Primary School and Willow Bridge Special School.

Over £38.2million was invested in minor works programmes in controlled schools, EA administration centres and school meals kitchens. This investment has enabled EA to greatly enhance the quality of the schools estate.

Providing Safe and Efficient Home to School Transport

Over 88,000 pupils were safely transported to and from schools in the course of the 2016-17 year via EA transport services. Fifteen new buses were purchased to enhance the service for pupils. The new buses will be used to provide transport to mainstream pupils attending both primary and post-primary schools. All new buses are fitted with a range of safety features including high-visibility seat-belts, flashing lights to alert other motorists and audible warning devices to ensure pupils wear their seat-belts.

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In 2015-16, a pilot study with ICT colleagues in the Dungannon area, allowed parents to apply for home-to-school transport assistance online. The objective of the study was to provide faster responses to parents following the submission of an application for student transport. This was extended to all post primary schools in the Armagh area. Work has now concluded for the extension of this online facility across all of the EA for both primary and post primary schools and went live for all new applications for the 2017-18 academic year.

Focus on Children and Young People

Further to the establishment of the EA in April 2015, the initial priority was to maintain service delivery to schools and children and young people, while recognising that a longer-term change management process was required. The EA's future focus was on the improvement and transformation of services and provision for children and young people.

The key areas of responsibility for the Children and Young People's Services (CYPS) Directorate include:

- special education administration and adult assistant support in mainstream schools;
- special schools and other specialist provision attached to mainstream schools;
- pupil support services (autism, specific literacy needs, behaviour, language and communication);
- education welfare and child protection; and
- youth service and provision.

During 2016-17, the following key developments took place:

- move to functional areas of responsibility for senior officers in CYPS Directorate;
- identification of interim managers in specific service areas;
- creation of single service identities, supported by interim managers;
- initial scoping of the work of services within CYPS, prior to service reviews;
- commencement of selected service reviews; and
- commencement of recruitment of assistant directors.

At this stage, enduring appointments are underway in a range of service areas.

The CYPS also acquired new commitments in relation to the transfer of Youth Council staff and functions in April 2016 and the transfer of the Independent Counselling Service for Schools in September 2016.

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Balancing the Budget

One of the major challenges facing EA in 2016-17 was the budget. The overall budget for Education has reduced steadily in real terms over recent years. Following considerable discussion between members, officers and DE, the budget plan was finally agreed in August 2016.

As a result, while EA's overall spending has reduced by £19million from 2015-16, it is reporting an overall overspend of 1% (£19million) against reduced 2016-17 budgets.

This overspend is driven largely by schools spending more than their in year allocations, and increases in demand for statute and contract based services. The scale and potential impact of emerging financial risk was reported on an ongoing basis throughout the financial year to the EA Board, ARAC and to DE.

Given the nature of the delegated authority to schools to manage their own budgets, and the continuing increases in demand for services, it will be impossible for EA to manage steadily reducing budgets without transforming the way in which services are delivered, and the current school estate.

Investment and political support will be needed to achieve full transformation over a number of years and EA is committed to building an organisation that has a truly regional focus, is innovative and forward-looking and delivers excellent education services to pupils in sustainable, excellent schools.

Reducing Costs through ICT Modernisation

EA continued to deliver reliable ICT services across all locations during the transition. Significant efficiencies were achieved through consolidation of the ICT networks. EA reduced costs through the extension of modern telephony systems to cover four of the five main sites, and continued to extend the availability of Skype for Business, facilitating free telephony between sites, online meetings and reducing travel requirements.

Further modernisation of the admissions process with full details of schools' admissions criteria and online prospectuses are now available online. A full search facility supports parents in identifying their school and provides them access to schools' enrolment documentation. Moving to on-line support significantly reduces printing and distribution costs associated with hard copy.

Development of Customer Self Service systems and the development of collaboration with Land and Property Services to produce a 'Northern Ireland Walking Routes' mapping service has enabled the EA to deploy Home to School Transport Decision Support Systems, delivering significant savings in processing, form production and decision making.

The EA has adopted a paperless policy (where possible) for our Board Members. This has led to significant security improvements and cost savings derived from the logistics of printing and delivering bulky Board and Committee papers.

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EA continues to develop the network, and the use of ICT systems to reduce administrative workloads enabling staff to add greater value in their areas of expertise.

As a founding partner of the Public Sector Network (PSN), the EA is seeking to achieve significant savings through economies of scale for both corporate networks and schools.

Re-organisation of Human Resources (HR) into a Functional Structure

During 2016-17 the HR Directorate has successfully developed and implemented new functional-based HR structures to ensure HR services have a truly regional focus which support the process of transformation. As a result, the Directorate has moved, from a geographical service, managed and operated across the five former ELB areas, to a regionally managed and led functional HR structure. For example, there is now one regionally managed recruitment function instead of five.

These new functional services have been grouped into three main areas of responsibility as follows:

- HR Services;
- Corporate HR and Business Partnering; and
- Organisational Development.

The structure is transitional and will be further tested once all Assistant Directors are appointed to ensure it is fit for purpose, and if necessary refined, before the enduring regional structure for the HR Directorate is finalised.

As a result of the change, EA Directorates, managers and schools will have an identified contact who manages and leads each functional area of HR work. This process will bring more consistency and efficiency to the manner in which HR operates. It will also provide important career and development opportunities for HR staff during this period of change.

Supporting Transformational Change in EA

During 2016-17, EA agreed 19 senior leadership posts (Assistant Directors). The job evaluation process for those posts has been completed and the recruitment process for this latest stage in building a regionally focused organisation commenced in February 2017.

Structural and service delivery reviews are now underway in all Directorates and are being actively supported by senior HR staff. During 2016-17 HR supported Directors with the '*people change*' aspects of transitioning to new regional structures. Once appointed, the next tier of senior management (Assistant Directors) will be responsible for supporting EA Directors in undertaking service reviews and developing and implementing enduring structures for the delivery of transformed regional services. HR Corporate Partners will have a key role in supporting Directorates in the management of the people change aspects of these service reviews. In support of the above a Redeployment Procedure has also been developed and agreed with the trade unions and it is intended that it will assist the '*people aspects*' of change.

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Teaching Appointments Scheme

The Interim Teaching Appointments Scheme for controlled schools was replaced on 1 February 2016, and work has continued throughout 2016-17 on implementing a new scheme, training key personnel, and embedding the resulting changes to roles and procedures. Training has been provided for 37 Advisers, 74 Assessors and 962 school governors; including school principals in their capacity as Secretary to the Board of Governors.

The Membership and Teaching Appointments Committee (MTAC) was established to undertake the functions previously fulfilled by the Membership Committee and the Interim Teaching Appointments Committee, and the inaugural meeting of MTAC was held on 24 March 2017. MTAC is responsible for approving appointments to principal and vice-principal posts in controlled schools, and approving the appointment and transfer of assistant teachers in controlled schools.

During 2016-17, EA appointed 75 principals, 53 vice principals and 801 teachers to controlled schools in accordance with the Teaching Appointments Scheme. A Post Implementation Review of the new scheme was conducted between January and March 2017, and a report is currently being prepared which will make a number of recommendations aimed at further improving working practices and methodologies for candidate assessment.

Industrial Relations

Proactive and positive engagement continued with both teaching and non-teaching trade unions on the review of existing negotiating machinery. During 2016-17 the reviews of the negotiating arrangements made good progress and new structures and processes have been agreed in principle. During 2016-17 the teaching unions escalated their industrial action in schools. However EA and the other education bodies are committed to reaching a resolution of this issue as soon as possible and direct engagement and work with the teaching unions has been prioritised and are currently progressing.

Health and Wellbeing

New functional management arrangements have been established in 2017 and the Health and Wellbeing Manager is in the process of establishing a health and wellbeing structure which will bring greater consistency and support to schools and managers in this important area. During 2016 the EA's Occupational Health Service contracts were tendered and BHSF Occupational Health Limited was appointed. This is the first time a single provider has delivered the service to EA and it is intended that this new arrangement will help ensure a more consistent and effective approach to referrals and reporting which will deliver benefits to staff, schools and managers in the future.

The HR Directorate is committed to continuing to support EA in delivering its strategic priorities by ensuring the HR Directorate and functional plans are aligned with the EA.

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PERFORMANCE ANALYSIS

PROGRESS AGAINST KEY PERFORMANCE INDICATORS

1: Education Priority: Raising Standards for All

NI Key Stage, GCSE and GCE Educational Performance for the Academic Years from 2012-13 to 2015-16

1: Education Priority: Raising Standards for All				
NI Key Stage, GCSE and GCE Educational Performance for the Academic Years from 2012-13 to 2015-16				
	2012-13	2013-14	2014-15	2015-16
	NI%	NI%	NI%	NI%
*Key Stage Assessments				
1.1				
Key Stage 1 Level 2+ English	90.1	91.1	88.7	87.5
Key Stage 1 Level 2+ Maths	90.8	92.2	90.3	88.4
1.2				
Key Stage 2 Level 4+ English	77.1	79.8	76.8	78.0
Key Stage 2 Level 4+ Maths	78.5	80.3	77.4	78.7
Key Stage 3 Level 5+ English	72.2	74.1	G: 98.4 NG: 58.5	G: 97.6 NG: 64.1
Key Stage 3 Level 5+ Maths	73.9	77.1	G: 99.7 NG: 63.5	G: 98.0 NG: 63.6
<p>1. Due to industrial action 2013-14, 2014-15 and 2015-16 data have been weighted to account for non-response bias and are best estimate.</p> <p>2. The best estimate is the mean figure drawn from the sample.</p> <p>3. Data covering 2012-13 onwards are based on the new Levels of Progression; these results are not directly comparable with Key Stage Assessment outcomes from previous years.</p> <p>4. 2014-15, 2015-16 KS3 figures are divided into Grammar and Non Grammar.</p>				
GCSE and A Level Achievements				
1.3				
GCSE 5+ A*-C (Non Grammar)	67.2	70.6	72.0	72.7
GCSE 5+ A*-C (Grammar)	97.3	97.2	97.8	96.5
1.4				
GCSE 5+ A*-C incl. Eng & Maths (Non Grammar)	37.7	44.0	46.8	47.0
GCSE 5+ A*-C incl. Eng & Maths (Grammar)	94.0	94.5	95.0	94.1
1.5				
GCE A Level 3+ A*-C (Non Grammar)	45.4	47.7	47.8	51.5
GCE A Level 3+ A*-C (Grammar)	77.2	75.7	77.0	76.3
1.5				
GCE A Level 2+ A*-E (Non Grammar)	95.7	95.4	95.8	96.1
GCE A Level 2+ A*-E (Grammar)	99.6	99.6	99.7	99.5

* Key Stage Assessments exclude Special and Independent schools

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The Education Authority Business Plan for 2016-17 identified five education priorities, the actions/commitments and the measures for their delivery. These were agreed with the Department of Education. The remaining columns capture the progress towards achieving them.

1. Education Priority: Raising Standards for All				
Position Report @ 31 March 2017				
EA Objectives	Actions / Commitments	Measures	Status descriptor	Evidence to support status descriptor
1. To work with schools and other stakeholders to improve outcomes for children and young people.	1.1 Establish a system wide culture of collaboration and sharing through partnership working across schools, EA, CCMS, ETI, FE, HEIs and other stakeholders.	<p>% of school leavers achieving Level 2 or above including English and Maths.</p> <p>Gap between % of school leavers and % of FSME school leavers achieving at Level 2 including English and Maths.</p> <p>% of schools where provision for learning is good or better.</p>	Substantially achieved	<p>Interim structure for School Development Service in place and shared with schools and other partners.</p> <p>Initial meetings held with DE, CCMS, ETI and Principals in May and June 2016.</p> <p>12 engagement events held with Principals across the region, reaching approximately 600. All Directors, Chief Executive and Chair involved.</p> <p>Further meetings held in September 2016 with Principals and staff to consult on an enduring structure.</p>
	1.2 Ensure that the school improvement function of the EA is built upon shared accountability which focuses on improved outcomes for	<p>% of school leavers achieving Level 2 or above including English and Maths.</p> <p>Gap between % of school leavers and %</p>		<p>Interim structure for School Development service in place.</p> <p>Discussions on new school improvement function ongoing. Further meetings held with senior officers.</p> <p>Engagement with schools carried out in September and October 2016 and with staff to</p>

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1. Education Priority: Raising Standards for All				
Position Report @ 31 March 2017				
EA Objectives	Actions / Commitments	Measures	Status descriptor	Evidence to support status descriptor
	children and young people.	of FSME school leavers achieving at Level 2 including English and Maths. % of schools where provision for learning is good or better.		consult on new model for school improvement and structure for the Education Directorate. Meetings with DE Directors and other partners to discuss emerging model for school improvement with stronger emphasis on prevention.
2. To support and challenge schools to improve provision and increase their capacity to identify and effect school improvement.	2.1 Effective use of a data rich schools information system which enables EA to monitor, challenge and support schools across a range of measures.	% of school leavers achieving Level 2 or above including English and Maths. Gap between % of school leavers and % of FSME school leavers achieving at Level 2 including English and Maths. % of schools where provision for learning is good or better.	Substantially achieved	SMT has approved the need for a Management Information Unit and has approved the appointment of NISRA Statistician within this Unit. Reviewed and identified staff in EA whose role requires them to be responsible for data. Liaised with NISRA and in the process of developing a job description in conjunction with DE. Met with DE on delivering the owner of the information and responsibilities of the owner. School Development Service uses outcomes data to analyse school performance and identify schools at risk.

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1. Education Priority: Raising Standards for All				
Position Report @ 31 March 2017				
EA Objectives	Actions / Commitments	Measures	Status descriptor	Evidence to support status descriptor
				Officers use available data to challenge and support schools in accordance with statutory responsibilities.
	2.2 Review, develop and implement a model for school improvement (within the ESaGS: school improvement policy framework) which builds a school's capacity to effect its own and others' improvement.	<p>% of school leavers achieving Level 2 or above including English and Maths.</p> <p>Gap between % of school leavers and % of FSME school leavers achieving at Level 2 including English and Maths.</p> <p>% of schools where provision for learning is good or better.</p>	Substantially achieved	<p>Discussion on new school improvement function ongoing.</p> <p>Meetings with full School Development Service.</p> <p>Engagement with schools carried out.</p> <p>Further engagement with other stakeholders planned for Autumn term.</p> <p>Assistant Directors recruitment process agreed and initiated.</p>
3. To establish policy and associated procedures for Elective Home Education.	3.1 Engagement of key stakeholders in the review of EA Policy for Elective Home Education.	<p>Establishment of a working group involving key stakeholders.</p> <p>Procedural Guidance developed.</p>	Likely to be achieved but with some delay	Guidelines/procedures are in draft and require some additional consideration by the working group. This will require a revised timetable to facilitate the necessary engagement with key stakeholders. Delayed timeline agreed by CYPS Committee.

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1. Education Priority: Raising Standards for All				
Position Report @ 31 March 2017				
EA Objectives	Actions / Commitments	Measures	Status descriptor	Evidence to support status descriptor
4. To ensure the provision of efficient and effective generic and targeted youth services, taking account of actions in the Regional Youth Development Plan and Priorities for Youth.	Youth Services: Priority 1 actions (ref Priorities for Youth Policy). 4.1 To develop a Regional Assessment of Need (RAN) (PfY 4.6.1).	RAN agreed by Regional Advisory Group by December 2016.	Achieved	The RAN for 2017-20 was written through a process of engagement with key stakeholders. The agreed document was discussed and agreed by the Regional Advisory Group. The RAN has been used to support the development of Area Plans and is now published in hard copy and on the EA website.
	4.2 To establish a network of Local Advisory Groups (LAG) to inform Youth Service Planning (PfY 4.6.2).	100% of EA defined areas with operational LAGS by November 2016.	Achieved	All EA Youth Service Sub-regional Areas have a LAG established. Induction and training is complete and the first RAG/LAG Conference held in March 2017.
	4.3 To develop an agreed Quality Assurance Framework for Youth Service (PfY 4.6.10).	100% of major funded groups to have an agreed Quality Assurance system in place by March 2017.	Achieved	All major funded groups have a Quality Assurance Statement. Research is complete to determine the variety of models and to celebrate the good practice.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
5. Support DE in meeting its statutory duties to encourage and facilitate Irish medium and integrated education.	5.1 By end March 2017, provide summary reports of the key areas supported for each statutory duty.	% of school leavers achieving Level 2 or above including English and Maths.	Achieved	Ensure IM and IE are integral to Area Planning governance and structures and play full role in developing draft Strategic Area Plan.
		<p>Gap between % of school leavers and % of FSME school leavers achieving at Level 2 including English and Maths.</p> <p>% of schools where provision for learning is good or better.</p>	Achieved	<p>Consultation on new School Improvement model to include discussion on capacity building to support IM and IE sectors.</p> <p>EA Board workshop on Irish Medium education to raise awareness of challenges and opportunities in the Irish Medium sector.</p> <p>Irish Medium Leaders conference planned for 10 February.</p> <p>Summary reports provided to DE as required.</p>
6. To work with schools and other stakeholders to improve outcomes for children and young people who face barriers or are	6.1 To develop a data-rich schools information system and analyse relevant data and information from other partners to enable EA to monitor, challenge and support	<p>% of school leavers achieving Level 2 or above including English and Maths.</p> <p>Gap between % of school leavers and % of</p>	Substantially achieved	SMT has approved the need for a Management Information Unit and has approved the appointment of NISRA Statistician within this Unit.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
at risk of social exclusion.	schools across a range of measures - identifying key groups of children and young people for specific/targeted intervention.	<p>FSME school leavers achieving at Level 2 including English and Maths.</p> <p>% of schools where provision for learning is good or better.</p>		<p>Reviewed and identified staff in EA whose role requires them to be responsible for data.</p> <p>Liaised with NISRA and in the process of developing a job description in conjunction with DE.</p> <p>Met with DE on delivering the owner of the information and responsibilities of the owner.</p> <p>School Development Service uses outcomes data to analyse school performance and identify schools at risk.</p> <p>Officers use available data to challenge and support schools in accordance with statutory responsibilities.</p>
	6.2 To support and challenge identified schools to improve their educational provision for children and young people who face barriers or are at risk of social exclusion.	<p>% of school leavers achieving Level 2 or above including English and Maths.</p> <p>Gap between % of school leavers and % of FSME school leavers achieving at</p>	Substantially achieved	<p>Discussion on new school improvement function ongoing.</p> <p>EA Board has established an Inequalities Working Group which will monitor impact of EA Actions on outcomes of children at risk.</p>

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
		Level 2 including English and Maths. % of schools where provision for learning is good or better.		First meeting of Inequalities Working Group held and programme of activity agreed. Risk analysis tool for schools under development in collaboration with DE.
	6.3 To identify good practice and develop opportunities for collaborative working and sharing in order to improve outcomes for children and young people who face barriers or are at risk of social exclusion.	% of school leavers achieving Level 2 or above including English and Maths. Gap between % of school leavers and % of FSME school leavers achieving at Level 2 including English and Maths. % of schools where provision for learning is good or better.	Substantially achieved	Discussion on new school improvement function ongoing. Meeting with School Development Service. Engagement with school support staff, DE and other partners planned for early autumn.
7. To effectively fulfil the EA's statutory Managing Authority and Planning Authority roles by implementing	7.1 Consult on a draft Area Plan (2017-20) for primary, post primary and special schools and produce a final Area Plan and 2017-18 Annual	Area Plan 2017-20 and 2017-18 Annual Action Plan published in line with agreed timetable. Number of Development	Achieved	Draft three year plan agreed in September and launched for consultation in October 2016. Consultation concluded in December 2016 and revised three year plan and annual action plan

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
the Sustainable Schools Policy through the Area Planning process.	<p>Action Plan by January 2017.</p> <p>7.2 Implement the 2016-17 Annual Action Plan.</p> <p>7.3 Effective chair and/or membership of relevant Area Planning governance structures through working collaboratively with all sectors.</p>	<p>Proposals published supported by robust cases for change.</p> <p>Completion of 2016-17 Annual Action Plan.</p> <p>Area Planning Working Group and Local Area Planning Group activity and agreed action inclusive of all sectors.</p> <p>% of school leavers achieving Level 2 or above including English and Maths.</p> <p>Gap between % of school leavers and % of FSME school leavers achieving at Level 2 including English and Maths.</p> <p>% of schools where provision for learning is good or better.</p>		<p>endorsed by the Minister in March 2017.</p> <p>Published on 28 April 2017.</p>

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
8. To carry out Statutory assessments of SEN and reviews of statements of SEN.	8.1 To continue to develop profiling and data relating to prevalence of SEN that will inform a future EA plan.	Action plans referencing service reviews progressed within target timeframes and enhanced consistency as per transitional action plan.	Likely to be achieved but with some delay	Autism Scoping Action Plan. Literacy, Down Syndrome, Hearing Impairment/Visual Impairment (Sensory) Scoping and Audit complete. While some service reviews have commenced, most will rely on engagement with schools, which is due to commence in October 2017.
9. To prepare for implementation of the revised SEN framework.	9.1 To make arrangements for the progression of provision as set out in the SEND Act.	Awareness sessions for Principals and SENCOs progressed and Regional Governor training programme. Preparations made for the publication of a plan of arrangements for SEN provision in 2017-18. Independent Mediation Service planned and tender preparatory	Likely to be achieved but with some delay	Presentation completed and delivered to some Principals.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
		work undertaken.		
10. To develop a regional approach to the delivery of the current SEN Framework.	10.1 To continue to profile SEN provision across EA and develop provision to increase equity of access to specialist provision.	Data gathered and reported on monthly basis.	Likely to be achieved but with some delay	Action Plan underway with some aspects completed. Delay in recruitment of staff impacted on programme.
11. To carry out Statutory assessments of SEN through to issue of final statement and reviews of statements of SEN.	11.1 Statutory assessments of SEN through to issue of final statement and reviews of statements of SEN completed in 2016-17, to be carried out within the time frames set out in the 1996 Order, SEN Regulations and Code of Practice, subject to permitted exceptions.	100% achieved.	Substantially achieved	EA uses EMS reports from the five offices to provide data in relation to this descriptor. Although difficulties with the EMS system persist, the aggregated information provides evidence on the regional profile.
	11.2 Initial appointment with Educational Psychology services at Stage 3 of the Code of Practice to take place during 2016-17 as soon as possible but within a maximum of 6 months from the	100% achieved.	Substantially achieved	The EA uses EMS reports from the 5 offices to provide data in relation to this descriptor. Although difficulties with the EMS system persist, the aggregated information provides evidence on the regional profile.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	date of referral to EA.			
	11.3 Ensure that EA is ready to meet the changes to statutory requirements as specified in the new SEND Act and associated regulations.	Capacity building with all relevant staff.	Likely to be achieved but with some delay	<p>Final DE revised regulations and CoP still to be approved by NI Assembly.</p> <p>Analysis and consideration of steps to be taken by EA and potential challenges to ensure compliance shared with DE.</p> <p>Statutory documentation has been amended where appropriate.</p> <p>Amendments have been made to EMS to accommodate revised timeframes.</p> <p>Draft action plan drawn up to be finalised when regulations and revised CoP completed.</p> <p>Officer training and awareness progressed, further work in relation to Capacity Building and training for schools regarding SEND Act will continue when final approval is given to revised regulations and CoP.</p>

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
				<p>All CYPS services ensure voice of the child is included in revised and new documentation and procedures.</p> <p>Audit of potential “Capacity” issues completed to inform preparation for 2018.</p>
	11.4 Develop and deliver training to BOGs, Principals and school staff in respect of the changes to the statutory requirements as set out in the new SEND legislation.	Training delivered.	Likely to be achieved but with some delay	<p>Final DE revised regulations and CoP to be approved by NI Assembly. Awareness training programme delivered to EA CYPS Committee, Board Members, officers and some Principals and teachers.</p> <p>Initial discussions with Teaching Unions undertaken SENCo accreditation is being explored in preparation for tender.</p> <p>Job descriptions drawn up to appoint support officers to progress BoG and training for staff in schools.</p>
12. To develop an SEN Early Years Inclusion Service.	12.1 To develop an EA Early Years’ Service ensuring consistency of approach across the EA for early years provision.	Appointment of a Regional Adviser for SEN Early Years Inclusion Service.	Achieved	Interim HOS nominated January 2017. Job Description and Job Evaluation process for enduring HOS post complete. Engagement with Unions facilitated

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
		<p>Development of a Regional Model of provision for SEN Early Years.</p> <p>Quarterly progress report on the development of the regional model, detailing how EA is delivering against the project objectives, as set out in DE letter of 12-04-16.</p>	Likely to be achieved but with some delay	<p>regarding enduring HOS post. Appointment to enduring post anticipated as part of a co-ordinated regional recruitment process, separate to that of the ADs, commencing May 2017. Interim HOS has completed a scoping and audit of current staffing and service delivery arrangements.</p> <p>Interim Service delivery arrangements for September 2017 approved and being developed. An interim regional staff structure being developed in partnership with Corporate HR for September 2017.</p> <p>Engagement sessions with staff have been held as part of Service alignment process.</p> <p>Early Years SEN panel planned commencing May 2017 to align access arrangements to Early Years SEN Services and bring a regionally consistent approach. Due to purdah, necessary consultations have not taken place with resulting impact on the</p>

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
				implementation of a regional model.
13. To ensure efficient and effective delivery of Autism, Behaviour Supp., EOTAS, Hearing Impairment, Speech and Language and Visual Impairment Services.	13.1 Commence service reviews in five areas (Autism, Behaviour Support and EOTAS, Hearing Impairment, Speech and Language and Visual Impairment).	Actions in Service Review Action Plans achieved and feedback provided to DE.	Likely to be achieved but with some delay	Behaviour Support/EOTAS scoping audit undertaken. Commencement of work on scoping services in vision, hearing, behaviour support, EOTAS, autism. Service reviews in these areas will only commence after extensive engagement with schools.
	13.2 In selected areas across CYPS identify interim regional managers with the appointment of regional Heads of Services progressed as part of enduring service delivery model during 2016-17.	Officers identified and recruitment progressed.	Substantially achieved	Interim regional managers identified, enduring Heads of Service jobs developed, job evaluated and agreed with trade unions. Recruitment exercise, separate to that of the Assistant Directors, commencing May 2017. Some posts have been filled. Recruitment in relation to remainder will commence in September 2017.
	13.3 To provide appropriate supports to children with additional educational needs to ensure they fulfil their	Actions in TESS and IDS Delivery Plans achieved.	Achieved	Ongoing support to schools re placement, attendance, cultural awareness. Assisting families in finding a school place.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	educational potential.			<p>Assisting with pupil and family welfare Issues (transport, FSME, uniform, materials).</p> <p>Provided Traveller cultural awareness information and training support materials to schools.</p> <p>Cultural awareness via on-line training for 50 teachers and classroom assistants through QUB, with over 50 hours of coursework per participant completed.</p> <p>Provision of 1,473 separate interpreting transactions with 34 different languages at a total cost of £84,000.00.</p>
14. To secure an increase in the overall school attendance rate.	14.1 Throughout 2016-17 to implement actions to improve attendance at primary and post-primary schools with attendance levels below 90%.	<p>Data Collation to identify schools with less than 90% attendance.</p> <p>Service Level Agreements agreed with targeted schools.</p> <p>Facilitate a regional celebration of full attendance.</p>	Achieved	<p>Data collection ongoing.</p> <p>Schools with attendance levels below 90% have been identified. Service Level Agreements in place.</p> <p>Checklist used in schools to raise the profile of attendance and to address</p>

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
				<p>issues/concerns that schools may have. Full attendance presentation completed in December 2016.</p> <p>Moving Forward application in place.</p> <p>Creative tools e.g puppetry in place to engage children and young people and improve attendance.</p> <p>Partnerships with Youth Service established.</p> <p>Multi-Disciplinary work ongoing.</p> <p>Use of court mechanisms as appropriate.</p>
	<p>14.2 In line with the recommendations arising from the 2014 NIAO and PAC Improving Attendance reports, review the provision of Education Welfare Services to ensure the provision is efficient, effective and consistent.</p>	<p>Follow up on actions as set out in Action Plan to address the issues identified in NIAO Follow-up Report on Pupil Attendance in support of DE Attendance strategy.</p> <p>Establish a single service for EWS with a</p>	<p>Substantially achieved</p> <p>Achieved</p> <p>Likely to be achieved but</p>	<p>Most actions achieved – some will go forward into 2017-18 year.</p> <p>September 2016 - single interim manager for EWS in place. Separation of EWS and CPSSS.</p> <p>Review of the EWS has begun and will form a key</p>

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PROGRESS AGAINST KEY PERFORMANCE INDICATORS

2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
		defined management structure. To begin to profile the form and function of the EWS on a regional basis to ensure a consistent model of service delivery.	with some delay	aspect of work in the 2017-18 year.
15. To meet responsibilities under Article 86 of the Education (Northern Ireland) Order 1998 to make suitable EOTAS provision for children of compulsory school age.	15.1 Commence scoping and review of EOTAS provision to inform future planning and alignment of practice / services for pupils requiring EOTAS provision or other behavioural support services.	Identification of an interim manager to scope the work.	Achieved	Interim manager identified.
		Audit of existing provisions and gaps.	Achieved	Scoping audit undertaken.
		A report on the review outcomes and recommendations be produced and shared with DE.	Substantially achieved	Report completion end May 2017.
	15.2 Full compliance with DE EOTAS Guidance (2014).	This will be progressed further to completion of the full review of the provision of EOTAS.	Likely to be achieved but with some delay	Action plans to address DE EOTAS guidance compliance issues identified through ETI inspections of EOTAS provisions. Stakeholder engagement to begin in autumn term 2017 re: EOTAS.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	15.3 To meet the requirements of Article 86 of the Education (NI) Order 1998, to make suitable and timely Education Otherwise Than At School (EOTAS) provision for all children requiring it, including (following DE restructuring) Woodlands Juvenile Justice Centre.	This will be progressed further to the completion of a Service Level Agreement and A Memorandum of Understanding.	Substantially achieved	Engagement with stakeholders meetings. MOU and SLA in final draft. TUPE discussions commenced.
16. To ensure a regional approach to meeting the educational needs of looked after children (LAC).	16.1 To deliver on actions in relation to the EITP Looked After Children (LAC) Project. 16.2 To profile the current support provided to LAC and Schools by EA Services.	Appointment of a LAC Champion. Scoping exercise of existing provision completed. To begin to develop the pilot project targeted at KS2.	Achieved Achieved Achieved	LAC Champion in post since Sept 2016. Stakeholder events completed. Benchmarking Exercise completed. Options Paper being prepared. KS2 Cohort of children identified.
17. To provide support for Traveller, Roma and newcomer pupils.	17.1 To monitor service delivery against agreed plans with key performance indicators in respect of support provided for	Key targets identified and actioned in line with models of service delivery.	Achieved	TESS provided support to 167 schools during the 2016-17 year; IDS provided support to 450 schools including school visits and 248 help desk responses.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	Traveller pupils, Roma pupils, newcomer pupils and school-aged mothers.			Supporting the VPRS Scheme - during the 2016-17 year, EWS and IDS have supported the arrival and placement in schools of children from 6 tranches of refugees (approx 157 children). SAMS Programme in place across NI - during the 2016-17 year approx. 100 SAMS were supported.
18. To provide a Child Protection Service for Schools.	18.1 To provide support to schools and statutory nursery settings, via CPSSS, regarding Child Protection.	Establishment of a single service for CPSSS with a defined management structure. Provision of a CPSSS telephone help line for schools.	Achieved Achieved	Recruitment of Regional Head of Child Protection Service . Establishment of a regional sharepoint team site. Minutes of bi-monthly regional team meetings. Establishment of regional daily duty calendar. EMS reports on data.
	18.2 To ensure that the work of the service reflects agreed SBNI Policy and Procedures as they relate to partner organisations	Continued attendance at SBNI Board Meetings. Representation at local safeguarding Panel Engagement with SBNI working groups	Achieved Achieved	Minutes of Meetings. Minutes of the 5 safeguarding SBNI panel committee meetings. Minutes of all SBNI working groups: Policy and Procedures, E

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
		to inform policy and procedures in NI. Review model of service delivery.	Achieved	Safety, Neglect, Child Sexual Exploitation (CSE), Female Genital Mutilation (FGM). Minute of Child Protection and Adult Safeguarding Committee meeting: Extension of the remit of the CPSSS - Inclusion of Youth service safeguarding and child protection arrangements.
	18.3 To assist the EA in fulfilling its duties in relation to the Children (Public Performances) Regulations (NI) 1996 (14)).	CPSSS to review procedures to ensure consistent approach to review of licence applications, issue licences; approve chaperones and provide the relevant child protection training.	Substantially achieved	Procedures reviewed. Recruitment commenced for the creation of a single business unit for the EA Children in Entertainment and Employment Team (CEET) completion date June 2017.
	18.4 To assist schools in carrying out their child protection obligations by providing support.	Attendance at Multi Agency Risk Assessment Conferences (MARAC); Case Management Reviews. Assisting schools in	Achieved Achieved	Minutes of all MARAC meetings. Creation of a single MARAC database for pupil/school tracking. Visits to school and minutes of Risk

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
		completing Risk Management plans as appropriate.		assessment meetings for pupils displaying harmful sexual behaviour (HSB).
19. To ensure the provision of efficient and effective generic and targeted youth services, taking account of actions in the Regional Youth Development Plan and Priorities for Youth.	<p>Youth Services: Priority 2 actions (ref Priorities for Youth).</p> <p>19.1 To ensure the provision of generic youth services in line with assessment of need (PfY 4.8.3).</p>	Maintain level of generic provision by March 2017, compared to 2015-16.	Achieved	<p>The EA completed the following funding schemes providing support for generic and targeted youth services whilst maintaining the level of youth provision:</p> <ol style="list-style-type: none"> 1. Part-time voluntary units grant aid scheme. 2. Full-time grant-aided/sponsorship scheme. 3. Summer Intervention Scheme. 4. Irish Medium Scheme. 5. TBUC: Camp Scheme. 6. Inclusion Scheme. 7. Extended Provision Scheme. <p>These resources were allocated based on the assessed need identified with the RAN.</p>
	19.2 To increase access to mainstream youth services in disadvantaged areas and support the specific targeting of disadvantaged	Increase level of provision by March 2017, compared to 2015-16.	Achieved	Through the provision of additional funding a range of programmes were successfully completed to increase access to mainstream youth provision including:

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	<p>areas, communities of interest and young people at greater risk of social exclusion, marginalisation or isolation through outreach and detached youth work. (Action related to DE allocation of earmarked funds – TSN).</p>			<ol style="list-style-type: none"> 1. Extended Provision Scheme completed with units in the top 25% MDM. 2. Inclusion Scheme completed supporting Section 75 groups. 3. School based programmes delivered in targeted schools support those young people who are experiencing barriers to learning. 4. Peripatetic Outdoor Education Services support youth and schools programmes. 5. Duke of Edinburgh Award completed with young people who do not normally access youth services. 6. Social Action Programmes in Areas of Deprivation.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
20. To contribute to the updating of the CRED policy and to develop plans for its continued support and implementation for schools and statutory youth work settings.	20.1 Imbed Community Relations, Equality and Diversity (CRED) in RYDP and local Area Plans (PfY Page 4.8.5) taking account of the particular needs of those of differing sexual orientation, racial group and disability.	CRED referenced in RYDP and 100% of Area Plans taking account of the particular needs of those of differing sexual orientation, racial group and disability.	Achieved	The Regional Youth Development Plan, Local Area Plans and Unit Action Plans have CRED targets embedded, based on assessed need.

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3. Education Priority: Developing the Education Workforce				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
21. To work with DE and other stakeholders to support the implementation of 'Learning Leaders: a strategy for teacher professional learning.'	21.1 Establish a system-wide culture of collaboration and sharing through partnership working which supports the implementation of the Teachers Professional Learning (Learning Leaders) strategy.	<p>% of school leavers achieving Level 2 or above including English and Maths.</p> <p>Gap between % of school leavers and % of FSME school leavers achieving at Level 2 including English and Maths.</p> <p>% of schools where provision for learning is good or better.</p>	Substantially achieved	<p>TPL strategy approved by EA Board in April 2016.</p> <p>Interim structure for SDS in place and shared with other partners.</p> <p>Discussions on new and enduring school improvement function ongoing. It includes capacity for implementation of the TPL strategy. Meetings with potential delivery partners have taken place.</p> <p>Meeting with DE Director to plan next phase of implementation.</p>

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3. Education Priority: Developing the Education Workforce				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
22. To support the professional development of school staff other than teachers.	22.1 Establish a system wide culture of collaboration through partnership working which supports the development and implementation of a professional development strategy for school staff other than teachers.	<p>% of school leavers achieving Level 2 or above including English and Maths.</p> <p>Gap between % of school leavers and % of FSME school leavers achieving at Level 2 including English and Maths.</p> <p>% of schools where provision for learning is good or better.</p>	Substantially achieved	<p>Interim structure for SDS in place and shared with and other partners.</p> <p>Initial meetings with DE, CCMS, ETI and Principals underway.</p> <p>Further engagement planned.</p>
23. To provide advice and training to EA and school staff and wider education stakeholders regarding Child Protection.	23.1 To provide advice and training to EA and school staff and wider education stakeholders to help them meet their statutory duties in respect of the welfare and protection of pupils under the Education and Libraries (Northern Ireland Order) 2003.	Training packages related to Child Protection Training for designated teachers; Principals, Governors and EA Services (CPSSS) and across the early years and youth sectors delivered/updated and advice provided.	Substantially achieved	<p>CPSSS training schedules School Governors Handbook Course Evaluations.</p> <p>Youth sector training not completed - to be delivered in the summer term - June 2017.</p>

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PROGRESS AGAINST KEY PERFORMANCE INDICATORS

3. Education Priority: Developing the Education Workforce				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	<p>23.2 To ensure child protection training for EA staff who have access to school pupils e.g. Behaviour Support Team, Music Service, Autistic Spectrum Advisory Team, School Counsellors, CASS Officers, LAC, Youth Services*. *This list is not exhaustive.</p>	<p>Training needs to be identified through a training needs analysis and training commissioned or provided by the EA.</p>	Substantially achieved	<p>Draft EA Child protection training strategy developed in line with the SBNI Child Protection and Safeguarding Learning and Development Strategy.</p> <p>Draft Training Needs Analysis developed - completed by June 2017.</p>
	<p>23.3 To ensure that Services who are regulated by an external body e.g. EWS and EPS are supported in achieving the requirements of their registration.</p>	<p>Appropriate training identified and provided in line with business need.</p> <p>Continued registration of EWOs and Educational Psychologists.</p> <p>Enhanced service delivery as the result of ongoing capacity building of staff.</p>	Achieved	<p>EWS and EPS engage in a number of formal and informal professional development opportunities which satisfy the requirements of their registration.</p>

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3. Education Priority: Developing the Education Workforce				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
24. To ensure the provision of efficient and effective generic and targeted youth services, taking account of actions in the Regional Youth Development Plan and Priorities for Youth.	24.1 To develop a Practice Development Strategy for the Youth Service to provide staff development and training opportunities that will develop and maintain a high quality service to young people (PFY 413.1).	Strategy developed by September 2016.	Achieved	<p>A Practice Development System was established with targets achieved regarding:</p> <ol style="list-style-type: none"> 1. Inspection Support - a model of practice devised. 2. QAS Support - an audit of good practice. 3. Work Force Development - a strategy developed. 4. Child Protection and Safeguarding - Strategy developed and delivered with voluntary and statutory service. Study visits complete on key issues raised within RYDP.
	24.2 To develop an initial programme of Professional Development for senior Youth Service staff to establish a high quality service to young people (PFY 4.13.4).	Programme initiated by March 2017.	Achieved	<p>A programme of training was devised, delivered and evaluation for all senior managers on key issues:</p> <ol style="list-style-type: none"> 1. Leadership Development. 2. Support and Supervision. 3. Strategic Planning.

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3. Education Priority: Developing the Education Workforce				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
25. To ensure the effective use of resources through effective recruitment, workforce planning and productivity interventions.	25.1 Continue to support Boards of Governors, School Principals and line managers to reduce teaching and school based non-teaching staff absence.	<p>Target for teacher sickness absence of 6.4 days per annum.</p> <p>Target for central EA staff absence of 5.5%.</p> <p>Accounting Officer report on the issue of "Staff Absences for prolonged periods for reasons other than Sickness" at GAR meetings.</p> <p>A managing attendance strategy for all non-teaching staff in place by March 2017.</p>	Substantially achieved	<p>Sickness reports for the third quarter indicate that teaching and non-teaching sickness targets for 2016-17 will not be achieved. Discussion required with DE on establishing targets.</p> <p>Training sessions with BoGs and first time Principals have been delivered.</p> <p>Identified the worst performing schools and actively working with these schools to reduce sickness levels. EA has undertaken an audit of teacher sickness absence and the recommendations arising will be progressed going forward.</p> <p>Successfully tendered and appointed the first single provider of occupational health services.</p> <p>The DE Managing Attendance Forum continues to meet but limited progress has been made on the Managing Attendance Strategy for non-teaching staff.</p>

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3. Education Priority: Developing the Education Workforce				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	25.2 To review and embed the new Teaching Appointment Scheme to ensure that the procedures are effective and focused on ensuring the high calibre and capability of those appointed.	Deliver schedule of training sessions on new scheme to Boards of Governors and Principals (June 2016).	Substantially achieved	The new Teaching Appointment Scheme has been embedded, a Review of the Scheme has also been completed and recommendations for further areas for improvement have been identified and will be recommended to MTAC for approval.
	25.3 To continuously improve the provision and governance of a flexible school based workforce and to ensure we meet our obligations as a good employer.	By Autumn 2016 to have completed 50% of the exercise to regularise the tenure of substitute teachers engaged.	Substantially achieved	A regularisation exercise for teachers on the substitute teaching register has been completed.
	25.4 Effectively liaise with schools, DE and other employers exercising due diligence in the management of the Strategic Cost Base Reduction Programme.		Substantially achieved	HR continues to work with schools in the deployment of classroom assistants and this year a regional approach to the redeployment of non-teaching staff has been introduced. The Strategic Cost Base Reduction Programme continues to be supported by HR and due diligence is applied in terms of EA's employing authority and funding authority roles.

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3. Education Priority: Developing the Education Workforce				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	25.5 Review all cases where teachers have been suspended, in particular the length of time some are taking to reach resolution.		Substantially achieved	A mechanism for the regular review and reporting of teacher suspensions is in place with DE. Interventions by Directors and EA officers occur where delays are deemed to be unacceptable.
	25.6 Successful implementation of the Performance Review & Staff Development (PRSD) Scheme in all Controlled Schools.		Substantially achieved	The PRSD scheme continues to operate in accordance with agreed procedures. External advisers are appointed and training is provided to Boards of Governors. Objectives continue to be submitted to EA in line with agreed PRSD cycle.

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PROGRESS AGAINST KEY PERFORMANCE INDICATORS

4. Education Priority: Improving the Learning Environment				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
26. To promote and facilitate co-operation, collaboration and sharing in the delivery of education.	26.1 Maximise the opportunity for effective engagement with all stakeholders through Area and Community Planning Structures.	Active participation on LGD community planning and education priorities reflected in Community Plans.	Achieved	Collaborative work with DE, DFC, CCMS (statutory education partner) and other statutory community planning partners is in place. EA representation on all local Community Planning strategic partnerships agreed. EA response to Local Community Plans approved. Process of launching community plans underway across the 11 Local Government Districts.
	26.2 Effectively engage with Local Government Districts and fulfil EA role as a statutory community planning partner.	On a date as requested by the Department, report on the extent to which EA has complied with the power placed on it and the duty to consider shared education.	Achieved	Operational local planning groups emerging, supported by EA representatives from Operations and Estates, Education and CYPs directorates. Internal management arrangements to ensure compliance with statutory community planning partner responsibilities under review.
	26.3 Encourage, facilitate and promote shared education by developing the use and sharing of the schools estate including shared campuses.	DSC SESP measures as agreed in OBA Framework % of school leavers achieving Level 2 or above including English and Maths.	Achieved	First meeting of Community/Use of Schools Committee to agree terms of reference and consider guidance to schools on community use. Ensure sharing is incorporated into the Area Planning discussion and is central to the draft Strategic Area Plan 2017-20. Establish the EA Board Shared Education Committee (SEC) and agree terms of reference and work programme. Disseminate and support third call for Shared Education campuses.

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PROGRESS AGAINST KEY PERFORMANCE INDICATORS

4. Education Priority: Improving the Learning Environment				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	26.4 Comply with the duty set out in section 2(3) of The Education Act (Northern Ireland) 2014 relating to shared education and the duties placed on EA in the Shared Education Act (Northern Ireland) 2016	<p>Gap between % of school leavers and % of FSME school leavers achieving at Level 2 including English and Maths.</p> <p>% of schools where provision for learning is good or better.</p>	Achieved	EA has established a Shared Education Standing Committee in line with the 2016 Act. EA supports the establishment of shared education partnerships and facilitates shared collaborative activity through externally funded shared programmes such as the DSC Signature Project and SEUPB Peace IV funding. The Youth service and School Development Service promote and support shared activity. Shared solutions are an integral part to the Area Planning Process. The Shared Campus application process is facilitated and successful applicants supported. A dedicated Advisory Officer is working with the Strule Shared Campus group to support shared curricular delivery.
	26.5 Delivery of 2016-17 targets for the DSC Shared Education Signature Project [<i>and Peace IV Shared Education call</i>] within agreed timescale.		Achieved	<p>Develop with relevant partners a Peace IV bid (Shared Education) by November 2016.</p> <p>Develop a CPD strategy for partnership schools that includes partnership support and school to school support.</p> <p>Support partnership schools to overcome project start-up issues related to Union action.</p> <p>Develop a school to school support commissioning model as a new delivery strand for the remainder of the signature project.</p>

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4. Education Priority: Improving the Learning Environment				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
27. To ensure the provision of efficient and effective generic and targeted youth services, taking account of actions in the Regional Youth Development Plan and Priorities for Youth.	Youth Services: Priority 4 actions (ref Priorities for Youth). 27.1 Implementation of recommendations arising from the Review of Residential and Outdoor Education (PfY 4.20.1).	Phase 1 of Implementation Plan complete by March 2017.	Partly achieved	The Review of Residential and OEC was approved by the EA and a public consultation completed by 7 February 2017.
	27.2 To develop and implement a pilot model for Network for Youth (PfY 4.20.3).	Pilot Programme developed and implemented by March 2017.	Achieved	A pilot Network for Youth was completed and evaluated, providing recommendations for the way forward.
	27.3 To develop a Small Grants Programme to strengthen the participation of young people as decision makers (PfY 4.20.5).	Funding under Small Grants Programme to be distributed by October 2016.	Achieved	A Small Grants Scheme was piloted and evaluated, providing recommendations for the way forward.
	27.4 To develop a new Funding Scheme for Voluntary Youth Organisations on the basis of identified need at a local and regional level (PfY 4.24.1).	New Funding Scheme agreed by January 2017.	Partly achieved	A Programme Board was established with significant engagement with key stakeholders. A draft scheme has been prepared for public consultation.

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4. Education Priority: Improving the Learning Environment				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
28. Deliver on time and in budget the 2016-17 Capital & School Enhancement Programme to a high standard and in support of a flexible learning environment.	28.1 Develop a robust accountability framework for the delivery of the key capital projects to identify progress against key milestones for delivery and spend which enables early alerts and prompt remedial action.	Monthly performance monitoring against financial and service delivery profile and establishment of internal accountability review process to ensure corrective actions are agreed and delivered where necessary.	Achieved	<p>All capital allocations have been spent in full by 31 March 2017.</p> <p>Profiling of capital programmes in single consistent formats have been completed. Operational delivery profiling and financial monitoring is now integrated. Monthly Capital Accountability Review meetings have taken place since September 2016 and the 2017-18 carry forward commitment has been established in line with the initial allocation of capital from the Department for 2017-18.</p>
	28.2 Develop a methodology for the prioritisation of minor capital works on a region wide basis and implement and review.	Monthly performance monitoring against financial and service delivery profile and establishment of internal accountability review process to ensure corrective actions are agreed and delivered where necessary.	Achieved	<p>A regional prioritised minor capital works programme has been developed and formed the catalyst for project delivery in the 2016-17 year. This prioritised list has also identified the first projects of 2017-18 and will be updated in late 2017 following the planned new call to schools for minor capital projects. Detail of minor works delivery progress and spend is now monitored as part of the internal process outlined in 28.1, on a project-by-project basis.</p>

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4. Education Priority: Improving the Learning Environment				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	28.3 Work in partnership with DE and other sectors in ensuring appropriate EA contribution and support across the full education capital programme	Monthly performance monitoring against financial and service delivery profile and establishment of internal accountability review process to ensure corrective actions are agreed and delivered where necessary.	Achieved	<p>EA has worked across sectors on the delivery of major, SEP and minor capital work projects on behalf of non-controlled sector schools. It has also both led and assisted with shared campus development in conjunction with DE, CCMS and the BoGs of voluntary schools.</p> <p>A process of how best to mainstream the delivery of minor works across non-controlled sector school has been agreed, with the Authority moving to align its working practices to the same programme approach used by DE.</p>
29. To ensure that the EA school and non-school estate is safely maintained and is efficient in use.	29.1 To deliver a programme of statutory and response maintenance works across school estate within available budget.	Compliance with statutory standards.	Substantially achieved	<p>Building upon the transformation work in 2016-17 to establish consistency and alignment of existing recurrent maintenance procedures and practices, a full current statutory list has been defined for each area of building, electrical, mechanical and environmental. The cost of the full Authority programme compliance is being established as a bench mark. In parallel work has commenced to align to each office an achievable programme of with both available internal staff resources and external TSC resources as well as costs and timescales.</p>

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4. Education Priority: Improving the Learning Environment				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	29.2 To deliver fire safety works in line with assessment.	Business continuity.	Achieved	<p>EA has completed a targeted programme of investment in prioritised fire safety projects that have improved the safety and integrity of the estate for all users.</p> <p>EA has developed a medium term strategy for further targeted investment, subject to sufficient capital funding, to further improve fire compliance across its school and non-school estate.</p>
	29.3 To undertake an EA accommodation review.	Completed accommodation review with clear recommendations for the future configuration of accommodation.	Substantially achieved	<p>EA has developed a specification for the administration accommodation strategy project and has instructed CPD to raise an order for professional support through the SIB Asset Management Professional Services Framework. This tender is ongoing as of 31 March 2016. This is governed by way of a Project Board involving EA and SIB.</p> <p>EA has agreed to join a new working group with DE and SIB to consider its administration accommodation needs in more detail and in line with its ongoing regionalisation of services.</p>

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5. Education Priority: Transforming the Governance and Management of Education				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
30. Work with all relevant partners to implement the EA plan for re-organisation and regionalisation of services.	30.1 Make recommendations to DE in respect of the appointment of permanent Chief Executive.	Commence the recruitment of the CE post in 2016 and make a recommendation to the DE re the preferred candidate.	Achieved	<p>Job Description and Job Specification developed.</p> <p>Timetable for appointment agreed by Board.</p> <p>Recruitment process commenced by the Board and recommendation not to appoint and to re-engage agreed with the Department. Process re-engaged following the election and the nomination of board members.</p>
		<p>Develop and implement a cut-over interim structure.</p> <p>Commence appointment of Assistant Directors and Heads of Service.</p> <p>Continue to offer VES to staff and</p>	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p>	<p>Transition from the RMD structure (geographic) to the Directorate structure (functional) successfully achieved. Cut-over interim structures developed by Directors and successfully implemented.</p> <p>Assistant Director appointments in progress.</p> <p>VES ongoing with the transition being managed and aligned</p>

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5. Education Priority: Transforming the Governance and Management of Education				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
		<p>manage the transition.</p> <p>New Structure at CE, Director and Assistant Director implemented in 2017.</p> <p>Detailed plans on regionalisation of services and resultant savings provided to DE by 30 September 2016.</p>	<p>Substantially Achieved</p> <p>Achieved</p>	<p>with the cut-over interim structure.</p> <p>Top two layers of the structure fully implemented with appointment of Directors and the interim CE filling the CE post. Current recruitments for the Assistant Director posts, which will fill shortly, will complete the implementation of the new structure.</p> <p>Directorates have submitted detailed plans and their resultant savings to their respective Committees and Board for discussion and decision. Discussions on progress towards delivery of the plans have been held with the DE Permanent Secretary and EA Chair at Governance and Accountability meetings, and at meetings between DE and EA Directors.</p>
	30.3 Commence the development of the EA Corporate Plan	Timeline for the development of plan outlined and	Achieved	Workshops with Board Members, SMT, Directors and detailed consultation with staff

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5. Education Priority: Transforming the Governance and Management of Education				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	with and through Directors and the Board Members.	<p>agreed by Board by July 2017. Strategic direction commenced by August.</p> <p>Corporate Plan commenced by August.</p> <p>Consultation underway with stakeholders by October 2017.</p> <p>Completed plan in financial year 2017-18.</p>	<p>Achieved</p> <p>Achieved</p> <p>Substantially achieved</p> <p>Substantially achieved</p>	<p>underpin the development of the Draft 10-year Strategic Plan.</p> <p>Agreed through SMT, Board and DE.</p> <p>The Corporate Plan will be a three year subset of the 10 year strategic plan and the annual EA business plan will be a single year slice of those objectives/targets.</p> <p>Public consultation exercise commenced with the agreement of the Department to proceed on 3 April to 30 May 2017. Draft Strategic Plan equality screened without mitigation.</p> <p>Public consultation exercise commenced with the agreement of the Department to proceed on 3 April to 30 May 2017.</p>
	30.4 Commence the establishment of policies and procedures relating	Policy list identified. Service area considered for	Substantially achieved	Interim arrangements in place until communications

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5. Education Priority: Transforming the Governance and Management of Education				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	to information management (to include Data Protection, Freedom of Information, Assembly Questions and Records Management).	review and prioritised. Where prioritised policy established.		structure is implemented.
	30.5 Finalise and publish the EA's Publication Scheme.	Publication Scheme published by January 2017.	Substantially achieved	Interim draft developed. Publication Scheme implemented.
	30.6 Develop and implement the EA Complaints Policy.	Policy developed approved and published by August 2016. Communication Plan developed and commenced roll out by November 2016.	Achieved	Complaints Policy implemented March 2017.
	30.7 Establish a Communication Strategy for EA.	Develop communications structure and obtain approval from CE by September 2016. Commence discussions with Board Members on the strategy. Strategy established by end	Achieved	Board communications workshop held on 21 June 2016. Interim Strategy agreed by Board 29 September 2016.

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5. Education Priority: Transforming the Governance and Management of Education				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
		of last quarter of 2016-17.		Communication Strategy established for EA.
	30.8 Develop Corporate Standards for EA.	Developed style guide by July 2016. Fully developed Corporate Standards by December 2016.	Achieved	Corporate Standard Style Guide and Branding Guidelines developed August 2016, incorporating: <ul style="list-style-type: none"> • Compliment slips; • Letterhead templates; • Office templates.
	30.9 Develop and implement an Audit Plan for EA.	Audit Plan developed and implemented by target date by April 2016.	Achieved	Audit plan completed and approved by Audit and Risk Assurance Committee members.
	30.10 Develop a Corporate Risk Register	Risk Register to be updated on a quarterly basis. Directors to develop their directorate risk registers to form part of the Corporate Risk Register.	Achieved Achieved	Corporate risk register completed on a quarterly basis, supplied for consideration to the Audit and Risk Assurance Committee and to department as requested. Directorate Risk Registers developed and presented to a specially convened Audit and Risk Assurance Committee meeting in February 2017.
	30.11 Submit Annual Equality Report to the	Report drafted submitted by end of August 2016.	Achieved	Annual Report submitted to Equality Commission.

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5. Education Priority: Transforming the Governance and Management of Education				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
	Equality Commission			
	30.12 Provide training in respect of Equality and Human Rights to Board Members, Directors, Assistant Directors and Service Managers before end of March 2017.	<p>Develop a training programme for the Board, SMT, Senior Management and selected staff.</p> <p>Commence the training programme with the Board and SMT by September 2016.</p> <p>Roll out training thereafter to staff.</p>	Likely to be achieved with some delay	<p>Chief Executive of Equality Commission addressed the Board.</p> <p>Training for senior and service managers delayed awaiting appointments of the Assistant Directors.</p>
	30.13 Develop EA Stakeholder Engagement Strategy	Develop Strategy by end of March 2017.	Substantially achieved	Draft Strategy developed and due to go out to consultation in 2017.
31. Work with all relevant partners to implement the EA plan for re-organisation and regionalisation of services.	31.1 Establish a school improvement function in consultation with key stakeholders including schools which is a regional service delivered in a local district council context.	<p>% of school leavers achieving Level 2 or above including English and Maths.</p> <p>Gap between % of school leavers and % of FSME school leavers achieving at Level 2 including English and Maths.</p> <p>% of schools where provision for learning is good or better.</p>	Substantially achieved	<p>Interim structure for SDS in place and shared with other partners.</p> <p>Initial meetings with DE, CCMS, ETI and Principals have taken place. Further engagement planned.</p> <p>Consultation on new school improvement function underway. Meeting with SDS took place in July and September 2016.</p>

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5. Education Priority: Transforming the Governance and Management of Education				
EA Objectives	Actions / Commitments	Measures	Position Report @ 31 March 2017	
			Status descriptor	Evidence to support status descriptor
				Engagement with schools carried out September and October.
32. Support and challenge schools to improve governance which ensures that Governors carry out their statutory responsibilities and hold the Principal to account for the achievement of pupils.	32.1 Review the School Governance support function of the EA.	<p>% of school leavers achieving Level 2 or above including English and Maths.</p> <p>Gap between % of school leavers and % of FSME school leavers achieving at Level 2 including English and Maths.</p> <p>% of schools where provision for learning is good or better.</p>	Substantially achieved	<p>Interim structure for SDS in place and shared with schools and other partners.</p> <p>Initial meetings with DE, CCMS, ETI and Principals have taken place</p> <p>Draft enduring structure for Directorate identifies capacity at a senior level for governance support.</p> <p>Interim regional governance team established.</p> <p>Governor training programme in place for 2016-17.</p> <p>EA Board actively monitors impact of governance.</p>
33. Ensure delivery of an efficient and effective support service.	33.1 Ensure full CoPE accreditation for EA across goods and services and construction.	Full project plan developed identifying key milestones and deliverables for achievement of CoPE.	Likely to be achieved but with some delay	In January 2017 an internal review was completed which provided the Authority with the information required to be in a state of readiness for a

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				<p>formal CoPE Accreditation review.</p> <p>Programme of work developed based on the 12 recommendations made by the review team and EA is working towards June 2018 as the indicative timescale for completion of the EA CoPE Accreditation process.</p>
	33.2 Undertake a review of catering services to ensure harmonisation and maximum efficiency.	<p>Single set of standards and terms and conditions for staff.</p> <p>Implementation of PEDU recommendations.</p>	Substantially achieved	<p>Initial benchmarking reports from APSE currently being reviewed and considered to identify action plan and acknowledge best practice.</p> <p>Service transformation project on-going including consideration of the development of an FM service into the future.</p>
	33.3 Implementation of on-line applications for transport and for applications to enable transfer and open enrolment.	All applications for transport to be undertaken on-line. A pilot scheme to be developed for transfer and open enrolment.	Substantially Achieved	App has been developed and has undergone extensive testing. Currently in final phases of testing before go live for all of Northern Ireland in May/June 2017. Plans in place for Open Enrolment & Transfer

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				<p>and Entitlements via Digital Transformation Project.</p> <p>The Transport on-line application is scheduled to go live in May 2017 for Primary and Post Primary schools and is in its final stages of testing. The implementation of a new Pupil Services system is being progressed with a view to delivering on-line applications for Transfer and Open Enrolment and Free School Meals. Review of all existing documentation underway to establish current relevance and decide which elements to be taken forward in order to update the maintenance and cleaning services review programme. Membership of APSE performance networks.</p>
	33.4 Undertake a review of grounds maintenance and cleaning services to ensure harmonisation and	Single set of standards and terms and conditions of staff. Robust benchmarking to ensure services	On track for achievement	Working group has been established to create a single IEM Policy and Plan.

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	maximum efficiency.	demonstrate maximum efficiency.		
	33.5 Undertake a review of transport services to ensure harmonisation and maximum efficiency.	<p>Single set of standards and terms and conditions of staff.</p> <p>Clear recommendations for the reform of transport services including gate to gate, concessionary travel and fleet management. Plan developed and tested at least once.</p>	Substantially achieved	<p>Review of key elements of the home to school transport policy and EA operations is ongoing to support the introduction of a single transport service for Northern Ireland.</p> <p>The Transport Reform Group established by the Authority has made significant progress across a number of strands of work; including consistency on interpretation on remaining key home to school transport policy and operational delivery which are scheduled to be in place for the new school year starting in September 2017. All progress has been reported to the F&GPC.</p>
	33.6 To develop a single comprehensive EA Integrated Emergency Plan.		Likely to be achieved but with some delay	
34. To support the delivery of structure and service reviews	34.1 Develop, plan and support the delivery of people change impacts	In accordance with service review plan milestones.	Achieved	Structural and service delivery reviews are underway in all Directorates and being

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and change through a planned approach to management of people change.	from functional service reviews and re-organisation including: <ul style="list-style-type: none"> • Effective consultation. • The effective and equitable use of redeployment and Voluntary Severance as a tool to support workforce change. 	Ensuring the use of VS within the parameters of the scheme and in line with business need. Maximise the use of redeployment to develop skills and to facilitate change across EA and schools. Development of a Redeployment Policy to support business change		supported by senior HR staff. HR staff have successfully supported the implementation of transitional arrangements as EA continues to progress to enduring structures. A Redeployment Policy has been developed and agreed and is operational. 19 Senior Leadership posts (Assistant Directors) agreed and job evaluation complete. Business case for AD salary and pay progression framework has been agreed. Engagement with TUS has been completed and recruitment process for AD posts commenced in February 2017. An EA scrutiny policy continues to meet to review and approve VES business cases developed within individual directorates. 117 staff (102.12 FTE staff) were approved for VES in 2016-17.

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				76 left on or before 31 March 2017 and 39 are due to leave in 2017-18. The total savings in 2017-18 from VES 2016-17 are £4,147,000.
35. To improve and develop HR transactional services and infrastructure to create a platform for future transformation.	35.1 Commence a review of recruitment processes and administration to ensure a single regional approach.	By year end.	Achieved	A single managed recruitment function has been established in EA in January 2017 and a review of processes and administration has commenced. The Teaching Appointment Scheme is already managed on a regional basis and consistent documentation and administration processes are already in place.
	35.2 Regularisation and improved rigour of contractual arrangements to support organisational change ensure value for money and create greater workforce stability.	Conduct a review of Acting Up and ARA arrangements – complete by Sept 2016.	Achieved	A categorised plan for the removal of ARAs is currently being actioned by EA. Mechanisms are in place to ensure that no ARAs will continue after the 30 April 2017. A revised Acting Up policy has been developed, agreed by TUS, DE and DFP and has issued as a circular.

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	35.3 Develop and design the project work streams required to deliver and implement a new Oracle HR ICT system.	In accordance with IFS Programme milestones.	Likely to be achieved but with some delay	<p>Draft project structure was developed in March 2017 with supporting job roles and descriptions. Structure shared with senior HR stakeholders. Meetings scheduled with the HR Director April 2017 to agree resourcing options. Revised Plan will be developed by new Project Strand Leaders.</p> <p>Work ongoing in Business Processes strand of the Project to document all existing HR and payroll processes across the 5 regions to identify a single unified approach. Scheduled to complete in Q1 of 2017-18.</p> <p>The HR ICT programme is currently being reset and additional staff recruited to support delivery.</p>
	35.4 Deliver the plan to harmonise HR processes, policies and ways of working from 5 regions to one province-wide approach.	On-going and in line with work schedule.	Likely to be achieved but with some delay	Regionalisation and harmonisation of HR policies and associated documentation progressing in line with work schedule focusing on priority policies and procedures on

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				<p>facilitating change, employee relations and equal opportunities. A small number of policies have been delayed by TUS</p> <p>3 HR team Engagement workshops held in September as part of wider functional change and transformation plan. There has also been ongoing engagement with senior HR managers during the development and implementation of the new transitional functional structure for HR. A further engagement day was held with HR Directorate staff on the 10 March 2017 to share the new structure and progress the business planning process for 2017-18.</p>
	35.5 Develop and commence delivery of a plan to implement a new HR senior team structure to support long term functional transformation and	HR Assistant Directors recruited and appointed by end of Year.	Likely to be achieved but with some delay	A draft transitional functional HR management structure model has been developed and is in place. Following the appointment of the Assistant Directors the structure will be further

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	growth and which delivers services through both centrally harmonised framework as well as retaining local HR partnering for schools.			refined and an enduring structure implemented. One AD in HR has been appointed and the recruitment process for the second AD in HR has commenced.
36. To commence and lead a planned process of change of EA culture to support organisational transformation and in line with strategic vision through the development of a highly engaged workforce and interventions based on the principles of Organisational Development. (OD)	36.1 To commence the development of a 5 year OD strategy that will focus on employee engagement, the role of the line manager and the capabilities of leaders to support the delivery of EA's long term aim and strategy through cultural change, learning and development.	To have in place by March 2017 competency framework for EA senior leaders and managers to support effective appointments, professional development.	Achieved	Plans to appoint transitional Head of OD and LTD to commence April 2017. New functional arrangements in place and 2 managers appointed to support OD function. EA continues transformation with limited funding to support OD. Senior competency framework in place and being used for AD recruitment and assessment. Competency training provided to managers wishing to apply for AD posts. Development of EA Strategic Plan: <ul style="list-style-type: none"> • EA publically launched its Engagement plan to

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				<p>support the development of its 10 year Vision and Strategy in September 2016.</p> <ul style="list-style-type: none"> • Engagement workshops with a wide range of stakeholder groups have taken place during October & November and a first draft of the strategic plan has been developed. • Strategic Plan focuses on transforming services to deliver and underpin strong, resilient and world-class education system. • The Strategic Plan sets out what EA will do over the next decade to achieve key goals, deliver consistently high-quality services to the community across the entire region and produce positive outcomes for all children and young people. EA launched an eight-week consultation on its first ever Strategic Plan on 4 April 2017.

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37. To maintain a stable and effective working environment through good industrial relations, dialogue and partnership working with employees, Trade Unions and other sectoral bodies.	37.1 Review and implement revised negotiating and Industrial relations frameworks for JNC and TNC in partnership with relevant stakeholders, TU and other sectoral representatives.	By end of 2016.	Achieved	<p>Review of JNC and TNC frameworks and machinery complete and new arrangements have been agreed by all sides in principle.</p> <p>TUS and Staff communication regarding the development of the Strategic Plan and future leadership structure (AD) has been completed.</p> <p>Directorate TUS meetings continue as required and in line with service reviews and proposals to ensure colleagues are engaged and consulted with as required.</p>
38. Accurate and Timely Annual Accounts 2015-16.	38.1 Preparation and submission of accounts in line with agreed timetable.	Accounts prepared in line with timetable.	Achieved	Accounts submitted in line with DE timetable.
	38.2 Accounts are not subject to qualification.	Accounts unqualified	Achieved	Accounts unqualified and certified on 9 March 2017.
39. In 2016-17, full compliance with all required procedures and approval	39.1 To ensure full compliance with all required procedures and approval requirements in	Compliance with all required procedures and approval requirements.	Achieved	All necessary documentation completed in accordance with all relevant guidance.

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requirements in relation to: the delegated limits as set out in the Financial Memorandum; Economic Appraisals; Post Project Evaluations (including the Northern Ireland Guide to Expenditure, Appraisal and Evaluation); Consultancy; Procurement; DoF guidance; Central Procurement Directorate's (CPD) Guidance notes; prompt payment; cash management and other guidance issued by DE.	relation to: the delegated limits as set out in the Financial Memorandum; Economic Appraisals; Post Project Evaluations (including the Northern Ireland Guide to Expenditure, Appraisal and Evaluation); Consultancy; Procurement; DoF guidance; Central Procurement Directorate's (CPD) Guidance notes; prompt payment; cash management and other guidance issued by DE.	Cash Management Ensure EA's overall monthly drawdown of cash is within 5% of the monthly forecast requirement; and	Achieved	During 2016-17 the EA's overall monthly drawdown was within 5% of the monthly forecast for six months of 2016-17 most of the variances above this limit were as a result of moving to a new financial system and bedding in new processes. The cumulative position comparing actual to forecast was -2.3% and was within 5%
		Ensure total annual cash drawdown does not exceed the limit subsequently agreed at Spring Supplementary Estimates.	Achieved	The total annual cash drawdown did not exceed the limit advised by the Department of Education in the absence of Spring Supplementary Estimates.
		Prompt Payment Ensure 97% of all non-disputed invoices are paid within 30 days of terms date; and Maximise payment of all non-disputed invoices		96.57% invoices were paid within 30 days i.e. 359,952 invoices (86.76% in respect of number of invoices), reflecting a total value of £573.8million. 84.25% of invoices were paid within 10 days

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		within 10 working days.		i.e. 214,437 invoices (51.69% in respect of number of invoices), reflecting a total value of £500.6million.
40. To ensure that the EA lives within budget tolerances of 0% overspend and an underspend of less than 0.75%.	40.1 To live within budget tolerances.	In 2016-17 contain expenditure within the respective budgetary limits and, in respect of:	Not achieved	The EA has an overspend of 1.2% on total EA spending. The EA could not meet the impact of budget reductions and increases in demand for statutory and contractual services.
		DE (schools recurrent);		
		DE (youth recurrent);	Achieved	DE Youth: underspend of £683K
		Capital (Schools & Youth (split)); and	Achieved	Capital Schools: underspend of £193K
		Annually Managed Expenditure(AME)	Achieved	Capital Youth: Underspend £26K
		Ensure an underspend of no more than 0.75% within each of these main budget areas.	Not achieved	AME: £6m overspend due to impact of BREXIT
			Not achieved	
41. To ensure that the EA achieves the overall level of savings.	41.1 Living within budget tolerances.	Savings delivered.	Not achieved	The EA has an overspend of 1.2% on total EA spending. The EA could not meet the impact of budget reductions and increases in demand

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				for statutory and contractual services.
	41.2 Development and delivery of an EA savings delivery plan.	Savings delivery plan developed and in place.	Substantially achieved	The Financial Strategy and Savings Plan was agreed with the Board and DE in August 2016. The EA Board endorsed a financial strategy of savings and bids reflecting the significant financial challenges which it faced. A Savings Plan was developed and agreed. Due to the complexity of savings measures over 70% of the savings were RAG rated as Amber or Red in terms of deliverability. The risks began to crystalise and EA developed further options. It was not possible for EA to deliver the level of savings required to meet budget cuts and increasing demand for statute and contract based services.
	41.3 Monitoring processes established for savings delivery plans.	Monitoring processes developed and in place	Achieved	Savings updated and reported on.

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42. To ensure that schools surpluses and deficits are appropriately managed.	42.1 Schools deficits managed in line with extant financial guidance.	In 2016-17, reduction in the number of schools with a surplus that is in excess of 5% or £75,000, whichever is the lesser, of their delegated budget	Achieved	The number of schools with a surplus in excess of 5% or £75,000 reduced by 33 from 497 at 31 March 2016 to 464 at 31 March 2017.
	42.2 Appropriate review of financial plans for schools in deficit.	In 2016-17, reduction in the number of schools with a deficit that is in excess of 5% or £75,000, whichever is the lesser, of their delegated budget	Not achieved	The number of schools with a deficit in excess of 5% or £75,000 increased by 54 from 102 at 31 March 2016 to 156 at 31 March 2017.
	42.3 Schools surpluses managed in line with extant financial guidance.	Financial plans for those schools already in deficit, or planning to go into deficit in 2016-17, formally approved by the Interim Chief Executive and they clearly show how the school plans to fully recover this deficit within an acceptable time period (no greater than 3 years).	Not achieved	Due to financial position, of the EA and the ongoing pressure on schools financial plans have not been approved at this time. There have been a range of developments during the year which have impacted schools financial plans and timetables. This includes the Ministerial announcement at the end of October of additional funding, this has meant that it was not feasible to request schools to review and update their submitted

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				<p>three year plans. LMS officers have been working with schools.</p> <p>Due to these factors no schools plans have been formally approved during the 2016-17 year.</p>
43. To ensure that the EA achieves an overall satisfactory assurance rating.	43.1 Overall satisfactory assurance rating achieved.	Programme of Internal Audit (IA) reviews planned to provide.	Achieved	Internal audit plan encompassed reviews across all EA business areas and was discussed and agreed by the Audit and Risk Assurance Committee.
	43.2 IA plan developed and audits undertaken and delivered in line with plan.	Appropriate coverage of EA.	Achieved	Audit plan reviewed periodically by the Audit and Risk Assurance Committee to ensure its appropriateness and deliverability.
	43.3 Assurance received from supporting bodies DE will be providing services on behalf of EA for VGS GMI schools.	Overall satisfactory assurance rating achieved from IA.	Achieved	DE led the delivery of the service on behalf of EA. Transition from a DE led service to an EA led service undertaken during the financial year and over the transition phase into the next.
44. To ensure that all ICT infrastructure required to deliver on targets is	44.1 Plan and deploy ICT infrastructure and tools necessary.	Data reporting system developed.	Substantially Achieved	ICT physical infrastructure deployed to deliver current service requirements delivered. Data consumer's consultation group

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operational and fit for purpose.				formed. Single, unified reporting framework not yet selected see #50.
	44.2 Develop and test backup and recovery strategy.	Back-up plan in place and tested.	Substantially Achieved	ICT has updated, replaced and tested backups across the EA. Further integration projects underway for multiple-site replication and to address internal audit recommendations.
	44.3 Develop effective data reporting system	Plan for keeping legacy data in place.	Achieved	Plans completed for legacy Reality (HR) and iFS systems. Work procured. See #50 for strategy.
	44.4 Plan the merging of data from legacy organisation systems.	Plan for keeping legacy data in place.	Partially Achieved	Plan in place - to be completed with the core Pupil Services system (EMS) upgrade/unification December 2018. EMS manages most direct pupil centric services/interactions (transport/grants/state ments etc.).
45. To ensure the smooth transfer of the funding authority role of the VGS/GMI schools from the Department of Education to	45.1 Establishment of a dedicated project team to implement and deliver the transfer by 1 April 2017.	Transfer of the funding arrangements of VGS/GMI schools by 1 April 2017. VGS/GMI schools advised of change.	Achieved	The transfer of the funding authority arrangements occurred on 1 April 2017 with some support continuing to be provided by DE. DE and EA have signed a Service Level Agreement and agreed

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EA by 1 April 2017.				an associated handover plan which will cover an extended handover period up to 30 June 2017. An information session was held in March to inform schools of the arrangements.
	45.2 Review of current team functions Assurance required from Department of Education that they will continue to carry out this function until implementation is complete.	Transfer of the funding arrangements of VGS/GMI schools by 1 April 2017. VGS/GMI schools advised of change.	Achieved	The transfer of the funding authority arrangements occurred on 1 April 2017 with some support continuing to be provided by DE. DE and EA have signed a Service Level Agreement and agreed an associated handover plan which will cover an extended handover period up to 30 June 2017. An information session was held in March to inform schools of the arrangements.
46. To ensure that the new Finance systems is operational by no later than April 2017.	46.1 New finance system developed and implemented across EA.	Systems go live prior to April 2017	Achieved	The system went live on 5 December 2016 Work is ongoing to address post live issues and to embed new processes.
47. To progress the development of the new HR and	47.1 Progress the design and implementation of new HR and Payroll	Progress measured against plan.	Not achieved	There has been significant slippage against the original project plan as a result

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Payroll system in line with planned go live dates.	system in line with project plans.			of the need to incorporate unidentified complexities in the requirements which have come to light as the project has commenced its detailed work and to provide ongoing support on the live payroll systems. A full project re-set is being undertaken to ensure that the project has the right skills and resources going forward.
48.In line with the process for Area Planning to review current management and support regime for schools in surplus and deficit and develop new proposals for support.	48.1 Undertake a review of the current regime and establish recommendations.	Review complete with proposed recommendations.	Achieved	Working Group Report and Action Plan presented to and accepted by the EA Board – December 2016. Work on implementation of recommendations is on-going.
	48.2 Support the EA Board Surpluses and Deficits Working Group.	Review complete with proposed recommendations.	Achieved	Working Group Report and Action Plan presented to and accepted by the EA Board – December 2016.

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				Work on implementation of recommendations is on-going.
	48.3 Engage and work with Education directorate in context of new Area Plans.	Involvement in Area Planning Process. Action plans to address recommendations in place.	Achieved	Working Group Report and Action Plan presented to and accepted by the EA Board – December 2016. Work on implementation of recommendations is on-going.
49. Develop new organisational structures and responsibilities.	49.1 Review undertaken to establish new organisation structures taking on board new Finance and HR and Payroll systems.	Review undertaken and new structures developed.	Substantially achieved – may be achieved	Reviews undertaken of a range of structures in Finance including AR, AP. Finance has moved to implement functional business partnering arrangements Day 1 processes have been established for the go live of the new Finance system. HR and Payroll project structure are under review AD recruitment is underway New day 1 structures in place for Finance system go live. Structures will be

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				<p>subject to continuous review and development.</p> <p>Transitional functional structure for HR now in place. Finance and HR project currently being reset.</p>
	49.2 Recruitment of new Assistant Directors.	<p>New Assistant Directors in place.</p> <p>New structures implemented in line with timetable for new Finance HR and Payroll systems.</p>	Substantially achieved – may be achieved	Recruitment process for ADs commenced in February 2017.
50. Within the organisation, support quantitative, evidence based planning.	50.1 ICT Strategy for EA, and establish core ICT and statistics team.	<p>Baseline developed.</p> <p>ICT strategy development commenced.</p> <p>Baseline developed for information security.</p>	<p>Substantially achieved</p> <p>Substantially achieved</p> <p>Substantially achieved</p>	<p>Models for area planning developed. Technical capabilities of service being assessed.</p> <p>Draft strategy produced for consultation. Further development awaiting Assistant Director</p> <p>Internal audit complete (satisfactory), Action plan to address remaining low priority items in development.</p>

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LONG TERM EXPENDITURE TRENDS

The Education Authority was established under the Education Act (Northern Ireland) 2014, following Royal Assent on 11 December 2014 and subsumed six of the Department of Education's 13 NDPBs (the five Education and Library Boards and Staff Commission for Education and Library Boards).

The dissolution of the ELBs came into effect on 1 April 2015 following the Education (2014 Act) (Commencement No.1) Order (Northern Ireland) 2015, and on this date the ELBs and Staff Commission transferred to the Education Authority.

The current statements report the Education Authority's second year of operation. As there is only one year of comparative information relating to 2015-16, a long term trend analysis has not been included in these accounts.

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Energy

In 2016-17, EA continued to invest in energy saving measures aimed at reducing ongoing running costs.

Typical measures include:

- gas boiler conversions from oil and solid fuels;
- Building Energy Management Systems (BEMS) - automated control systems to boiler houses;
- utility monitoring via site meters and data loggers;
- windows (double glazing) replacement;
- cavity wall insulation installed;
- roofing insulation upgraded; and
- installation of energy efficient LED lighting and lighting controls.

Waste and Recycling

Activities to reduce waste to landfill and increase recycling rates take place across EA's estate including:

- recycling: paper, cardboard, glass, cans, toner cartridges and fluorescent tubes are collected and recycled;
- re-use teaching materials including books, furniture and other equipment when a school building closes. These resources are relocated to other schools on a needs basis;
- food waste - collection programmes are being rolled out across the estate by councils to comply with the introduction of new food waste regulations;
- a number of offices have entered into CPD Waste Services Contract;
- in-house photocopying facilities improved with new multi-faceted machines facilitating double sided copying;
- maximum use of email for in-house circulars, intranet, minutes etc; and

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- paper quantities procured are monitored and assessed in terms of quantities of new and recycled paper.

Water

Water reduction measures included:

- water cost data utilised in benchmarking process for targeted reduction;
- significant water reduction measures installed in schools including urinal controls. Many schools now have mains water filtration dispensers. Reinstated water monitoring procedures following provision of data by Northern Ireland Water are also implemented;
- many schools, youth facilities and offices have benefited from investment in modern technology to reduce water consumption including timed flow from wash hand basin taps, urinal controls and filtered mains water fountains rather than bottled water;
- underground mains leaks have been identified and stopped by replacing old pipework where it is deemed to be value for money. Where possible the incoming water mains supply pipe sizes have been reduced.

Transport

Efficiency measures included:

- preference given to car sharers in office parking in a number of offices;
- video conferencing available in all EA offices, reducing travel requirements and mileage costs;
- baseline data for business mileage compiled annually together with fuel consumption and distance travelled in respect of the home-to-school transport provision;
- telematics are utilised for monitoring bus driver performance; and
- representation on Schools Transport Advisory Board at the Department of Agriculture, Environment and Rural Affairs (DAERA) which promotes Travelwise and the Safer Routes to Schools programme.

Procurement

Efficiency measures included:

- training and awareness programmes on environmental issues for purchasing staff and development of systems and procedures for implementing green procurement;

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- review of contract terms and conditions to ensure that they do not prevent the purchase of re-manufactured refurbished and recycled products and refined mineral oils and vegetable based lubricating oils;
- construction project managers are aware of the need to comply with Statutory Sustainable Construction Group guidance; and
- all construction projects are e-procured and briefed as requiring the achievement of a Building Research Establishment Environmental Assessment Method (BREEAM) excellent rating of excellent (new) and very good (refurbishment).

Education

In 2016-17, EA supported schools in the promotion and development of environmental policies and practices including:

- the promotion of eco-schools;
- the development of guidelines for schools and identification of where and how specific subjects might contribute;
- networking with outside agencies through Educational for Sustainable Development (ESD); and
- supporting eco-schools accreditation programmes and acting as eco-school assessors.

Over 1,160 schools have demonstrated their environmental credentials by registering and operating the various levels of the eco-schools environmental award programme.



Gavin Boyd
Chief Executive

Date: 27.2.18.

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CORPORATE GOVERNANCE REPORT

DIRECTOR'S REPORT

Chief Executive: Mr Gavin Boyd

Chairperson: Ms Sharon O'Connor

Our Board

In line with the Education Act (Northern Ireland) 2014, the Board of the EA is made up of 20 members plus the Chairperson as set out below:

- 8 political members who were nominated by political parties according to the D'Hondt mechanism;
- 4 members representative of the interests of the transferors (the 3 main protestant churches) of controlled schools;
- 4 members representative of the interests of the trustees of maintained schools;
- 1 member representative of the interests of integrated schools;
- 1 member representative of the interests of Irish-medium schools;
- 1 member representative of the interests of voluntary grammar schools; and
- 1 member representative of the interests of controlled grammar schools.

Board Membership during 2016-17

Ms Sharon O'Connor (Chair)

Rev Amanda Adams

Ms Áine Andrews

Fr Timothy Bartlett +

Mr David Cargo **

Mrs Patricia Carville

Mr Jonathan Craig ***

Mrs Monica Culbert **

Mr Giovanni Doran ***

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Dr Muredach Dynan

Ms Naomi Gowan **

Mr Michael Gray-Sloan *

Sister Chris Hegarty

Rev Robert Herron

Mr Edgar Jardine

Sir Gerry Loughran

Mrs Nicole Lappin **

Mrs Deirdre McDonald *

Dr Andy McMorran **

Dr Ian McMorris

Mr Raymond Pollock

Miss Rosemary Rainey

Ms Nuala Toman **

+ Board Member resigned on 7 December 2016.

* Political Members whose membership ceased on account of the Assembly Election held on 5 May 2016.

** Political Members whose membership ceased on account of the Assembly Election held on 5 May 2016 and who were subsequently re-appointed to the Board. The membership of these Political Members again ceased on account of the Assembly Election held on 2 March 2017.

*** Political Members who were appointed to the Board following the Assembly Election on 5 May 2016 and whose membership ceased on account of the Assembly Election on 2 March 2017.

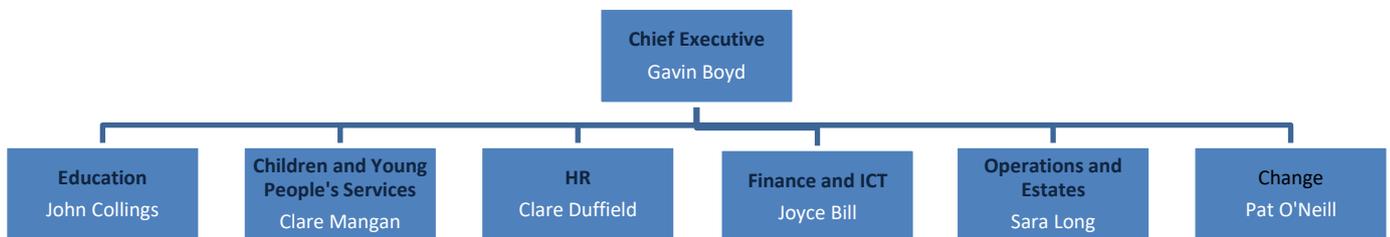
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Executive Directors

EA's executive team consists of the Chief Executive and Directors. The Directors took up post on various dates between March and April 2016. The Change Director continued to support the EA transition.



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DIRECTOR'S REPORT

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

PAYMENTS TO SUPPLIERS

Public Sector Payment Policy – Measure of Compliance

The government requires that EA pays its trade creditors in accordance with the Better Payment Practice Code and Managing Public Money NI. EA's payment policy is consistent with the Better Payment Practice Code and Managing Public Money NI, and unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods and services, or presentation of a valid invoice or similar demand, whichever is later. In line with best practise EA also endeavours to maximise the number of invoices paid within 10 days.

The measures of compliance are:

	Based on Invoice Date 2016-17		Based on Invoice Date 2015-16	
	Number	Value £000	Number	Value £000
Total bills paid in the year	414,891	594,186	441,488	582,197
Total bills paid within 10 days	214,437	500,573	258,247	502,211
% of bills paid within 10 days	51.69	84.25	58.49	86.26
Total bills paid within 30 days	359,952	573,779	394,795	562,092
% of bills paid within 30 days	86.76	96.57	89.42	96.55

There were net interest charges of £1,293 (2015-16: £7,850) in relation to late payment of invoices.

Further information is available at <http://www.deni.gov.uk/index/8-admin-of-education-pg/prompt-payment-performance.htm>

PERSONAL DATA RELATED INCIDENTS

There were no personal data related incidents in 2016-17.

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COMPLAINTS HANDLING

EA is committed to continuous improvement in the planning and delivery of its services. Complaints are viewed as opportunities to address concerns and to put things right.

An EA complaints handling procedure was drafted in consultation with the office of the Northern Ireland Public Services Ombudsman and approved by the Board in June 2016. Arrangements are in place to monitor and record complaints handling consistently across all EA services in line with the new procedure.

During 2016-17, EA received twenty five complaints which were dealt with at stage 1b of its Complaints Handling Procedure (Head of Service level). Of that number five were upheld, nineteen not upheld and one investigation is ongoing.

During 2016-17, EA received five complaints which were dealt with at stage 2 of its Complaints Handling Procedure (Director level). Of that number three were upheld and two not upheld.

Outcomes and recommendations from complaints' investigations are used to inform business improvement across EA. In 2016, as a result of the complaints that were upheld, a number of improvement measures were implemented including:

- Additional training for a board of governors;
- Improved accuracy of information for parents;
- Improved timeliness of communications with parents;
- Reminding staff of the need for good customer service and the requirements in relation to disabled access; and
- Training for staff.

Anyone wishing to submit a comment or complaint can find all relevant details on the EA website at <http://www.eani.org.uk/about-us/comments-suggestions-and-complaints/> or by emailing complaints to feedback@eani.org.uk

DISCLOSURE OF RELEVANT AUDIT INFORMATION

The Accounting Officer is not aware of any relevant audit information of which the NIAO is not aware; and the Accounting Officer has taken all the steps he should to make himself aware of any relevant audit information, and to establish that the NIAO are aware of it.

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

STATEMENT OF THE EDUCATION AUTHORITY AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under Paragraph 5(1) of Schedule 2 to the Education Act (Northern Ireland) 2014, the Education Authority (EA) is required to make arrangements for a statement of accounts to be prepared in such form and containing such information as the Department of Education (DE) may direct.

The accounts are prepared on an accruals basis and must give a true and fair view of EA's state of affairs at the year-end and of its net expenditure, 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 DE, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable, for keeping proper records and for safeguarding the authority's assets are set out in *Managing Public Money NI* published by the Department of Finance (DoF).

As the senior official of EA, the Chief Executive carried out the responsibilities of Accounting Officer during the year ended 31 March 2017.

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GOVERNANCE STATEMENT

Scope of Responsibility

As Accounting Officer for EA, I am responsible for the control and governance arrangements operated. This Governance Statement outlines how I have discharged my responsibilities to manage and control resources in the course of the year. The governance system, as outlined in this statement supports the achievement of the EA's policies, aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money NI.

Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values by which the EA is directed and controlled. It enables the EA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The governance framework is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The governance framework is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the EA's policies, aims and objectives; and
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has continued to operate up to the date of approval of the Annual Report and Accounts, and accords with Department of Finance guidance.

Governance Framework

The EA was established on 1 April 2015 in accordance with the provisions of the Education Act (NI) 2014, replacing the former five ELBs and their Staff Commission. The Minister appointed the Chairperson and 20 Members were appointed by various nominating interests.

EA's business is primarily managed through:

- The Board;
- Finance and General Purposes Committee;
- Education Committee;

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- Shared Education Committee;
- Children and Young People's Services Committee;
- Audit and Risk Assurance Committee;
- Membership and Teaching Appointments Committee;
- Community Use of Schools Committee;
- Child Protection and Safeguarding Committee;
- Remuneration Committee; and
- Expulsions Committee.

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The Board

The role of the Board includes policy making, strategic and area planning, priority setting and good governance. The Board receives reports from Committees to enable its members to perform the vital role of monitoring and evaluating the implementation of policy for the education and youth services. The attendance of Members at Board meetings is set out below:

Member	2016-17		
	Meetings Attended	Out of a Possible	%
Ms S O'Connor (Chair)	11	11	100
Rev A Adams	11	11	100
Ms A Andrews	8	11	73
Fr T Bartlett+	3	7	43
Mr D Cargo**	8	9	89
Mrs P Carville	10	11	91
Mr J Craig***	7	8	88
Mrs M Culbert**	6	9	67
Mr G Doran***	8	8	100
Dr M Dynan	10	11	91
Ms N Gowan**	8	9	89
Mr M Gray-Sloan*	1	1	100
Sr C Hegarty	10	11	91
Rev R Herron	9	11	82
Mr E Jardine	11	11	100
Mrs N Lappin**	7	9	78
Sir Gerry Loughran	11	11	100
Mrs D McDonald*	1	1	100
Dr A McMorrان**	9	9	100
Dr I McMorris	11	11	100
Mr R Pollock	6	11	55
Miss R Rainey	11	11	100
Ms N Toman**	6	9	67

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- + Notification of resignation of Board Member dated 7 December 2016.
- * Political Members whose membership ceased on account of the Assembly Election held on 5 May 2016.
- ** Political Members whose membership ceased on account of the Assembly Election held on 5 May 2016 and who were subsequently re-appointed to the Board. The membership of these Political Members again ceased on account of the Assembly Election held on 2 March 2017.
- *** Political Members who were appointed to the Board following the Assembly Election held on 5 May 2016 and whose membership ceased on account of the Assembly Election held on 2 March 2017.

The overall attendance rate for 2016-17 was 87%.

Finance and General Purposes Committee

This Committee deals with financial matters, operation and estate issues, contracts, tenders, issues relating to human resources policy development as well as strategic and corporate matters in connection with teaching and support staff for whom the EA is the employing authority.

There were nine meetings of the Finance and General Purposes Committee during the year with overall Member attendance at 84%.

12 Members served on this Committee during the year. The attendance was impacted by two Assembly Elections held during the year involving five Political Members. This included one new Political Member who was appointed to the Committee in June 2016 and one Political Member who resigned from the Committee in June 2016 and transferred to the Audit and Risk Assurance Committee. One Member resigned from the Board in December 2016.

Education Committee

The Education Committee deals with issues across the full range of responsibilities delivered by the Education Directorate in the areas of School Improvement, Strategic and Area Planning and Community Planning.

There were 10 meetings of the Education Committee during the year with overall member attendance at 75%.

18 Members served on this Committee during the year. The attendance was impacted by two Assembly Elections held during the year involving seven Political Members. This included two Political Members who ceased to hold office following the Assembly Election held on 5 May 2016 and one new Political Member who was appointed to the Committee in June 2016.

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Shared Education Committee

The Shared Education Committee is a statutory committee which meets to exercise the functions of the EA under Section 2(3) of the Education Act (Northern Ireland) 2014, i.e. to encourage, promote and facilitate Shared Education. This requirement has been enacted by way of the Shared Education Act (Northern Ireland) 2016.

There were three meetings of the Shared Education Committee during the year with overall member attendance at 67%.

11 Members served on this Committee during the year.

Children and Young People's Services Committee

The Children and Young People's Services Committee deals with issues in the areas of Pupil Support Services, Youth Services, Special Education in mainstream schools and special schools.

There were 10 meetings of the Children and Young People's Services Committee during the year with overall member attendance at 85%.

14 Members served on this Committee during the year. The attendance was impacted by two Assembly Elections held during the year involving seven Political Members. This included two Political Members who ceased to hold office following the Assembly Election held on 5 May 2016 and one new Political Member who was appointed to the Committee in September 2016.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee supports the Board and the Chief Executive as Accounting Officer on matters relating to internal control, risk management, corporate governance and assurance.

In accordance with DAO (DFP) 06/13 Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013, the Audit and Risk Assurance Committee is required to publicly report annually on its work and how it discharges its responsibilities.

The Committee has a responsibility to scrutinise and challenge the adequacy of management responses to issues identified by audit activity and any assurances which are provided to the Chief Executive as Accounting Officer. Senior EA officers attend meetings of the Audit and Risk Assurance Committee as do representatives of DE and the Northern Ireland Audit Office.

Six Board Members and two independent external Members served on this Committee during the year.

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Attendance at the Committee during the year was:

Member	2016-17		
	Meetings Attended	Out of a Possible	%
Mr E Jardine (Chair)	4	4	100
Mr D Cargo*	3	3	100
Mrs M Culbert*	1	3	33
Dr M Dynan	4	4	100
Ms N Gowan**	1	2	50
Miss R Rainey	4	4	100
Mr R Forrest (Independent External Member)	4	4	100
Mr T Salmon (Independent External Member)	4	4	100

* Political Members whose membership on the Committee was impacted by the Assembly Election held on 5 May 2016.

** Member transferred from the Finance and General Purposes Committee to the Audit and Risk Assurance Committee in June 2016.

There were four meetings of the Audit and Risk Assurance Committee during the year with overall member attendance at 85%.

Membership and Teaching Appointments Committee

The Membership and Teaching Appointments Committee makes appointments to Boards of Governors of controlled, maintained and voluntary schools. It appoints members to serve on statutory appeal tribunals administered by the EA and appoints members to serve on outside bodies as required. The Committee also approves appointments of principal and vice-principal posts of controlled schools and the appointments and transfer of assistant teachers in controlled schools.

There were ten meetings of the Committee during the year with overall member attendance at 73%.

12 Members served on this Committee during the year. The attendance was impacted by two Assembly Elections held during the year involving six Political Members. This included two Political Members who ceased to hold office following the Assembly Election held on 5 May 2016 and two new Political Members who were appointed to the Committee in June and December 2016.

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Community Use of Schools Committee

The Community Use of Schools Committee is a statutory committee which meets to consider how best to extend, encourage, facilitate and promote the community use of grant-aided schools.

The Committee met on 10 October 2016.

Five Members serve on this Committee. Member attendance was 100%.

Child Protection and Safeguarding Committee

The Child Protection and Safeguarding Committee is responsible for ensuring compliance with the requirements set out in the Safeguarding Board Act (Northern Ireland) 2011 and the requirements set out in DE legislation and guidance in respect of child protection and safeguarding.

There were three meetings of the Committee during the year.

Seven Members served on this Committee during the year. Member attendance was 71%.

Remuneration Committee

The Remuneration Committee is responsible for approving recommendations concerning the pay progression of Senior Officers arising from evidence of performance against agreed objectives measured by appraisal in line with arrangements approved by DE and subject to Department of Finance pay remit approval.

The Committee met on 10 January 2017.

Four Members serve on this Committee. Member attendance was 75%.

Expulsions Committee

The Expulsions Committee is a statutory committee which considers cases being presented in relation to the expulsion of pupils from schools under the management of EA.

Four meetings took place during the year. Each meeting requires the attendance of three Board Members.

Review of Effectiveness

I consider that the EA Board Members operated effectively during 2016-17, meeting regularly and considering appropriate issues at a strategic level.

The EA Board Members have a corporate responsibility for setting objectives, agreeing priorities and implementing Ministerial policy. The Board met 11 times during the year and regularly reviewed the progress and management of key risks associated with the delivery of its objectives throughout the financial year. The Board was responsible for agreeing a budget, monitoring

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financial performance and considering key strategic issues and policies, such as those relating to risk management, information assurance and workforce planning.

During the course of the year, the Board established a number of working groups to oversee projects, initiatives and programmes.

The Chair of the Board reviews the effectiveness of each Member during the year.

Highlights of Board Committee Reports

EA was established on 1 April 2015 and through the establishment of a range of Committees has sought to manage its business in an effective way enabling it to focus upon the needs of the organisation.

The Board

A major focus has been to ensure the continuity of the delivery of front line services and the full range of support services during the transition from the former ELBs.

At the same time, EA was required to manage the financial challenges arising from the 2016-17 budget settlement.

The Education Committee continued to progress proposals in relation to area planning and established, on an interim basis, revised management structures for the former Curriculum Advisory Support Service in its transition to a School Development Service whilst progressing a major realignment of staffing through use of the Public Sector Transformation Fund (voluntary severance programme).

The Children and Young People's Services Committee has been reviewing the arrangements for the support frameworks for children and young people presenting with special educational needs and in particular has harmonised the arrangements operating across EA in respect of special education assessment and provision. A transitional framework was agreed in the summer of 2015 and this continues to operate.

Through the Finance and General Purposes Committee, the Board monitored progress in respect of the spend through the year, receiving monthly updates upon progress. This included details on those decisions contributing towards the achievement of the savings in-year, and in particular voluntary severance.

The Finance and General Purposes Committee

The FGPC has been heavily engaged in the EA financial strategy for 2016-17 recognising the scale of the financial challenges. The FGPC was fully updated and advised of the significant financial challenges and the progress of the EA financial strategy which sought to address this through a combination of pressures submitted to the NI Executive and savings.

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The FGPC established a working group on school surpluses and deficits, and reported and provided recommendations leading to the endorsement of an action plan with prioritised actions by the EA Board.

The Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) completed a comprehensive work programme during 2016-17. Particular attention was given to the consideration of risk management and the bedding in of the EA's Risk Management Strategy (RMS) which resulted in the first production of Director level risk registers. The standard of financial management information presented to the Board has improved and the Committee was encouraged that the 2015-16 Accounts were audited by the C&AG and certified without qualification. This is a notable achievement, particularly given the challenge of producing accounts from the five legacy systems. The Committee consequently considered it unnecessary to revisit financial management or the savings delivery plan during the year. The EA Board, FGPC and the ARAC were advised on an ongoing basis of the scale of financial risk facing the EA. This was also reflected in discussions, the EA Risk Register, and in papers presented to the FGPC and workshops, and the FGPC minutes which are discussed at the EA Board.

The ARAC approved a combined Internal Audit Work Programme for the year which required Internal Audit to approach its work by functionality rather than geographic location and this has required careful management. This was further supported by a three year Audit Strategy which will be refined once the revised structure for Internal Audit services is determined by the new Head of Internal Audit and Assurance. The inherited interim structure of the EA's Internal Audit Service has operated for a longer period than was anticipated and the Committee was encouraged that the local Internal Audit Units have confirmed that they continued to comply with the requirements of the UK Public Sector Internal Audit Standards as revised by DAO (DFP) 06/16.

The ARAC recognised that EA's priority during the year remained the delivery of efficient and effective education provision while taking forward work to secure the transition to a structure based on functionality and also reduce the cost of administration. The dual responsibilities of achieving significant restructuring and maintaining business as usual, presents a number of unique challenges and risks particularly in the key areas of replacement finance systems, human resources and the continued operation of voluntary severance towards achieving a balanced budget.

The ARAC welcomed the assurance from Internal Audit that the EA's Governance Framework remains satisfactorily and sufficient to meet the standards of good governance. In particular, the Committee was encouraged that the EA had already addressed the key aspects of governance and control highlighted within the NIAO report on the NI Events Company.

The Board has set out its requirements for the effective management of risk within the EA Risk Management Strategy. It is accepted that the content and focus of the Corporate Risk Register will evolve over time to demonstrate a strong linkage between the requirements of DE and EA's strategic and business planning, risk management, the quarterly assurance process and performance reporting. The ARAC met in February 2017 specifically to scrutinise the first Directorate Risk Registers developed under the approved RMS. The Registers were, understandably, cast very broad and were detailed documents. A key principle within the RMS is that risk is managed at the lowest practicable level and it is anticipated that much of the detail relating to risks being managed at

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Director level at present will move down into the registers operated by Assistant Directors once they are appointed. The Committee also looks forward to engaging with the permanent Head of Internal Audit and Assurance on the completion of a risk-based Internal Audit Strategy which specifically addresses the critical risks identified by the Senior Management Team.

The ARAC previously drew attention to the high cost of teacher substitution but recognised that the constraints imposed by current policy and monitoring frameworks allowed limited scope to secure meaningful improvement within a short timescale. Notwithstanding this, the Committee was acutely aware that the education sector-wide target for teacher absence falls to five days per teacher during 2017-18 and a review of teacher absence was included in the 2016-17 Internal Audit Programme. Although the Committee has not yet had an opportunity to scrutinise the report on teacher absence and discuss its findings with the Director of Human Resources, there is concern that only limited assurance is available. The Committee looks forward to reviewing the report findings and will consider the robustness of management's response in due course as making significant gains from efforts to reduce all staff absence will require a fresh and challenging approach.

The ARAC recognises the importance of having assurances relating to the impact of voluntary severance on the resilience of systems and service delivery. Internal Audit previously completed the NIAO Fraud Self-Assessment for the EA which demonstrated an acceptable level of protection.

The Committee will ensure that this is updated during 2017-18 and also monitor the provision of focused training as staff begin to take up new roles within revised structures.

The ARAC is very aware of the rising cost of Special Education and asked Internal Audit to review any new approaches aimed at controlling costs. The necessary work is underway within the Directorate and the planned review has been rolled forward to 2017-18.

The ARAC was impressed by the speedy response of the EA to the unforeseen voluntary liquidation of a funded youth organisation and was content that the necessary action was taken to protect public money and mitigate risks identified in service delivery and pension liability.

The ARAC reviewed the management response to the NIAO Report to those Charged with Governance (RTTCWG) and is content that the response was appropriate, measured and secured improvements in control when needed.

The ARAC has worked through a self – assessment of its effectiveness using the NIAO checklist and Members are taking advantage of training opportunities as they arise.

Overall Opinion of the Audit and Risk Assurance Committee

The ARAC reviewed 11 Internal Audit reports which carried a limited assurance and one which was unacceptable, as well as a report on the implementation of priority 1 recommendations which was presented at each Committee meeting and the Committee is content that the action taken to deal with control weaknesses and other issues raised is satisfactory. It also welcomed the satisfactory opinion included within the Head of Internal Audit Annual Report.

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It is the Committee's opinion that the assurances on corporate governance, risk management, financial management and internal control that have been presented to it and the Accounting Officer during the year, were appropriately comprehensive, reliable and of sufficient integrity to assist the EA and the Accounting Officer in meeting their accountability obligations for 2016-17.

Having considered the subsidiary assurances provided by Directors and the Internal Audit Annual Report, the ARAC is content that the EA's Governance Statement for 2016-17 is appropriate, comprehensive and accurately reflects the assurances presented to the Committee during the year.

Account of Corporate Governance

In accordance with the Corporate Governance Framework, Registers of Members' and Staff Interests have been continued and are updated regularly. Conflicts of interest relating to Members and staff, actual or potential, were appropriately recorded, managed and controlled.

At all Committee meetings a standing agenda item is '*Declarations of Interest*' and it is brought to the attention of Members by the Chairperson. Any Member with a conflict of interest on a specific agenda item does not participate in that discussion. Codes of Conduct for Board Members and staff have been established and communicated.

Anti-fraud Policy and Fraud Response Plan, Whistleblowing and Gifts and Hospitality Policies have been implemented. All suspected and proven frauds have been notified to the relevant department in accordance with agreed procedures and there are no suspected frauds that have not yet been notified.

Parliamentary Accountability

I am the Accounting Officer for EA and am accountable to the Minister for Education through the DE Permanent Secretary.

As Accounting Officer I am clear on my responsibilities, and I seek to ensure that resources are managed in line with Treasury guidance. Clear roles and responsibilities of officials are agreed and understood across EA.

Role of the Board Members

The EA Board Members provide strategic leadership for the organisation. They oversee delivery of business objectives and are responsible for ensuring the effectiveness of arrangements for risk management and corporate governance, including internal controls. The Board has clear terms of reference which set out its responsibilities, in line with the Corporate Governance Code.

Board activities and decisions are minuted and a summary of meetings is publicly available.

The business of the Board members is conducted in accordance with standing orders.

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Authority Effectiveness

Following the appointment of the Directors, EA has moved from management structures which operated in the former ELBs and has created a series of regionally managed services.

The NIAO Report to Those Charged with Governance (RTTCWG) in respect of their audit of the Education Authority's 2015-16 Annual Accounts was presented to the Audit and Risk Assurance Committee (ARAC) in April 2017. The ARAC will monitor the progress of all recommendations.

The Interim Head of Internal Audit has provided a satisfactory audit opinion on the internal control systems operating within EA. Areas for improvement were raised with management and actions agreed accordingly. Areas where Internal Audit was only able to provide limited assurance as a consequence of their audit work are detailed below.

Details of Internal Audit Reviews with Limited Opinion

The following table highlights the key areas where significant control weaknesses were identified within the reviews.

Internal Audit Reviews with Limited Assurance

Directorate	Sector
Education	Schools (5 with Limited Opinions)
Finance & ICT	Contingency Recovery/Disaster Recovery
	BACS Procedures 2017-18 (Draft Report)
Children & Young Peoples Services	Youth Centre
Human Resources	Absence Management - Teachers
Operations & Estates	Disposal of Property
	Equipment Store
	Health & Safety
	Transport – Child Protection

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Primary Schools (5) - LMS Reviews

In five of the LMS reviews undertaken by IA during the year, instances were identified where LMS Regulations and Procedures were not being fully adhered to. The issues identified are being taken forward by the respective Boards of Governors. The schools have accepted the recommendations and continue to progress their implementation. Follow-up reviews on priority 1 recommendations for all schools with a limited opinion will be completed within the 2017-18 financial year.

Contingency Plans / Disaster Recovery

The review of current arrangements in place to back up computer data and restore operational functionality, should a major incident occur, identified the absence of co-ordinated disaster recovery arrangements and contingency plans within the EA Estate. Two security incidents and one IT incident in the period under review were partially successful in disrupting ICT services and resulted in downtime and loss of data. Although no loss of personal data occurred, ten recommendations were made to address the control weaknesses identified. A follow-up review is scheduled for 2018.

BACS Procedures 2017-18 (Draft Report dated 30/11/17)

Internal Audit identified a number of weaknesses, largely stemming from the transition process to the new system, in relation to the completeness, accuracy and validity of data input to process BACS payments. Recommendations have been made to address these issues and enhance future service delivery.

Missing Cash – Youth Club

This incident relates to an opportunistic theft, facilitated by the failure to apply basic Youth Service Financial Procedures, especially those relating to cash handling and the timely lodgement of income. The loss was entirely preventable and if those officers with operational responsibility for cash handling had performed their duties in a compliant manner no loss would have occurred. The potential for loss, increased as a lack of supervision and management review, allowed the unapproved cash handling practices to continue undetected for at least six months. The audit opinion was unacceptable. Twelve recommendations were made to Dundonald Youth Management. An action plan, based on these recommendations, was drawn up to improve and ensure compliance with the Youth Financial Procedures and reduce the likelihood of any reoccurrence. A follow-up review is scheduled for 2018.

Absence Management – Teachers

The audit found that a number of key actions arising from recommendations in the 2013 NIAO report remained outstanding. The targets set will not be met. The detail of routinely completed absence figures was found to be insufficient to determine the nature and characteristics underlying teacher's sickness absence. This lack of detail was having subsequently negative impacts on the standard of monitoring and benchmarking reporting to schools. There was also an apparent lack of engagement of Governors in absence monitoring indicating a lack of priority in this area within

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schools. There were 19 recommendations made to address the control weaknesses identified. A follow-up review is scheduled for 2018.

Disposal of Property

The audit found that the EA had no asset management plan currently in place and a common set of procedures for disposals had yet to be drawn up. Opportunities to reduce rates payable had not been taken. Some sites had been incurring significant security costs, with one site incurring costs well in excess of the property value. It was also found that senior management supervision and review of disposals was insufficient and this was contributing to the lack of efficient and timely disposal of surplus properties. Files also had a general lack of evidence that key milestones in the disposal process were being met, often accompanied by the lack of a sufficient audit trail detailing key decisions. There were 17 recommendations made to address the control weaknesses identified. A follow-up review is scheduled for 2018.

Equipment Store

This was linked to a whistleblowing case and was intended to assess the controls in place over the monitoring of stock levels and disposals in a storage facility. The review highlighted that there was a considerable amount of undocumented EA equipment being stored in the property. The processes and documentation was inadequate to properly track the acceptance and release of transitory items being moved and/or temporarily stored in the facility, leaving staff unprotected if equipment went missing. The filing of hazardous waste disposal documentation was also inadequate. Three recommendations were made to improve controls. However the stores are now being wound down and are due to be closed.

Health and Safety

The review of current arrangements in place to oversee compliance with health and safety legislation highlighted the need to:

- prepare a Health and Safety Policy for the EA and arrange for this to be brought to the attention of all employees and put into practice;
- carry out safety audits to determine if health and safety risks are being appropriately managed across the EA's services and estate;
- carry out safety audits in schools to determine if health and safety risks are being appropriately managed at schools as detailed in the schools Health and Safety Manual;
- review the increased health and safety risks at schools arising from the retirement and redeployment of Subject Advisers within the School Development Service who previously provided specialist advice to schools;

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- develop and issue best practice questionnaires to help identify health and safety risks that are not being appropriately managed;
- carry out fire risk assessments at regular intervals and to review attendance at fire safety training to ensure the EA is meeting its obligations under Part 3 of the Fire and Rescue Services (Northern Ireland) Order 2006 and the Fire Safety Regulations (Northern Ireland) 2010; and
- review health and safety risks in relation to the cleaning of schools that are not managed by the building cleaning service.

Two recommendations have been made to address the control weaknesses identified. A follow-up review is scheduled for 2018.

Transport - Child Protection

The audit identified that a Child Protection Policy should be adopted by the Transport Service and that drivers should be issued with a copy of the Child Protection Policy during training. All drivers should sign a declaration that they have received a copy of this policy.

A Designated Officer and Deputy Designated Officer for Child Protection should be appointed to the Transport Service. Additional Child Protection training should be provided for Private Operators to ensure it is of the same standard as that provided for EA drivers. Current monitoring processes relating to Private Operators' compliance to contractual obligations are not sufficiently robust. Database information is not kept up to date and testing has identified the following issues. There were drivers and escorts operating within EA Armagh contracts that were not recorded as having the necessary Access NI Checks. A number of drivers and escorts recorded on submitted payment invoices were not known to Transport Staff. While there have been some changes to address issues previously raised, there has not been a significant improvement. Weaknesses remain in the completeness of the information held on the database and in the current processes to ensure that drivers without a criminal record check, or a certificate deemed to be unsuitable, are not able to fulfil contracted runs. A follow-up review is scheduled for 2018.

Quality of Data

EA relies on information from a number of sources to inform its deliberation. These are:

- statistical information (for example, data relating to school enrolments, free school meals, attendance, workforce, special educational needs);
- financial information (including monthly monitoring reports on capital and resource expenditure and the preparation of the Annual Accounts);
- human resources information (including data on attendance management);
- special education needs data;

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- estates management information; and
- internal and external audit evidence (mainly used to assess the effectiveness of systems and processes).

Having inherited many data sets from the legacy organisations the EA is undertaking a process of replacing, contract expired, data sets with single EA ones. As a single data management policy was not adopted by the legacy organisations, inconsistencies exist in the data collected and stored. This presents challenges in the procurement of single systems and in maintaining the quality of reports which transcend the old and the new.

Information on attendance is monitored by the HR Directorate.

The Interim Head of Internal Audit prepares reports which summarise the work carried out by their respective Internal Audit teams in the last financial year, and which are used to provide an assurance to the Chief Executive. No material issues had been found which would affect their opinions.

As part of the wider Corporate Governance arrangements, Heads of Sections completed assurance statements, reviewing the control environments for which they are responsible. The results of these statements were reviewed by Managers and the Directors to ensure that a comprehensive assessment of the current control issues has been made and that all potential areas of significant risk are being addressed within the internal control environment and audit plan.

The Directors provided an assurance statement to the Chief Executive in relation to those areas for which they were responsible, covering:

- corporate governance;
- system of internal control;
- risk management;
- fraud and losses;
- statutory duties;
- information security; and
- issues of concern for inclusion in the governance statement 2016-17.

The Board considers the information contained in papers presented to them by appropriate senior officers to make decisions.

Papers are prepared by officers and subject to review by the relevant Director before presentation to the Board. Directors have in place effective monitoring arrangements to ensure the accuracy of data used for decision making.

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EA is also reliant on external data to help make informed decisions. Whilst the EA seeks to establish the accuracy of any such external data, it has been generated from outside the control of the Board and as such the EA cannot give the same level of assurance.

Ministerial Directions

There were no Ministerial Directions issued by DE or DfE to EA during the year.

Risk Assessment

The Board has responsibility for ensuring that an effective risk management process is in place and regularly reviewed. In discharging this responsibility, it is supported by its ARAC and Internal Audit Service.

A Risk Management Strategy and Policy is in place, developed by the Risk Management Group and endorsed by the Chief Executive and ARAC.

The Risk Management Strategy outlines the strategic approach to risk management and details a formal process for identifying, assessing, managing and monitoring risks, including a prioritisation methodology based on risk ranking of impact and likelihood.

Risk management is continuing to evolve as the processes become fully embedded into EA's business and services and feature within the corporate and business planning process. The Corporate Risk Register identifies key risks that could militate against the achievement of the corporate objectives and actions that are taken to reduce those risks. The Corporate Risk Register is considered to be a living document as the mitigation of risks is under continuous review.

The Corporate Risk Register is regularly reviewed by the Senior Management Team, the Audit and Risk Assurance Committee and is presented to the EA board.

National Fraud Initiative (NFI)

The Comptroller and Auditor General (C&AG) for Northern Ireland has been given statutory powers to conduct data matching exercises for the purposes of prevention and detection of fraud.

The Education Authority is fully engaged with this process which analyses data submitted by the wide range of public sector bodies participating in the National Fraud Initiative. The Education Authority submit a range of data sets which are matched against the data sets uploaded from, for example, all UK local authorities, some housing associations, student loans company, payroll, taxi licencing and deaths records. Data matched from the 2016-17 NFI exercise were received in January 2017. These are in the process of being prioritised, reviewed and investigated. Fewer matches will be investigated this year than on previous exercises. This decision has been made following an analysis of the returns obtained from the exercise which has resulted in a more focussed approach.

Fraud risk is continually assessed within each business area of the organisation and reported quarterly to the Audit and Risk Assurance Committee.

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Significant Issues Faced During 2016-17

There was and remains a significant body of work in moving all operational business practice to a consistent and harmonised means of operation across EA.

Governance

With the appointment of all the Directors by April 2016, all actions necessary to move from a geographic structure to a functional structure were taken. New and returning political Members were provided induction training and joined the Board after the local elections. Two new Committees commenced in 2016 with the Community Use of Schools Committee's initial meeting on March 8 and the Shared Education Committee commencing its work on September 29.

Vacancy Control

Following a review of vacancy control arrangements in April 2016, EA has continued to internally trawl vacant posts across EA, in the first instance, to ensure that all reasonable steps are taken to safeguard and secure the employment of existing staff and reduce the potential for redundancies, in light of the current programme of organisational transformation and significant financial pressures in 2016-17. EA no longer requires vacant posts to be filled on a temporary basis, consequently resulting in a reduction in the number of staff acting-up and on temporary contracts for long periods of time providing increased stability in the workforce.

Financial Management and Reporting

The Senior Management Team as well as the Finance and General Purposes Committee and the Audit Risk and Assurance Committee, monitored and reviewed the position during the course of the year. Information coming from the EA financial system provided early warnings of the significant financial challenges and risks of overspends. Monthly Expenditure and Monitoring Reports were returned to DE and reflected the risks in respect of increases in business demand and the challenges of meeting budget cuts in-year and savings to address funding gaps. These issues were also discussed with senior DE officials including the Permanent Secretary and formally through the Governance and Accountability Review meetings.

Restructuring and Management of Change

The Change Management Programme initiated by DE to dissolve the ELBs and create EA continued during 2016-17 with a focus on the programme of work to review and redesign the delivery of key EA services within a single, regional structure. A follow-up "Gate 0" Gateway Review was undertaken in March 2017 with external experts reviewing the delivery of the objectives of the change programme and making recommendations. The review team found that the development and implementation of the EA has been delivered and that there are no major issues left to resolve prior to closure of the formal Implementation Programme. DE will now undertake an exercise to determine what, if any, activity remains to be completed prior to the formal closure of the Programme.

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EA Directors took up their posts in March and April 2016 and commenced the restructuring and service reorganisation on a functional basis. The implementation of a new Assistant Director structure will result in a number of existing senior manager posts no longer being required. EA initiated a Management of Change Process for Senior Managers which provides the framework for formal consultation with affected staff and in parallel collective consultation with trade unions to explore opportunities to deploy affected staff to suitable alternative posts and other measures to avoid redundancies. Assistant Director posts were deemed a suitable alternative for former substantive ELB 2nd tier officers and EA also gave consideration, on a case by case basis, to the suitability of Assistant Director posts as alternative employment for other senior managers at risk. This process is ongoing and EA has identified suitable alternative employment for senior managers identified at risk thereby mitigating the risk of redundancy for those staff.

EA has continued to operate a Voluntary Exit Scheme (VES) for non-school based support staff in 2016-17 to support the change programme and delivery of the EA 2016-17 savings plan. The establishment of interim transitional management structures has provided opportunities to facilitate voluntary severance. VES has seen the suppression of 117 posts across all senior, middle, clerical and administrative grades of staff. All VES exits are subject to scrutiny and approval by EA, assessed against predetermined criteria including equality of opportunity to staff, assurance in terms service continuity and risk mitigation, demonstrable value for money and a payback period not exceeding 3.25 years.

All Additional Responsibility Allowances (ARAs) were removed by end of April 2017. To ensure business continuity and risk mitigation other alternative interim arrangements will be put in place where enduring management and functional operating models are not in place.

Workforce Governance

The EA has implemented a number of measures to ensure that staff are safe, skilled and motivated to deliver high quality customer-focused services within the education sector. This has been achieved through effective recruitment and selection, communication with staff, involvement in decision making, relevant learning and development, suitable accountability arrangements, the management of change process, and the voluntary severance scheme.

Issues raised by Directors

Directors' reports identified the following issues of concern for inclusion within the 2016-17 Governance Statement.

The Finance and ICT directorate faced a range of challenges during the 2016-17 year.

The EA has continued to monitor services and provision; this still relies on at least five key information management systems, with a consequent impact on the collation and analysis of data.

2016-17 Financial Planning

The EA was advised of its Block Grant budget on the 23 March 2016. It faced significant financial challenges in its Block Grant due to cash reductions of £22million and no additional funding for pay

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and price, changes in National Insurance Contributions or increases in demand by schools, children and young people for its services. The EA has been forced to look at all areas of its business to seek to address the financial challenges.

The Finance and General Purposes Committee (FGPC) and the Board have been given detailed assessments of the challenges and options to address these. The Board and FGPC endorsed a financial strategy of bids and savings. A long list of savings was developed with Director designated as owners and the financial challenges have been clearly set out with over 70% of the savings rated as high risk. The EA Board and FGPC also endorsed further contingency savings and service transformation proposals which are being progressed.

The EA submitted a range of pressures during the year to DE for in-year monitoring to protect and address increasing demand for services such as special needs. The political hiatus has meant that EA pressures submitted in January monitoring have not progressed and that schools have not been able to access surpluses in line with their estimated requirements.

The FGPC, Board and Department have been updated on a monthly basis.

The EA's overall spending has reduced by £19M from 2015-16. It shows an overall overspend of 1.2% (£19M) against reduced 2016-17 budgets, but given the drivers within its business and the level of delegation of spending to schools it has not been possible to deal with the combined budget cuts and increases in demand for statute and contract based services. The main factors giving rise to the overspend are:

- Reduced budget;
- Schools' spending;
- Increased demand for statute, contracted services and costs in the EA Block Grant;
- The inability to achieve savings necessary to meet the funding gap given the nature of the business and key cost drivers within a one year time frame; and
- Systemic and structural matters within the Education sector.

The EA developed a financial strategy of savings and bids which were progressed throughout the year. This included submitting a range of pressures covering all areas of its business to the in-year monitoring rounds including the January monitoring round which did not complete.

Schools Financial Planning

A significant proportion of EA's overall budget is delegated to schools with Boards of Governors and Principals having delegated authority in respect of financial management. The EA has continued with its financial planning process taking on the EA's powers.

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The EA has continued to engage with schools in a challenging financial climate. The financial challenges facing schools have resulted in schools exceeding their allocations by around £19million. This has resulted in schools seeking to access accumulated surpluses and in increasing deficits. While EA sought to secure surplus drawdown from the NI Executive this was not fully available as there was no January Monitoring Round. This combination of factors will mean that the EA will not meet its targets in this area.

An EA Board Member-led Working Group on Schools Surpluses and Deficits, established in October 2015, reported in December 2016 and recommended a range of measures. The Board has endorsed a prioritised action plan covering a two-year period. The actions for 2016-17 are progressing. These include standardising the school Governors financial management training, and the development of specific training for Governors of schools with specific budgetary challenges.

The EA is also providing comments to DE on its Financial Management Guidance for schools, which was last reviewed in 2005.

2016-17 Annual Accounts

The 2016-17 Annual Accounts have been prepared using the new integrated Finance system. All opening financial data have been reconciled and the year end processes have been completed. EA completed the first draft of its accounts on 15 May 2017 as required by DE.

2017-18 Financial Planning

EA has undertaken a range of scenario planning for 2017-18 and subsequent years in line with the DE request of August 2016.

In addition, EA is working with DE to deal with the financial complexities from the current political situation. EA is also developing work on a range of potential budget scenarios.

EA will ensure that DE is fully apprised of the risks, challenges and the wider structural matters which will impact the EA's and schools' ability to constrain spending with potential budget scenarios. EA is also engaging with its other sponsor Departments.

Transfer of Funding Authority for Voluntary Grammar and Grant Maintained Integrated Schools (VGS/GMI)

Whilst the Funding Authority responsibilities for VG/GMI schools' transferred from DE to EA in April 2016, the Minister agreed that DE would carry out the administrative functions during 2016-17.

During 2016-17, a DE led project involving EA worked to enable the transfer of the Funding Authority responsibility and administration from 1 April 2017. The Funding Authority arrangements were transferred to EA on 1 April 2017 and a SLA was agreed between DE and EA to extend the period of handover to 30 June 2017. The function has now been fully transferred.

ACCOUNTABILITY REPORT

GOVERNANCE STATEMENT

Corporation Tax

An unintended consequence of the wording of the legislation which established the EA brought EA within the scope of Corporation Tax. Legislation will be introduced in the Finance Bill 2017-18 to amend the CTA 2010 to include a new section 987B to provide for the new exemption from Corporation Tax for the Education Authority. The measure will be retrospective effective from 1 April 2015 when the Education Authority was established.

Banking Services

Due to market failure EA was unable to appoint a new banking provider following procurement. To ensure the continuity of critical services EA has negotiated ongoing support from the existing provider and will result in a Direct Award of Contract. This will also enable a new procurement exercise and modernisation activities to address the causes of market failure.

Children and Young People's Services

EA has continued to monitor services and provision; this still relies on at least five key information management systems, with a consequent impact on the collation and analysis of data.

Organisational Change in Directorates

The appointment of five new Directors early in 2016 marked the beginning of the new regional management structure of EA and provided much needed certainty in terms of leadership and strategic direction. However, interim management structures remain in place at the level below Director. When the EA was established the primary aim, initially, was to ensure the transition from the former ELB's was as smooth as possible and that vital services to schools and youth centres continued to be delivered unaffected. This was successfully achieved.

The focus has now turned to the transformation within Directorates where EA is committed to building an organisation that has a truly regional focus, is innovative, forward-looking and delivers excellent education services for all. The appointment process for Assistant Directors commenced in February 2017. The Assistant Directors will also provide increased capacity and momentum to drive the transformation of EA services and full implementation of EA as a single regional organisation.

Extended Schools

EA is in receipt of 124 Industrial Tribunal claims from staff engaged in Extended Schools' activities. EA continues to keep the EA Financial and General Purposes Committee and the Department of Education apprised of developments.

ACCOUNTABILITY REPORT

GOVERNANCE STATEMENT

New Financial System

In December 2016 a single EA wide financial system went live replacing the five former Education and Library Board systems. This is a complex and more advanced system and it is continuing to be rolled in across the EA. Action plans are in place to address some residual issues. Business processes are being harmonised and the new functionality is being used to modernise financial operations, and drive improved business understanding.

New HR and Payroll System

As part of an initiative to modernise its Finance and HR systems, the EA is taking forward a project to design, build and implement a new HR and Payroll system harmonising the system, processes and practices across the five legacy Education and Library Boards. Progress has been made during the year but the project identified a range of complexities which impacted the proposed go live date. The HR/Payroll element of this new integrated Finance/HR system is currently being re-assessed and an updated business case is being prepared. The timescale and costs will be updated as part of this exercise.

In the meantime, the existing non-teaching and DE teachers' payroll systems will continue to be used, with interfaces to the new finance system.

ICT Services

The IT service has supported modernisation in a range of services, including Whistle Blowing, Subject Access Request, Freedom of Information handling, and Data Protection incident control. ICT is balancing on-going support for existing administrative systems with the need to prioritise opportunities which support organisational modernisation and transformational change.

The main period of the current contract to provide the IT Managed Service for the school system (that is, C2k) ended at the end of March 2017. The service was extended in line with the contract for a further two years and was approved by DoF in March 2017. EA is undertaking the work necessary to replace the current contract by the end of March 2019.

Operations and Estates

The EA has continued to attempt alignment of the existing recurrent maintenance allocation to actual expenditure. Consequently it is now delivering an agreed consistent approach across all offices to a reduced programme of statutory tests and inspections to meet statutory requirements. In parallel all offices complete an assessment of risk to identify priorities to ensure corporate compliance with statutory requirements. All offices address only response maintenance requests to ensure service delivery for schools. However, even with the reduced expenditure approach this minimum level expenditure still exceeded the recurrent in year allocation. It should also be noted that the reduced programme of statutory tests cannot be sustained as it leads to another expenditure pressure with unplanned response works.

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CoPE

An independent review of the EA CoPE Accreditation was carried out and a report produced on 13 February 2017. The findings from the report were that the EA did not fully meet the requirements of the CoPE Accreditation Model. A number of recommendations were made in the report and an action plan developed. The EA has set up an EA CoPE Accreditation Review Working Group to take forward the recommendations. DE is working closely with EA on this to ensure implementation working towards re-accreditation in 2018. In the meantime, the Central Procurement Directorate has agreed with DE and EA that the EA will maintain its CoPE status.

Conclusion

In conclusion, as Chief Executive and Accounting Officer for EA, I can confirm that the Governance Statement has been formally reviewed by the Audit and Risk Assurance Committee, that it is complete and accurately reflects the latest assessment of the state of governance within EA.



Gavin Boyd
Accounting Office

Date: 27.2.18.

ACCOUNTABILITY REPORT

REMUNERATION AND STAFF REPORT

Board Members

The Chair of the Board is paid by EA at a rate and on such conditions as determined by DE. EA makes payments to Board Members at rates and on such conditions as determined by DE. Board Members also receive travelling and subsistence allowances. The mileage allowance rates agreed by the National Joint Council for Local Government Services are applied. No Board Members receive or make pension contributions.

Chief Executive and Senior Officers

Mr Gavin Boyd acted as Chief Executive of EA for the 2016-17 year. Mr Boyd is an employee of DE and as such his salary is paid by DE. Details can be found in the DE Annual Report and Accounts at the following link [Department of Education Resource Accounts for year ended 31 March 2017 | Department of Education](#)

EA completed the process of appointing a permanent senior management team in January 2016. Five Directors were appointed, three of whom took up post during the 2015-16 year with the remaining two directors taking up their posts in April 2016.

The remuneration of the Directors is determined in accordance with a performance management framework with a process to ensure that objectives are demanding, achievable and fair. Objectives for Directors will be set by the Chief Executive, who will also undertake the subsequent assessment. Oversight of the processes will be exercised by the Remuneration Committee. Objectives will be informed by the strategic direction and performance objectives set for EA by DE and will be defined and agreed with time-based targets.

Remuneration Committee Members

April 2016 – March 2017

Ms Sharon O'Connor
Dr Ian McMorris
Miss Rosemary Rainey
Ms Nuala Toman

The Remuneration Committee met once during the year.

Service Contracts

Officer appointments are in accordance with the Joint Negotiating Council (JNC) for the EA terms and conditions.

Unless otherwise stated overleaf, the officers covered by this report hold appointments until their retirement. The normal period of notice is three months. Policy on termination payments in relation to premature retirement is in accordance with Local Government Regulations and the redundancy provisions.

ACCOUNTABILITY REPORT

REMUNERATION AND STAFF REPORT

Salary including Allowances – Audited Information

The following sections provide details of the remuneration and pension interests of senior post holders within EA.

	Salary inc allowance 2016-17 (See Note 1 overleaf) £000	Performance related pay 2016-17 £000	Pension Benefits 2016-17 (to nearest £1000)	Total 2016-17 £000	Salary inc allowance 2015-16 £000	Performance related pay 2015-16 £000	Pension Benefits 2015-16 (to nearest £1000)	Total 2015-16 £000
Dr Clare Mangan Director of Children and Young People’s Services	85-90	-	36,000	125-130	90 - 95	0 - 5	27,000	115 - 120
Mr John Collings Director of Education	85-90	-	35,000	120-125	5 - 10 (Full year equivalent 85 - 90)	0	2,000	5-10
Ms Joyce Bill Director of Finance and ICT	85-90	-	34,000	115-120	0 – 5 (Full year equivalent 80 -85)	0	1,000	0-5
Ms Sarah Long Director of Operations and Estates from 4 April 2016	80-85 (Full Year equivalent 85-90)	-	34,000	115-120	-	-	-	-
Ms Clare Duffield Director of Human Resources from 11 April 2016	80-85 (Full year equivalent 80-85)	-	33,000	110-115	-	-	-	-

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

EMOLUMENTS OF SENIOR POST HOLDERS AND MEMBERS

Salary including Allowances (Note 1)

Salary is based on actual salary earned for the year. It includes gross salary and taxable allowances but excludes employer's costs and the payment of legitimate expenses. Performance-related pay is an accrual based on actual performance in 2016-17 which becomes due in 2017-18.

Mr Gavin Boyd acted as Chief Executive of EA for the 2016-17 year. Mr Boyd is an employee of DE and as such his salary is paid by DE. Details can be found in the DE Annual Report and Accounts.

Mr Pat O'Neill acted as Change Director for the 2016-17 year. Ms Denise Stockman acted as Interim Director, Operations and Estates Projects for a portion of the 2016-17 year. They are both employees of the Strategic Investment Board and as such their salaries are paid by the Strategic Investment Board.

Benefits In Kind

Senior post holders do not receive non-cash benefits (benefits-in-kind).

Performance-Related Pay

Performance-related pay is not a bonus but facilitates progression through the pay range for the individual as determined by their performance.

Targets generally are derived at the beginning of each year and are informed from the organisation's business plan and assigned to individual members of the senior management team. Performance is assessed at the end of the year and establishes the salary for the individual for the year ahead.

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ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

EMOLUMENTS OF SENIOR POST HOLDERS AND MEMBERS

Pension Entitlements - Audited Information

	Accrued pension at pension age as at 31/3/17 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/03/17 £000	CETV at 31/03/16 £000	Real increase in CETV £000
Dr Clare Mangan Director of Children and Young People's Services	5-10 Plus lump sum of 0	0-2.5 Plus lump sum of 0	96	70	26
Mr John Collings Director of Education	0-5 Plus lump sum of 0	0-2.5 Plus lump sum of 0	26	2	24
Ms Joyce Bill Director of Finance and ICT	0-5 Plus lump sum of 0	0-2.5 Plus lump sum of 0	17	0	17
Ms Sara Long Director of Operations and Estates from 4 April 2016	0-5 Plus lump sum of 0	0-2.5 Plus lump sum of 0	15	0	15
Ms Clare Duffield Director of Human Resources from 11 April 2016	0-5 Plus lump sum of 0	0-2.5 Plus lump sum of 0	15	0	15

Compensation Payable on Early Severance

No compensation was payable on early severance during the year.

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ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

EMOLUMENTS OF SENIOR POST HOLDERS AND MEMBERS

Cash Equivalent Transfer Values (CETVs)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the board's pension arrangements and for which the Department of Finance's Superannuation Scheme Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 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.

Real Increase in CETV

When calculating the real increase in CETV and the pension benefits accrued during the year 2016-17 for the single total figure of remuneration, Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) takes account of inflation. The Consumer Price Index (CPI) increase for September 2016 was +1.0%.

The final salary portion of the pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year plus the pension built up due to the post 31 March 2015 CARE element of pension.

Pay Multiples – Audited Information

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 EA and the ratio to the median remuneration of the workforce is given in the table:

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

EMOLUMENTS OF SENIOR POST HOLDERS AND MEMBERS

	Period ended 31 March 2017 £000	Period ended 31 March 2016 £000
Band of highest paid director's total remuneration (full year equivalent)	85-90	100-105
Median remuneration (teaching staff)	£38,424	£38,043
Ratio (teaching staff)	2.33	2.67
Median remuneration (non-teaching staff)	£14,159	£13,999
Ratio (non-teaching staff)	6.33	7.25

The band of the highest paid Director's remuneration of £85k-£90k excludes any salary arrears which were paid in year.

In 2016-17 three employees received remuneration in excess of the highest paid Director. Remuneration ranged from £91k to £105k.

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

Board Members – Audited Information

The total emoluments (including honoraria) of the Chair were £52,683 (2015-16: £51,707).

The highest payment for any other Board Member was £11,704 (2015-16: £11,807).

The aggregate amount of Board Members' emoluments was £238,454 (2015-16: £240,578).

No Members waived emoluments. Twenty three Members made a claim for emoluments during the 2016-17 year.

The number of board members who received emoluments fell within the range below:

	2016-17	2015-16
£	Number	Number
1 – 4,999	2	-
5,000 – 9,999	15	13
10,000 – 14,999	5	7
15,000 – 19,999	-	-
50,000 – 54,999	1	1

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Staff Costs comprise:

The following section is subject to audit

				2016-17	2015-16
	Permanent staff	Temporary staff **	Others	Total	Total
	£000	£000	£000	£000	£000
Teaching					
Wages and salaries	558,034	76,568	-	634,602	637,781
Social Security costs	60,780	7,176	-	67,956	52,134
Other pension costs	98,791	12,582	-	111,373	112,133
Other employee expenses	19,433	-	-	19,433	17,967
	<u>737,038</u>	<u>96,326</u>	<u>-</u>	<u>833,364</u>	<u>820,015</u>
Less recoveries in respect of outward secondments	-	-	-	-	(7)
	<u>737,038</u>	<u>96,326</u>	<u>-</u>	<u>833,364</u>	<u>820,008</u>
Non-Teaching (including Board Members)					
Wages and salaries	173,978	171,038	799	345,815	350,881
Social Security costs	12,296	8,378	-	20,674	16,212
Pension costs	32,490	21,958	-	54,448	53,857
Other employee expenses	12,407	0	-	12,407	16,824
	<u>231,171</u>	<u>201,374</u>	<u>799</u>	<u>433,344</u>	<u>437,774</u>
Less recoveries in respect of outward secondments	(93)	(112)	-	(205)	(200)
	<u>231,078</u>	<u>201,262</u>	<u>799</u>	<u>433,139</u>	<u>437,574</u>
TOTAL	<u>968,116</u>	<u>297,588</u>	<u>799</u>	<u>1,266,503</u>	<u>1,257,582</u>

** "Temporary Staff" are defined within EA as those members of staff who are in a temporary post, not necessarily on a temporary contract.

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Average Number of Persons Employed:

The following section is subject to audit

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

				2016-17	2015-16
	Permanent staff	Temporary staff	Others	Total	Total
Teaching	14,973	3,768	1	18,742	18,812
Non-Teaching	12,801	7,184	40	20,025	20,023
TOTAL	27,774	10,952	41	38,767	38,835

Additional staff costs were capitalised during the year of £3,775k (2015-16: £2,066k) which equates to 88 (2015-16: 55) whole-time equivalent persons and are included in Note 10 of the Financial Statements.

Pension Obligations

The following section is subject to audit

As explained in the Accounting Policies section of the Financial Statements (paragraph 1.14, page 152) the EA participates in two principal schemes, the Teachers' Superannuation Scheme (TSS) and the Northern Ireland Local Government Officers' Superannuation Committee.

EA has included pension costs in relation to these schemes as follows:

	£000
Teachers' Superannuation Scheme (TSS)	111,373
Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC)	54,432
	165,805

For 2016-17 the employer's contribution rate to the Teacher's Superannuation Scheme was 17.7%.

For 2016-17 the employer's contribution rate to the Northern Ireland Local Government Officers' Superannuation Scheme was 20%.

NILGOSC is a multi-employer defined benefit scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent basis. The latest formal valuation of the fund for the purpose of setting employer's actual contributions was at 31 March 2016 with the next formal valuation due at 31 March 2019. A valuation was carried out by a qualified independent actuary for the purposes of meeting the requirements of IAS19 for these accounts.

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

The major assumptions used by the actuary were:

	At 31 March 2017	At 31 March 2016
Rate of increase in salaries	3.5%	3.3%
Rate of increase in pensions	2.0%	1.8%
Discount rate	2.6%	3.5%
Inflation assumption	2.0%	1.8%

The fund's objective of holding sufficient assets to meet the estimated current cost of providing members' past service benefits was not met at the last formal valuation date. The current funding level is 96% at 31 March 2016 (91% at 31 March 2013) leaving a funding shortfall of £262.6million. The aggregate employer total contribution rate required to restore the funding to 100% using a recovery period of 20 years from 1 April 2017, is 21% of Pensionable Pay (if the membership remains broadly stable and pay increases are in line with assumptions). The contributions payable by each employer may differ because they allow for each employer's membership profile and funding ratio, and assumption and recovery periods appropriate to their circumstances. From 1 April 2017, the EA employer contribution rate will reduce to 18%, increasing to 19% from 1 April 2018 and 20% from 1 April 2019. EA will also make an additional lump sum contribution to address the shortfall for past service liabilities totalling £4.8million per annum during 2017-18, 2018-19 and 2019-20.

Statement of Financial Position	2017 £000	2016 £000
Fair value of assets	1,758,298	1,494,033
Present value of funded defined benefit obligation	(2,440,207)	(1,960,304)
Present value of unfunded defined benefit obligation	(20,719)	(18,678)
Pension (liability) recognised in the Statement of Financial Position	(702,628)	(484,949)

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

	2016-17 £000	2015-16 £000
Changes to the Present Value of Defined Benefit Obligation During the Accounting Period		
Opening Defined Benefit Obligation	1,978,982	2,018,661
Current service cost	67,982	69,251
Interest on the defined benefit obligation	68,551	63,982
Contributions by participants	16,297	15,872
Actuarial (gains) on liabilities – experience	(86,582)	(15,607)
Actuarial (gains) on liabilities – demographic assumptions	(2,424)	-
Actuarial losses/(gains) on liabilities – financial assumptions	474,921	(119,577)
Past service cost	1,976	1,793
Net benefits paid out	(58,777)	(55,393)
Closing Defined Benefit Obligation	2,460,926	1,978,982

	2016-17 £000	2015-16 £000
Changes to the fair value of assets during the accounting period		
Opening Fair Value of Assets	1,494,033	1,436,282
Interest income on plan assets	52,581	46,244
Contributions by participants	16,297	15,872
Employer contributions in respect of funded benefits	56,908	55,341
Employer contributions in respect of unfunded benefits	1,201	1,239
Actuarial Gains/(Losses) on assets	196,055	(5,552)
Payment of unfunded benefits	(1,201)	(1,239)
Net benefits paid out of the fund	(57,576)	(54,154)
Closing Fair Value of Employer Assets	1,758,298	1,494,033

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Charges to the Statement of Comprehensive Net Expenditure

Amounts included in Purchase of Goods and Services (Note 6 to Financial Statements)	2016-17 £000	2015-16 £000
Current service cost	67,982	69,251
Past service cost	1,976	1,793
Total operating charge	69,958	71,044
Employer contributions in respect of funded benefits	(56,908)	(55,341)
Employer contributions in respect of unfunded benefits	(1,201)	(1,239)
Net Operating Charge	11,849	14,464

Amounts charged to Pension Financing Charges	2016-17 £000	2015-16 £000
Interest income on plan assets	(52,581)	(46,244)
Interest on the defined benefit obligation	68,551	63,982
Net return	15,970	17,738

Amounts recognised in Other Comprehensive Expenditure (OCE)	2016-17 £000	2015-16 £000
Liability (losses)/gains due to change in assumptions	(474,921)	119,577
Liability experience gains arising during the year	86,582	15,607
Actuarial losses on liabilities – demographic assumptions	2,424	-
Actuarial gains/(losses) on plan assets	196,055	(5,552)
Total (losses)/gains recognised in OCE	(189,860)	129,632

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Amounts for the current accounting period

	2016-17 £000	2015-16 £000
Fair value of employer assets	1,758,298	1,494,033
Present value of defined benefit obligation	(2,460,926)	(1,978,982)
Pension Liability	(702,628)	(484,949)
Experience Losses on plan assets	(196,055)	(5,552)
Experience Gains on liabilities	86,582	15,607
Actuarial Losses on assets	(196,055)	(5,552)
Actuarial Gains on liabilities	6,195	135,184
Actuarial (Losses)/Gains recognised in OCE	(189,860)	129,632

Sensitivity Analysis

IAS 19 valuation results depend critically on the principal assumptions used in the calculations.

The discount rate used to value the liabilities is prescribed under IAS 19 and the results are particularly sensitive to the discount rate. If the yield used to discount each future benefit payment decreases, then the value placed on the liabilities increases. The results are also sensitive to unexpected changes in the rate of future mortality improvements. If longevity improves at a faster rate than allowed for in the assumptions, then, again, a higher value would be placed on the employer's liabilities. In addition, if pensionable pay increases more than allowed for in the assumptions, the active liability will increase. Similarly, if inflation (and therefore pension increases) is higher than assumed, this will increase the value of the liabilities. If the liabilities increase, the employer's statement of financial position will worsen.

The sensitivity of the principal assumptions used to measure the liabilities as at 31 March 2017 are set out overleaf.

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Discount rate assumption

Adjustment to discount rate	+0.1% pa	-0.1% pa
Present value of total obligation (£000s)	2,394,303	2,485,991
% change in present value of total obligation	-1.9%	+1.9%
Projected service cost (£000s)	92,865	98,253
Approximate % change in projected service cost	-2.8%	+2.9%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% pa	-0.1% pa
Present value of total obligation (£000s)	2,453,367	2,427,176
% change in present value of total obligation	+0.5%	-0.5%
Projected service cost (£000s)	95,527	95,527
Approximate % change in projected service cost	0.0%	0.0%

Rate of increase to pensions in payment and deferred pensions assumption

Adjustment to pension increase rate	+0.1% pa	-0.1% pa
Present value of total obligation (£000s)	2,473,697	2,407,203
% change in present value of total obligation	+1.4%	-1.4%
Projected service cost (£000s)	98,253	92,865
Approximate % change in projected service cost	+2.9%	-2.8%

Post retirement mortality assumption

Adjustment to mortality age rating assumption	-1 year	+1 year
Present value of total obligation (£000s)	2,511,581	2,369,229
% change in present value of total obligation	+2.9%	-2.9%
Projected service cost (£000s)	98,827	92,248
Approximate % change in projected service cost	+3.5%	-3.4%

Each factor is considered in isolation i.e. the 'impact on liability' assumes all other factors are constant.

Comment on Mortality Assumptions

The mortality assumptions affect the length of time the benefits would be expected to be paid for. Life expectancy is based on the Self-Administered Pension Scheme (SAPS) year of birth tables with improvements from 2007 in line with the Medium Cohort and a 1% p.a. underpin. Mortality loadings were applied to the SAPS tables based on membership class. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	23.2	25.8
Future pensioners	25.4	28.1

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Staff Composition

The analysis of EA's employees by gender at 31 March 2017 is as follows:

	Male	Male %	Female	Female %	Total	Total %
Directors	1	20	4	80	5	100
Senior Management	-	-	-	-	-	-
Employees Permanent – Teaching	3,371	21	12,744	79	16,115	100
Employees Temporary – Teaching	787	19	3,349	81	4,136	100
Employees Permanent – Non-Teaching	3,090	16	15,650	84	18,740	100
Employees Temporary – Non-Teaching	3,675	19	15,314	81	18,989	100

Sickness Absence Data

The average number of days lost through sickness between April 2016 and March 2017 was 8.52 days for teachers (2015-16: 7.66 days) and 10.14 days (2015-16 9.28 days) for non-teaching staff.

Staff Policies

EA actively encourages applications for employment from disabled persons where the requirements of the job may be adequately performed by a disabled person.

Where existing employees become disabled, it is EA's board's policy wherever possible to provide continuous employment under normal terms and conditions and to provide training and career development and promotion where appropriate.

Off-payroll Engagements

EA is required to disclose any details of 'off payroll' engagements at a cost of over £58,200 per annum that were in place during the year ended 31 March 2017.

Opening number of 'off-payroll' engagements at 1 April 2016	2
The number of new engagements 'off-payroll' during the year	-
The number of engagements that have come onto payroll during the year	-
The number of engagements that have come to an end during the year	(1)
The closing number of engagements 'off-payroll' at 31 March 2017	1

Expenditure on Consultancy

External consultancy spending during 2016-17 was £NIL (2015-16: £NIL)

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Temporary Staff

Temporary staff costs in 2016-17 amounted to £297,588k (2015-16: £203,406k).

Reporting of compensation and exit packages for all staff 2016-17

The following section is subject to audit

Teaching Staff

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total number of Exit Packages	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Less than £10,000	0	4	4	5	4	9
£10,000-£25,000	5	4	11	8	16	12
£25,000-£50,000	1	21	73	36	74	57
£50,000-£100,000	1	11	33	13	34	24
£100,000-£150,000	0	-	0	-	0	-
£150,000-£200,000	0	-	0	-	0	-
Number of Exit Packages	7	40	121	62	128	102
Resource Cost £000	181	1,717	5,246	2,164	5,427	3,881

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Non-Teaching Staff

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total number of Exit Packages	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Less than £10,000	130	99	112	56	242	155
£10,000-£25,000	21	21	42	57	63	78
£25,000-£50,000	1	7	43	81	44	88
£50,000-£100,000	0	1	46	79	46	80
£100,000-£150,000	0	-	18	25	18	25
£150,000-£200,000	0	-	10	7	10	7
£200,000-£250,000	0	-	2	-	2	-
£250,000-£300,000	0	-	2	2	2	2
Number of Exit Packages	152	128	275	307	427	435
Resource Cost £000	711	734	10,528	14,538	11,239	15,272
Total Number of Exit Packages	159	168	396	369	555	537
Total Resource Cost £000	892	2,451	15,774	16,702	16,666	19,153

Non-Teachers' redundancy payments were made in accordance with the ELBs' Scheme for Redundancy in accordance with The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2007 as amended.

Teachers' redundancy payments were made in accordance with the Teachers Premature Retirement Compensation Scheme relevant for 2016-17.

Where EA has agreed early retirements, the additional costs are met by EA and not by the pension schemes.

Ill-health retirement costs are met by the pension schemes and are not included in the table.

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

ASSEMBLY ACCOUNTABILITY REPORT

i. Losses and Special Payments

The following sections are subject to audit

Losses Statement

	2016-17	2016-17	2015-16	2015-16
	No. of	£000	No. of	£000
	Cases		Cases	
Cash losses	158	67	255	82
Claims abandoned	21	7	54	27
Fruitless payments	-	-	2	12
Stores losses	266	201	446	210
	445	275	757	331

No individual payment exceeded £250,000.

Special Payments

	2016-17	2016-17	2015-16	2015-16
	No. of	£000	No. of	£000
	Cases		Cases	
Redundancy payments	555	16,666	523	19,073
	555	16,666	523	19,073

There were two exit packages which exceeded £250,000 each (see Staff Report).

ii. Fees and Charges

The following section is subject to audit

EA is responsible for the provision of a School Meals Service to the schools it funds. This is a fee-paying service unless there is an entitlement to a free meal.

In accordance with the revised 'Arrangements for the Provision of Milk, Meals and Related Facilities' issued by DE in March 2011, the charge for a meal for a paying pupil should be sufficient to fully recover the variable costs and make a contribution to fixed costs. This target was achieved in both years.

ACCOUNTABILITY REPORT

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

The information below is in respect of the School Meals Service only and is provided for fees and charges purposes and not for IFRS 8 purposes which is separately disclosed in Note 2 within the Financial Statements.

	2016-17	2015-16
	£000	£000
Full cost	67,890	64,685
Less: Income	(32,800)	(30,414)
Rurality Element	(794)	(787)
Net cost	<u>34,296</u>	<u>33,484</u>
Number of paid meals	12,979	12,070
Number of free meals	14,661	13,840
Total number of meals	<u>27,640</u>	<u>25,910</u>
Average Gross Cost per meal	<u><u>£2.46</u></u>	<u><u>£2.50</u></u>

iii. Remote Contingent Liabilities

This section is subject to audit

Details on contingent liabilities reported within the meaning of IAS 37 are disclosed in Note 23 within the Financial Statements.

There are no additional remote contingent liabilities which are required to be reported.


Gavin Boyd
Accounting Officer

27.2.18.
Date:

EDUCATION AUTHORITY

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

I certify that I have audited the financial statements of the Education Authority for the year ended 31 March 2017 under the Education Act (Northern Ireland) 2014. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Assembly Accountability Report that is described in those reports as having been audited.

Respective responsibilities of the Education Authority, Chief Executive and auditor

As explained more fully in the Statement of the Education Authority and Chief Executive's Responsibilities, the Education Authority and Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Education Act (Northern Ireland) 2014. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining 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. This includes an assessment of: whether the accounting policies are appropriate to the Education Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Education Authority; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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.

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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Education Authority's affairs as at 31 March 2017 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Education Act (Northern Ireland) 2014 and Department of Education directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Assembly Accountability Report to be audited have been properly prepared in accordance with Department of Education directions made under the Education Act (Northern Ireland) 2014; and
- the information given in Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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 Remuneration and Staff Report and Assembly 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 Department of Finance's guidance.

Report

My report on the Education Authority's overspend of £19.1 million compared with its 2016-17 budget allocation is included on pages 193 to 195.



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

28 February 2018

FINANCIAL STATEMENTS

**EDUCATION AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

**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.

	Notes	2016-17 £000	2015-16 £000
Income from sale of goods and services	3	(59,409)	(52,380)
Other operating income	4	(5,605)	(2,472)
Total operating income		(65,014)	(54,852)
Staff costs	5	1,266,503	1,257,582
Purchase of goods and services	6	334,741	367,197
Provision expense	6	3,330	(584)
Depreciation and impairment charges	7	89,404	70,313
Notional costs	8	3,188	3,276
Other operating expenditure	9	26,448	21,638
Total operating expenditure		1,723,614	1,719,422
Net operating expenditure		1,658,600	1,664,570
Finance expense		15,970	17,738
Net expenditure for the period		1,674,570	1,682,308
Credit in respect of notional costs		(3,188)	(3,276)
Net expenditure transferred to the General Reserve		1,671,382	1,679,032
Other comprehensive net expenditure			
<u>Items that will not be reclassified to net operating costs:</u>			
Machinery of Government transfer of net assets	29	29	(994,987)
Net (gain) on revaluation of Property, Plant and Equipment		(42,995)	(108,724)
Net loss/(gain) on revaluation of Intangible assets		86	(7)
Actuarial loss/(gain) on pension scheme liabilities		189,860	(129,632)
Comprehensive net expenditure for the period		1,818,362	445,682

All amounts above relate to continuing activities.

The notes on pages 144 to 192 form part of these accounts.

EDUCATION AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

This statement presents the financial position of the Education Authority. 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 £000	2015-16 £000
Non-current assets			
Property, plant and equipment	10	1,993,705	1,949,884
Intangible assets	11	720	319
Trade and other receivables	15	128	551
Total non-current assets		1,994,553	1,950,754
Current Assets			
Assets classified as held for sale	12	527	885
Inventories	14	12,040	1,385
Trade and other receivables	15	32,257	40,576
Cash and cash equivalents	16	9,122	3,004
Total current assets		53,946	45,850
Total assets		2,048,499	1,996,604
Current Liabilities			
Trade and other payables	17	(134,728)	(139,824)
Provisions	18	(3,008)	(3,232)
Total current liabilities		(137,736)	(143,056)
Total assets less current liabilities		1,910,763	1,853,548
Non-current liabilities			
Other payables	17	(145,803)	(157,925)
Provisions	18	(2,522)	(3,787)
Pension liabilities	22	(702,628)	(484,949)
Total non-current liabilities		(850,953)	(646,661)
Total assets less total liabilities		1,059,810	1,206,887
Taxpayers' equity and other reserves			
General reserve		1,158,886	1,101,293
Pension reserve		(702,628)	(484,949)
Revaluation reserve		603,552	590,543
Total equity		1,059,810	1,206,887

**EDUCATION AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

The Financial Statements on pages 137 to 192 were approved by the board on 22 February 2018 and were signed on its behalf by:

Chairperson: 

Date: 28/02/18

Chief Executive: 

Date: 27.2.18.

The notes on pages 144 to 192 form part of these accounts.

EDUCATION AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

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 the Education Authority during the reporting period. The statement shows how the Authority 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 the Authority. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the authority's future public service delivery.

	Notes	2016-17 £000	2015-16 £000
Cash flows from operating activities			
Net expenditure for the period		(1,674,570)	(1,682,308)
<u>Adjustments for non-cash transactions:</u>			
Notional costs	8	3,188	3,276
Depreciation and impairment charges	7	89,404	70,313
Increase in pension liability		27,819	32,202
Loss on disposal of property, plant and equipment	6	533	917
(Increase)/decrease in inventories	14	(10,655)	139
Decrease in trade and other receivables <i>less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	15	8,742	9,314
Increase/(decrease) in trade and other payables <i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	17	(4,210)	(8,770)
Use of provisions	18	(1,489)	(1,356)
Net cash outflow from operating activities		<u>(1,561,238)</u>	<u>(1,576,273)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(91,390)	(67,346)
Purchase of intangible assets		(687)	-
Proceeds of disposal of property, plant and equipment		2,256	2,618
Net cash outflow from investing activities		<u>(89,821)</u>	<u>(64,728)</u>
Cash flows from financing activities			
Grants from sponsoring department		1,671,285	1,652,569
Capital element of payments in respect of finance leases and on-balance sheet (SoFP) PFI (and other service concession) contracts		(14,108)	(13,406)
Net financing		<u>1,657,177</u>	<u>1,639,163</u>

**EDUCATION AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

	2016-17	2015-16
	£000	£000
Net increase/(decrease) in cash and cash equivalents in the period	6,118	(1,838)
Cash and cash equivalents at the beginning of the period	3,004	4,842
Cash and cash equivalents at the end of the period	<u><u>9,122</u></u>	<u><u>3,004</u></u>

The notes on pages 144 to 192 form part of these accounts.

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**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED
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This statement shows the movement in the year on the different reserves held by the Education Authority analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the consolidated fund). The general reserve represents the total assets less liabilities of the Authority, to the extent that the total is not represented by other reserves and financing items. The pension reserve represents the cumulative balance on the NILGOSC pension fund. The revaluation reserve reflects the change in asset values that have not been recognised as income or expenditure.

	General Reserve £000	Pension Reserve £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2015	1,069,117	(582,379)	508,249	994,987
Funding from Sponsoring Departments:				
Recurrent funding	1,600,443	-	-	1,600,443
Capital funding	50,794	-	-	50,794
Other funding	3,687	-	-	3,687
Capital proceeds surrendered to Sponsoring Departments	(2,355)	-	-	(2,355)
Transfers between reserves	58,337	(32,202)	(26,135)	-
Net expenditure transferred to the General Reserve	(1,679,032)	-	-	(1,679,032)
Revaluation gains and losses	-	129,632	108,731	238,363
Disposal of property, plant and equipment	302	-	(302)	-
Balance at 31 March 2016	1,101,293	(484,949)	590,543	1,206,887
Machinery of Government Transfer	(29)	-	-	(29)
Funding from Sponsoring Departments:				
Recurrent funding	1,584,380	-	-	1,584,380
Capital funding	88,478	-	-	88,478
Other funding	382	-	-	382
Capital proceeds surrendered to Sponsoring Departments	(1,955)	-	-	(1,955)
Transfers between reserves	57,180	(27,819)	(29,361)	-
Net expenditure transferred to the General Reserve	(1,671,382)	-	-	(1,671,382)
Revaluation gains and losses	-	(189,860)	42,909	(146,951)
Disposal of property, plant and equipment	539	-	(539)	-
Balance at 31 March 2017	1,158,886	(702,628)	603,552	1,059,810

The notes on pages 144 to 192 form part of these accounts.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 STATEMENT OF ACCOUNTING POLICIES

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

With effect from 1 April 2016, EA took over full responsibility for the provision of all youth services, including those previously undertaken by DE. As a result, funding for Regional Voluntary Youth Organisations, previously administered by the Youth Council NI, will now be administered through EA. In accordance with the FReM, the transfer of the assets and liabilities of the Youth Council NI to the EA was accounted for under absorption accounting.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, and, where material, stocks to fair value as determined by the relevant accounting standard.

These accounts have been prepared in pounds sterling and are rounded to the nearest thousand.

1.2 Recognition of Income and Funding

1.2.1 Departmental Funding

The main source of funding for the organisation is allocations (grants-in aid) from the Department of Education and the Department for the Economy. All grants-in aid, whether for revenue or capital purposes, are recognised on a cash receipts basis and are treated as contributions from controlling parties giving rise to a financial interest in the residual interest of the organisation, and hence are accounted for as financing i.e. by crediting them to the General Reserve.

1.2.2 Income from Sale of Goods and Services

Income from the sale of goods and services relates directly to the operating activities of the organisation. It principally comprises income from catering activities, in addition to other sources of income. The income is included in the Statement of Comprehensive Net Expenditure to the extent of the completion of the contract or service concerned and is stated net of Value Added Tax (VAT).

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1.2.3 Other Operating Income

Other operating income comprises revenue grants received from other bodies for specific purposes and is restricted in use. This includes income from the New Opportunities Fund (NOF), European Union (EU) funding and other sources, and is included in the Statement of Comprehensive Net Expenditure to the extent that it matches against the relevant expenditure incurred during the period. Grant income received during the period which is not matched to relevant expenditure incurred during the same period is shown as either accrued or deferred income on the Statement of Financial Position.

1.2.4 Capital Grants

Government grants (excluding departmental capital funding above) to fund capital assets are recognised in the Statement of Comprehensive Net Expenditure as income. They are recognised when receivable unless there are conditions on their use which, if not met, would result in the grant becoming repayable. In such cases the income is deferred and released when the obligations are met. Where grants have no conditions on their use the income is recognised immediately in the Statement of Comprehensive Net Expenditure.

1.3 Grants Payable

Revenue grants and bursaries are charged to the Statement of Comprehensive Net Expenditure in the year they are paid.

1.4 Foreign Currency Transactions

Transactions in foreign currencies are recorded using the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange at the end of the financial period with all resulting exchange differences being taken to the Statement of Comprehensive Net Expenditure in the period in which they arise.

1.5 Taxation

1.5.1 Corporation Tax

An unintended consequence of the wording of the legislation which established the EA brought EA within the scope of Corporation Tax. Legislation will be introduced in the Finance Bill 2017-18 to amend the CTA 2010 to include a new section 987B to provide for the new exemption from Corporation Tax for the Education Authority. The measure will be retrospective effective from 1 April 2015 when the Education Authority was established. Therefore EA has not included any provision for Corporation Tax in these accounts.

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1.5.2 Value Added Tax (VAT)

A significant proportion of the activities of the organisation are outside the scope of VAT, however input tax on purchases is recoverable. Irrecoverable VAT is charged to the relevant expenditure category. Where output VAT is charged or input VAT is recoverable, the related amounts within the Statement of Comprehensive Net Expenditure are stated net of recoverable VAT.

1.6 Property, Plant and Equipment

Property, plant and equipment assets comprise land, buildings, vehicles, Information Technology, plant and machinery, payments on account and assets under construction.

1.6.1 Recognition

An item of property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to the organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably;
- the item is computer equipment and has a cost of at least £200;
- the item is other than computer equipment and has a cost of at least £1,000; and
- the item is part of the initial furniture and equipment supplied to make a new or refurbished facility fully operational.

On initial recognition, items of property, plant and equipment are measured at cost including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Items classified as 'under construction' are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

1.6.2 Schools Estate

1.6.2.1 Ownership

Publicly-owned schools and school meals accommodation in the controlled sector are owned by the EA and included as non-current assets on the EA Statement of Financial Position. Where school meals accommodation in the maintained sector is owned by EA they are also included as non-current assets on the Statement of Financial Position.

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1.6.2.2 Valuation of Land and Buildings

All land and buildings assets which are owned by the EA are capitalised and included in the statement of financial position at fair value. The basis of valuation for each of the property types are as follows:

Property Type	Asset Category	Basis of Valuation
Offices and stores	Non specialised: operational Land and buildings owner occupied for the purpose of the undertaking	Existing Use Value
Schools	Specialised: operational Land and buildings owner occupied for the purpose of the undertaking	Depreciated Replacement Cost
Surplus assets	Non operational Properties surplus to requirements/ held for sale	Lower of carrying value or market value

Where there is a clear intention to dispose of an asset within the next 12 months, the asset is categorised and shown separately as part of current assets.

Full valuations are made by Land and Property Services (LPS) every five years. The last full valuation was at 31 March 2013 and in the intervening years these valuations are updated using appropriate indices obtained from LPS.

Properties under construction are carried at cost, less any impairment loss. Cost includes professional fees and other directly attributable costs necessary to bring the asset into use. Completed building projects are capitalised but not depreciated until brought into use.

1.6.2.3 Reversionary Trusts

Included within the Schools' Estate are assets held on Reversionary Trusts. These are properties which will revert to the ownership of trustees if they cease to be used as specified in the deeds of ownership.

1.6.3 Assets other than Land and Buildings

Assets other than land and buildings are carried at fair value. Fair values are updated annually using appropriate indices or professional valuations.

Non land and buildings assets under construction are carried at cost, less any impairment loss. Cost includes professional fees and other directly attributable costs necessary to bring the asset into use. Completed projects are capitalised but not depreciated until brought into use.

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1.6.4 Depreciation

Depreciation is not provided on the following assets:

- **freehold land**, due to the unlimited or very long useful life normally associated with land;
- **assets under construction**, which are not depreciated until they are brought into use; and
- assets which meet the definition of '**held for sale**', which are shown as part of current assets.

Depreciation is provided for all other items of property, plant and equipment having a finite useful life, by allocating the cost (or revalued amount), less estimated residual value of the assets as fairly as possible to the periods expected to benefit from their use. Useful lives are estimated on a realistic basis, reviewed annually and adjusted over the revised remaining economic life where appropriate.

All assets are depreciated on a straight line basis over their expected useful lives. A full month's depreciation is charged in the period of acquisition/commissioning and no depreciation charged in the month of disposal.

The following useful economic lives should, where necessary, be used as approximations to the levels estimated annually:

Asset Class	Asset Sub-class	Asset Life
Lands	Land	Not depreciated
Buildings	Permanent Buildings	50 years
	Modular Buildings	40 years
	Temporary Buildings	15 years
Computers	Hardware & Software	3 years
Plant & Equipment	Machinery	15 years
	Music Equipment	10 years
	General and Other	10 years
	Reprographics	7 years
	Grounds Maintenance	7 years
	Cleaning	7 years
Vehicles	>33 Seater Mini-buses	14 years
	33 Seater Mini-buses	10 years
	Grounds Maintenance	7 years
	Small Mini-buses	5 years
	Vans	5 years
	Cars	4 years

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1.7 Intangible Assets

Intangible assets comprise software and software licences.

1.7.1 Recognition

Intangible assets are non-financial non-current assets that do not have physical substance but are identifiable and are controlled by the EA through custody or legal rights.

An intangible is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to the organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £1,000.

On initial recognition, intangible assets are measured at cost. Subsequently, they are carried at fair value which is estimated by restating the value annually by reference to appropriate indices.

1.7.2 Amortisation

Amortisation is provided for all intangible non-current assets with a finite useful life, by allocating the cost (or revalued amount) less estimated residual value of the assets as fairly as possible to the periods expected to benefit from their use. Useful lives are estimated on a realistic basis, reviewed annually and adjusted over the revised remaining economic life where appropriate.

The following useful economic lives should, where necessary, be used as approximations to the levels estimated annually:

Asset Class	Asset Sub-Class	Asset Life
Intangible Assets	Software Licences	3 years

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1.8 Non-current Assets Held for Sale

Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses. Assets classified as held for sale are not depreciated.

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the asset must be available for immediate sale in its present condition subject only to terms that are usual or customary for sales of such assets and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

1.9 Impairment Losses

An asset is impaired if its carrying amount exceeds the value to be recovered through use or sale of the asset.

If an impairment loss arises which has not resulted from a loss of economic value or service potential the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the Statement of Comprehensive Net Expenditure. Impairment losses that arise from a clear consumption of economic benefits or service potential are charged in full to the Statement of Comprehensive Net Expenditure with an amount up to the value of the impairment being transferred from the revaluation reserve to the general reserve.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been carried had there been no initial impairment loss. The reversal of the impairment loss is credited to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and then to the revaluation reserve.

1.10 Inventories

Inventories are stated at fair value which is the lower of current cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

As part of a wider review of the EA business and improvement in financial management, two additional categories of inventories (Musical Instruments and Schools' Library Service Books) have been recognised for the first time in 2016-17. The total value of these items is £10,656k. The inclusion of these items provides more reliable and relevant information on the EA's financial

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position and in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the inclusion of these items within inventory for the first time is deemed to be a change in accounting policy. IAS 8 provides for situations where it is impracticable to apply a change in accounting policy retrospectively. In this case it is not possible to determine the effect on the opening and closing balance sheets for prior periods and the change has therefore been applied in the current period.

1.11 Cash and Cash Equivalents

Cash and cash equivalents include cash-in-hand and deposits with banks.

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

1.12 Provisions

In accordance with IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’, Provisions are recognised when:

- the EA has a present obligation as a result of a past event;
- it is probable that the EA will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.13 Employee Benefits

Under the requirements of IAS 19 ‘Employee Benefits’ the cost of providing employee benefits is recorded in the Statement of Comprehensive Net Expenditure in the period in which the benefit is earned by the employee, rather than when it is paid or payable. This is applicable to both short term and long term benefits and comprises the cost of any untaken leave that has been earned at the year end.

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1.14 Pension Scheme

The EA's employees belong to two principal schemes:

- the Teachers' Superannuation Scheme (TSS); and
- the Northern Ireland Local Government Officer's Superannuation Committee Scheme (NILGOSC).

1.14.1 The Teachers' Superannuation Scheme (TSS)

The Teachers' Superannuation Scheme is an unfunded contributory scheme administered by the Department of Education. The conditions of the Superannuation (NI) Order 1972, the Teachers' Superannuation Regulations (NI) 1977 and subsequent amendments apply to the scheme.

The rate of the employer's contribution is determined from time to time by the Government actuary and advised by the Department of Finance. The TSS is a multi-employer defined benefit scheme and the EA is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TSS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year in the Statement of Comprehensive Net Expenditure.

A separate set of Annual Scheme Statements are prepared for the Teachers Superannuation Scheme.

1.14.2 The Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC)

The Northern Ireland Local Government Officers' Superannuation Committee Scheme is a defined benefit scheme, the assets of the schemes being held in separate trustee-administered funds. The EA's contribution to the Northern Ireland Local Government Pension Scheme is determined by the fund's actuary, based on a triennial valuation. The scheme is administered by NILGOSC, Holywood Road, Belfast.

The latest formal valuation of the fund for the purpose of setting employer's actual contributions was at 31 March 2016. The fund's objective of holding sufficient assets to meet the estimated current cost of providing members' past service benefits was not met at the last formal valuation date. The current funding level is 96% at 31 March 2016 (91% at 31 March 2013) leaving a funding shortfall of £262.6m. The aggregate Employer total contribution rate required to restore the funding to 100% using a recovery period of 20 years from 1 April 2017, is 21% of Pensionable Pay (if the membership remains broadly stable and pay increases are in line with assumptions). The contributions payable by each Employer may differ because they allow for each Employer's membership profile and funding ratio, and assumption and recovery periods appropriate to their circumstances. From 1 April 2017, the EA Employer contribution rate will reduce to 18%, increasing to 19% from 1 April 2018 and 20% from 1 April 2019. The EA will also make an additional lump sum contribution to address the shortfall for past service liabilities totalling £4.8million per annum during 2017-18, 2018-19 and 2019-20.

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The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method and are accounted for on the basis of charging the cost of providing pensions over the period during which the EA benefits from the employee's services. Variations from regular cost are spread over the expected average remaining working lives of members of the scheme after making allowances for future withdrawals.

In accordance with IAS 19 'Retirement Benefits', the in-year movement in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the EA are charged to the Statement of Comprehensive Net Expenditure or the Statement of Changes in Taxpayers' Equity.

1.15 Reserves

The **General Reserve** represents the accumulated financial position of the EA.

The **Pension Reserve** represents the cumulative balance on the NILGOSC pension fund.

The **Revaluation Reserve** reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments (excluding donated assets).

Increases arising on revaluation are taken to the revaluation reserve except when it reverses a revaluation decrease for the same asset previously recognised in the Statement of Comprehensive Net Expenditure, in which case it is credited to the Statement of Comprehensive Net Expenditure to the extent of the decrease was previously charged there.

A revaluation decrease is charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the Statement of Comprehensive Net Expenditure.

1.16 Finance and Operating Leases

Leases are classified as either a finance lease or an operating lease depending on the substance of the agreement.

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Finance leases are treated as if the asset had been purchased outright. The related assets are included in non-current assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against income in proportion to the reducing capital element outstanding. Assets held under finance lease are depreciated over the useful lives of equivalent owned assets.

An operating lease is a lease other than a finance lease. Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure in equal annual amounts over the lease term.

IAS 17 requires lessees to recognise finance leases as assets and liabilities in the Statement of Financial Position. Included within assets in the Statement of Financial Position are a number of

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long leaseholds recognised using the 'risks and rewards' principle but for which no corresponding liability is included.

1.17 Private Finance Initiative (PFI) Transactions

1.17.1 On Statement of Financial Position PFI Contracts

The PFI transactions of the EA are assessed against IFRIC 12, Service Concession Arrangements. To be within the scope of IFRIC 12, the service concession arrangement must contractually oblige the private sector operator to provide the services related to the infrastructure to the public on behalf of the grantor (the EA).

The PFI transaction is deemed to be a service concession within the meaning of IFRIC 12 from the EA's viewpoint where there is infrastructure and the EA controls:

- or regulates what services the operator must provide with the infrastructure, to whom it must provide them and at what price; and
- through beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the term of the arrangement (or there is no residual interest).

In these cases the EA recognises the infrastructure as a non-current asset and values it in the same way as other non-current assets of that generic type. The liability to pay for the infrastructure is also recorded on the Statement of Financial Position. The initial amount recorded for the asset and liability is the fair value of the infrastructure asset. Subsequently, the asset is depreciated over the useful economic life of the class of assets to which it has been assigned and the associated liability is reduced as payments for the asset are made. An imputed finance charge on the liability is recorded in subsequent years using a property – specific rate. The remainder of the PFI payments (i.e. the full payments, less the capital repayment and the imputed finance charge) are recorded as an operating cost. Other obligations which exist in relation to the PFI contract are accounted for in accordance with IAS 37 Provisions: Contingent liabilities and contingent assets. The EA recognises the asset when it comes into use. In cases where the EA has made contributions to the operator in advance of the asset coming into use, these contributions are shown within prepayments and amortised to the Statement of Comprehensive Net Expenditure in equal amounts over the assets useful life.

1.17.2 Off Statement of Financial Position PFI Contracts

PFI contracts that do not transfer any of the risks and rewards associated with ownership of the asset to the EA are treated in the same way as an operating lease i.e. rental payments are charged to the Statement of Comprehensive Net Expenditure in equal annual amounts over the lease term.

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1.18 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.18.1 Financial Assets

Financial assets are recognised in the Statement of Financial Position when the EA becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred. Financial assets are initially recognised at fair value.

Fair value is the amount at which such an instrument could be exchanged in an arm's length transaction between informed and willing parties.

Financial assets are classified into two categories: 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Available for Sale Financial Assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the Statement of Comprehensive Net Expenditure on de-recognition.

Loans and Receivables

Trade receivables, loans and other receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method, except for short-term receivables where the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

Receivables are assessed for indicators of impairment at each Statement of Financial Position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for financial assets other than trade receivables, where the carrying amount is reduced through an allowance for irrecoverable debts, changes in which are recognised in the Statement of Comprehensive Net Expenditure. If, in a subsequent

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period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Net Expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.18.2 Financial Liabilities

Financial liabilities are recognised in the Statement of Financial Position when the EA becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received.

Financial liabilities are initially recognised at fair value.

Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired.

1.18.3 Risk Management

The principal financial risks to which the EA is exposed follow below.

Liquidity Price Risk

The EA's net revenue resource requirements are largely financed by grants from its sponsoring Departments, just as its capital expenditure is. The EA is not therefore exposed to significant liquidity risks.

Credit Risk

As the majority of the EA's income comes from contracts with other public sector bodies, the EA has low exposure to credit risk.

Foreign Currency Risk

The EA's exposure to foreign currency risk is not significant. Foreign currency income and expenditure are negligible.

Interest Rate Risk

Interest rate risk primarily occurs when there are changes in the market interest rates. The EA's financial assets and liabilities carry nil or fixed rates of interest. The EA is not, therefore, exposed to significant interest rate risk.

1.19 Contingencies

Under IAS 37, the organisation discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or

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non-occurrence of one or more uncertain future events not wholly within the control of the organisation, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the organisation. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.20 Estimation Techniques

1.20.1 Financial Instruments - Fair Value Adjustment

The fair value adjustment of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, in an arms-length transaction between knowledgeable willing parties. Where the classification of a financial instrument requires it to be stated at fair value, fair value is determined using expected cash flows discounted back to present value.

1.20.2 Employee Benefits

The estimation technique employed in the calculation of employee benefits is disclosed in Note 1.13.

1.20.3 Provisions

The estimation technique employed in the calculation of provisions is enclosed in Note 1.12.

1.21 Operating Segments

IFRS 8 operating segments requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the EA's Chief Operating Decision Maker (CODM) in order to allocate resources to the segment and assess its performance.

Disclosures in line with IFRS 8 have been made within Note 2 to the accounts.

1.22 Early Departure Costs

1.22.1 Non-Teaching

Non-Teaching redundancy payments were made in accordance with the Education and Library Boards' Scheme for Redundancy in accordance with The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2007, as amended.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Where the EA has agreed early retirements, the additional costs are met by the authority and not by the pension schemes.

1.22.2 Teaching

Teachers' redundancy payments were made in accordance with the Teachers Premature Retirement Compensation Scheme relevant for 2016-17.

1.23 New accounting standards that have been issued but are not yet effective

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

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ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2 STATEMENT OF OPERATING COSTS BY OPERATING SEGMENT

The Chief Operating Decision-Maker is the senior management team made up of the Chief Executive, and senior officers of the EA.

Monthly Expenditure Monitoring Reports (MEMRs) detailing net expenditure for the month and cumulative expenditure are provided to the Department of Education and reported on a monthly basis to the Finance and General Purposes Committee. Information on assets and liabilities are not reported monthly, and are therefore not included in this note. Items requiring disclosure which are not separately identified by service have been included in total.

The following services represent the required 75% of funding for disclosure; and are selected based on the level of expenditure incurred, in-year (including all segments representing over 10% of total funding) until the required 75% is reached:

Schools' Delegated Budget

This represents the funding delegated directly to the schools in the EA area through the Common Funding Formula, plus later in-year delegations of funding, for example earmarked initiatives.

Earmarked Funds

The EA is allocated funding for specific initiatives that cannot be spent on any other purpose e.g. Entitlement Framework, Extended Schools, Education Other Than at School and Landlord Maintenance.

Children & Young People's Service

The Children and Young People's Service provides a range of support services for children with special educational needs ensuring that the best possible opportunities are provided for them to learn and develop. These services include:

- special schools;
- special education in mainstream schools;
- educational psychology;
- education welfare and child protection;
- behaviour support;
- Education Otherwise Than At School (EOTAS); and
- pupil personal development services.

Other

Other includes all those services not requiring individual disclosure and does not include any services which exceed 10% of total funding.

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The EA's financial position at the year ended 31 March 2017 is analysed between these services as follows:

	2016-17				
	Schools' Delegated Budget £000	Earmarked/ ring fenced £000	Children & Young People's Services £000	Other £000	Total £000
Gross	907,904	82,199	232,685	399,127	1,621,915
Income	(7,787)	(24)	(3,500)	(48,098)	(59,409)
Net	900,117	82,175	229,185	351,029	1,562,506

RECONCILIATION BETWEEN OPERATING SEGMENTS AND SOCNE

	2016-17				
	Schools' Delegated Budget £000	Earmarked/ ring fenced £000	Children & Young People's Services £000	Other £000	Total £000
Total net expenditure reported for operating segments	900,117	82,175	229,185	351,029	1,562,506
Reconciling items:					
Notional costs	-	-	-	3,188	3,188
Depreciation and	-	-	-	89,404	89,404
IAS19 pension costs	-	-	-	27,819	27,819
(Profit)/loss on	-	-	-	533	533
Movement in	-	-	-	(1,489)	(1,489)
PFI Dual Reporting	-	-	-	(8,025)	(8,025)
Other non-cash items	-	-	-	253	253
DHSSPS recurrent grant	-	-	-	381	381
Total net expenditure per Statement of Comprehensive Net Expenditure	900,117	82,175	229,185	463,093	1,674,570

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2015-16				
	Schools' Delegated Budget £000	Earmarked /ring fenced £000	Children & Young People's Services £000	Other £000	Total £000
Gross Expenditure	909,123	216,448	200,325	308,987	1,634,883
Income	(8,358)	(317)	(926)	(43,466)	(53,067)
Net Expenditure	900,765	216,131	199,399	265,521	1,581,816

RECONCILIATION BETWEEN OPERATING SEGMENTS AND SOCNE

	2015-16				
	Schools' Delegated Budget £000	Earmarked/ ring fenced £000	Children & Young People's Services £000	Other £000	Total £000
Total net expenditure reported for operating segments	900,765	216,131	199,399	265,521	1,581,816
Reconciling items:					
Notional costs	-	-	-	3,276	3,276
Depreciation and Impairment charges	-	-	-	70,313	70,313
IAS19 pension costs	-	-	-	32,202	32,202
(Profit)/loss on disposal of property, plant & equipment	-	-	-	917	917
Movement in Provisions	-	-	-	(1,356)	(1,356)
PFI Dual Reporting Adjustment	-	-	-	(8,181)	(8,181)
Other non-cash items	-	-	-	(164)	(164)
DHSSPS recurrent grant expenditure	-	-	-	3,485	3,485
Total net expenditure per Statement of Comprehensive Net Expenditure	900,765	216,131	199,399	366,013	1,682,308

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3 INCOME FROM SALE OF GOODS AND SERVICES

	2016-17	2015-16
	£000	£000
Catering operations	34,910	32,146
Recoupment of costs	8,681	2,772
Tuition fees	4,285	3,282
Letting of halls	875	886
Outdoor education charges	1,398	1,407
Other income generating activities	4,571	4,981
Miscellaneous	4,689	6,906
	59,409	52,380

4 OTHER OPERATING INCOME

	2016-17	2015-16
	£000	£000
European funds	15	192
New Opportunities Fund/Big Lottery	88	288
Other Grants	5,502	1,992
	5,605	2,472

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ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

5 STAFF COSTS

Staff Costs comprise:

				2016-17	2015-16
	Permanent staff £000	Temporary staff ** £000	Others £000	Total £000	Total £000
Teaching					
Wages and salaries	558,034	76,568	-	634,602	637,781
Social Security costs	60,780	7,176	-	67,956	52,134
Other pension costs	98,791	12,582	-	111,373	112,133
Other employee expenses	19,433	-	-	19,433	17,967
	<u>737,038</u>	<u>96,326</u>	<u>-</u>	<u>833,364</u>	<u>820,015</u>
Less recoveries in respect of outward secondments	-	-	-	-	(7)
	<u>737,038</u>	<u>96,326</u>	<u>-</u>	<u>833,364</u>	<u>820,008</u>
Non-Teaching (including Board Members)					
Wages and salaries	173,978	171,038	799	345,815	350,881
Social Security costs	12,296	8,378	-	20,674	16,212
Pension costs	32,490	21,958	-	54,448	53,857
Other employee expenses	12,407	-	-	12,407	16,824
	<u>231,171</u>	<u>201,374</u>	<u>799</u>	<u>433,344</u>	<u>437,774</u>
Less recoveries in respect of outward secondments	(93)	(112)	-	(205)	(200)
	<u>231,078</u>	<u>201,262</u>	<u>799</u>	<u>433,139</u>	<u>437,574</u>
TOTAL	<u>968,116</u>	<u>297,588</u>	<u>799</u>	<u>1,266,503</u>	<u>1,257,582</u>

** "Temporary Staff" are defined within EA as those members of staff who are in a temporary post, this does not mean they are in a temporary contract.

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Further detail in relation to staff costs can be found in the Staff Report within the Accountability Report.

6 PURCHASE OF GOODS AND SERVICES

	2016-17 £000	2015-16 £000
Premises and grounds costs	88,636	99,835
Supplies and services	141,003	156,973
Transport costs	70,608	69,488
Establishment costs	15,333	18,059
Miscellaneous	6,779	7,461
Non-cash items:		
Pension Costs	11,849	14,464
Loss on disposal of property, plant and equipment	533	917
Provisions provided for in year	4,107	2,338
Provisions not required written back	(777)	(2,922)
	<u>338,071</u>	<u>366,613</u>

Purchase of goods and services includes:	2016-17 £000	2015-16 £000
Rentals under operating leases – Land & Buildings	559	360
Rentals under operating leases – Other	834	700
PFI (and other service concession arrangements) service charges (Note 21)	47,858	47,343
Interest charges	3	8
Hospitality	136	153
	<u>49,390</u>	<u>48,564</u>

During the year the EA purchased £nil (2015-16 £nil) non-current services from its auditor.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

7 DEPRECIATION AND IMPAIRMENT CHARGES

	2016-17 £000	2015-16 £000
Depreciation of property, plant and equipment	101,611	94,733
Amortisation of intangible assets	306	228
Deficit on revaluation of property, plant and equipment	(12,513)	(24,648)
	<u>89,404</u>	<u>70,313</u>

8 NOTIONAL COSTS

	2016-17 £000	2015-16 £000
Auditors' remuneration	160	195
Land and Property Services	1	1
Teachers' payroll	3,027	3,080
	<u>3,188</u>	<u>3,276</u>

9 OTHER OPERATING EXPENDITURE

	2016-17 £000	2015-16 £000
Grants payable:		
DHSSPS	3,765	3,485
Other	22,683	18,153
	<u>26,448</u>	<u>21,638</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

10 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Vehicles	Information Technology	Plant & Machinery	Payments on Account & Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 April 2016	377,525	1,675,661	85,767	72,983	54,197	40,489	2,306,622
Additions	847	31,911	1,885	16,707	7,247	33,862	92,459
Asset Transfer	-	23,089	-	-	-	(23,089)	-
Disposals	(33)	(845)	(2,534)	(109)	(695)	-	(4,216)
Revaluation	19,169	41,674	2,047	1,548	1,669	-	66,107
Impairments	(110)	(1,031)	-	-	-	-	(1,141)
Transferred to non-current assets held for sale	(1,536)	-	-	-	-	-	(1,536)
At 31 March 2017	395,862	1,770,459	87,165	91,129	62,418	51,262	2,458,295
Depreciation							
At 1 April 2016	-	212,493	53,404	56,747	34,094	-	356,738
Charge in year	-	77,551	6,770	13,305	3,985	-	101,611
Disposals	-	(177)	(2,428)	(109)	(653)	-	(3,367)
Revaluation	-	6,109	1,341	1,103	1,095	-	9,648
Impairments	-	(40)	-	-	-	-	(40)
Transferred to non-current assets held for sale	-	-	-	-	-	-	-
At 31 March 2017	-	295,936	59,087	71,046	38,521	-	464,590
Carrying Amount at 31 March 2017	395,862	1,474,523	28,078	20,083	23,897	51,262	1,993,705
Carrying Amount at 31 March 2016	377,525	1,463,168	32,363	16,236	20,103	40,489	1,949,884

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2016-17 Asset Financing	Land £000	Buildings £000	Vehicles £000	Information Technology £000	Plant & Machinery £000	Payments on Account & Assets under Construction £000	Total £000
Owned	375,327	1,206,615	28,078	20,083	23,897	51,262	1,705,262
Long Leasehold	20,456	104,110	-	-	-	-	124,566
On-Balance Sheet (SoFP) PFI (and other service concession arrangements)	79	163,798	-	-	-	-	163,877
Carrying Amount at 31 March 2017	395,862	1,474,523	28,078	20,083	23,897	51,262	1,993,705

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2015-16	Land £000	Buildings £000	Vehicles £000	Information Technology £000	Plant & Machinery £000	Payments on Account & £000	Total £000
Cost or Valuation							
At 1 April 2015	361,836	1,512,633	83,130	119,364	51,460	27,990	2,156,413
Additions	413	20,166	4,678	3,785	3,582	26,321	58,945
Asset Transfer	-	13,128	517	-	-	(13,645)	-
Disposals	-	(809)	(2,617)	(50,465)	(1,362)	-	(55,253)
Revaluation	15,548	130,543	59	299	517	-	146,966
Transferred to non-current assets held for sale	(272)	-	-	-	-	-	(272)
Transferred to intangible assets						(177)	(177)
31 March 2016	377,525	1,675,661	85,767	72,983	54,197	40,489	2,306,622
Depreciation							
At 1 April 2015	-	127,313	48,749	95,164	31,289	-	302,515
Charge in year	-	72,300	6,913	11,833	3,687	-	94,733
Disposals	-	(114)	(2,292)	(50,462)	(1,204)	-	(54,072)
Revaluation	-	12,994	34	212	322	-	13,562
Impairments	-	-	-	-	-	-	-
Transferred to non-current assets held for sale	-	-	-	-	-	-	-
At 31 March 2016	-	212,493	53,404	56,747	34,094	-	356,738
Carrying Amount at 31 March 2016	377,525	1,463,168	32,363	16,236	20,103	40,489	1,949,884
Carrying Amount at 31 March 2015	361,836	1,385,320	34,381	24,200	20,171	27,990	1,853,898

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2015-16 Asset Financing	Land £000	Buildings £000	Vehicles £000	Information Technology £000	Plant & Machinery £000	Payments on Account & Assets under Construction £000	Total £000
Owned	359,070	1,222,557	32,363	7,569	20,103	40,489	1,682,151
Short Leasehold	53	158	-	-	-	-	211
Long Leasehold	17,457	84,966	-	-	-	-	102,423
Finance Leased	870	17,290	-	-	-	-	18,160
On-Balance Sheet (SoFP) PFI (and other service concession arrangements)	75	138,197	-	8,667	-	-	146,939
Carrying Amount at 31 March 2016	377,525	1,463,168	32,363	16,236	20,103	40,489	1,949,884

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

A full revaluation exercise of all land and buildings assets was carried out by Land and Property Services during the 2012-13 financial year to provide an updated valuation as at 31 March 2013. The next scheduled valuation will be as at 31 March 2018.

Valuations in respects of assets other than land and buildings are updated annually using appropriate indices or professional valuations.

Should non-current assets be sold, proceeds from the sale can only be retained with the approval of the Departments and otherwise must be surrendered to the Departments.

The net book value of property, plant and equipment includes an amount of £13,266k (2016: £13,644k) in respect of assets held in Reversionary Trusts i.e. if properties cease to be used as specified in the deeds they will revert to the ownership of the trustees.

The net book value of property, plant and equipment noted above does not include maintained schools, apart from school meals kitchens accommodation operating on these sites, which are owned by the EA. The ownership of maintained schools rests with the trustees. In 2016-17 there were 496 such schools (2015-16: 496).

The net book value of property, plant and equipment includes an amount of £nil in respect of donated assets.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

11 INTANGIBLE ASSETS

2016-17	Software Licences
	£000
Cost or valuation	
At 1 April 2016	1,032
Additions	687
Asset Transfer	-
Disposals	(1)
Impairments	-
Revaluation	53
At 31 March 2017	<u>1,771</u>
Amortisation	
At 1 April 2016	713
Charged in year	306
Disposals	(1)
Impairments	-
Revaluation	33
At 31 March 2017	<u>1,051</u>
Carrying Amount at 31 March 2017	<u>720</u>
Carrying Amount at 31 March 2016	<u>319</u>
Asset Financing	
Owned	720
Finance Leased	-
Carrying Amount at 31 March 2017	<u>720</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2015-16	Software Licences	Payments on Account & Assets under Construction	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2015	770	-	770
Transferred from Property, Plant and Equipment	-	177	177
Additions	91	-	91
Asset Transfer	177	(177)	-
Disposals	-	-	-
Impairments	-	-	-
Revaluation	(6)	-	(6)
At 31 March 2016	1,032	-	1,032
Amortisation			
At 1 April 2015	498	-	498
Charged in year	228	-	228
Disposals	-	-	-
Impairments	-	-	-
Revaluation	(13)	-	(13)
At 31 March 2016	713	-	713
Carrying Amount at 31 March 2016	319	-	319
Asset Financing			
Owned	319	-	319
Finance Leased	-	-	-
Carrying Amount at 31 March 2016	319	-	319

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

12 ASSETS CLASSIFIED AS HELD FOR SALE

	Land £000	Buildings £000	Total £000
Opening balance at 1 April 2015	2,911		2,911
Assets classified as held for sale in the year	272		272
Revaluation	93		93
Assets sold in the year	(2,354)		(2,354)
Impairment of assets held for sale	(108)	(17)	(125)
Enhancements	71	17	88
Closing balance at 31 March 2016	885	-	885
Assets classified as held for sale in the year	1,536	-	1,536
Revaluation	46	-	46
Assets sold in the year	(1,940)	-	(1,940)
Impairment of assets held for sale	-	-	-
Assets no longer classified as held for sale	-	-	-
Closing balance at 31 March 2017	527	-	527

All assets classified as held for sale meet the under noted conditions:

- committed to a plan to sell;
- active program to locate a buyer initiated;
- actively marketed for sale;
- available for sale in present condition; and
- expected to be disposed of within 12 months of being classified as “non-current assets held for sale”.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

At 31 March 2017 non-current assets held for sale comprise:

- land at Drumlegagh PS;
- land and buildings at Faughan Valley HS;
- land and buildings at former Ballymoney Music Centre;
- land at Keady PS;
- land and buildings at former School of Music, Belfast; and
- land at Turf Lodge Youth Club.

Assets sold in the year comprised the following:

- land and buildings at Garvagh museum;
- land at Rathfern;
- land at Seacourt;
- land at Mersey Street PS;
- land at Hilden Integrated;
- land at Lisnasharragh HS;
- land at Andrews Memorial PS; and
- land at Bridgehill PS.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

13 IMPAIRMENTS

	2016-17	2015-16
	£000	£000
Credited to the Statement of Comprehensive Net Expenditure (Note 7)	(12,513)	(24,648)
Credited to the Revaluation Reserve	-	(248)
	<u>(12,513)</u>	<u>(24,896)</u>

14 INVENTORIES

	2016-17	2015-16
	£000	£000
Catering	770	731
Maintenance and central depots	614	654
Musical instruments and book stock	10,656	-
	<u>12,040</u>	<u>1,385</u>

As part of a wider review of the EA business and improvement in financial management, two additional categories of inventories (Musical Instruments and Schools' Library Service Books) have been recognised for the first time in 2016-17. The total value of these items is £10,656k. The inclusion of these items provides more reliable and relevant information on the EA's financial position and in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the inclusion of these items within inventory for the first time is deemed to be a change in accounting policy. IAS 8 provides for situations where it is impracticable to apply a change in accounting policy retrospectively. In this case it is not possible to determine the effect on the opening and closing balance sheets for prior periods and the change has therefore been applied in the current period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

15 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2016-17 £000	2015-16 £000
Amounts falling due within one year:		
Trade receivables	6,405	6,242
Other receivables	42	47
Prepayments and accrued income	15,688	26,626
Recoverable VAT: HMRC	10,122	7,661
Total	32,257	40,576
Trade receivables	128	395
Other receivables	-	42
Prepayments and accrued income	-	114
Total	128	551

16 CASH AND CASH EQUIVALENTS

	2016-17 £000	2015-16 £000
Balance at 1 April	3,004	4,842
Net change in cash and cash equivalent balances	6,118	(1,838)
Balance at 31 March	9,122	3,004
The following balances at 31 March were held at:		
Commercial banks and cash in hand	9,122	3,004
Short term investments	-	-
Balance at 31 March	9,122	3,004

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

17 TRADE PAYABLES AND OTHER LIABILITIES

	2016-17	2015-16
	£000	£000
Amounts falling due within one year:		
Trade payables	16,168	13,969
Other payables	3,810	1,346
Accruals and deferred income	99,195	107,664
Current part of imputed finance lease element of on-balance sheet (SOFP) PFI contracts	11,900	14,108
Other taxation and Social Security: HMRC	3,655	2,737
Total	134,728	139,824
Amounts falling due after more than one year:		
Other payables, accruals and deferred income	1,192	1,414
Imputed finance lease element of on-balance sheet (SOFP) PFI contracts	144,611	156,511
Total	145,803	157,925

18 PROVISIONS FOR LIABILITIES AND CHARGES

2016-17	Employer & Public Liability Claims £000	Job Evaluation £000	Other £000	Total £000
Balance at 1 April 2016	3,416	3,599	4	7,019
Provided in the year	3,202	269	905	4,376
Provisions not required written back	(773)	(3,599)	(4)	(4,376)
Provisions utilised in the year	(1,489)	-	-	(1,489)
Balance at 31 March 2017	4,356	269	905	5,530

Analysis of expected timing of discounted cash flows

	Employer & Public Liability Claims £000	Job Evaluation £000	Other £000	Total £000
Not later than one year	2,106	269	633	3,008
Later than one year and not later than five	2,215	-	272	2,487
Later than five years	35	-	-	35
Balance at 31 March 2017	4,356	269	905	5,530

Employer and Public Liability Claims

These are claims against the EA submitted by members of staff and/or the public in relation to accidents or incidents, which have happened before the Statement of Financial Position date. Claims which are not considered dormant or statute barred by the passage of time since being lodged, but have progressed sufficiently to allow an estimated 'settlement' figure to be calculated, are included in the provision. Estimates are calculated by reference to analysis of previous claims of a similar type, the previous history of successful settlements and professional judgement.

The possible timing of payments in settlement of such cases is uncertain; it is plaintiff driven and the case's progress is dependent on individual circumstances of that case. As a case progresses and more information becomes available the amount of the estimated 'settlement' figure may in subsequent years be revised up or down.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Job Evaluation

This provision refers to employees, whose posts are due to be evaluated under the job evaluation scheme. As a result, employees may be re-graded to a higher grade and therefore entitled to a higher salary from the date additional duties were undertaken. The provision is made only in respect of those employee categories where it is probable that a liability will arise and where EA is able to make a reasonable estimation of the arrears liability.

The timing of payments is likely to vary for the different categories of staff. However, EA makes every effort to progress such payments as soon as possible, once union and individual agreement has been formally reached.

The level of information available on which to base estimates for arrears increases the closer a staff category is to completion of the job evaluation process.

Other

The provision refers to industrial tribunal cases pending and sundry legal costs.

Premature Retirement for Teachers

As directed by DE, with the consent of DoF, a provision has not been included in EA's accounts for future liabilities in respect of existing teacher premature retirement cases. It is agreed that any assessment of future financial liabilities in this regard should be reflected in the Teachers' Superannuation Account (part of the Departmental Accounting structure).

The in-year charge in respect of such cases as well as requisite employer superannuation contributions is charged to EA's Statement of Comprehensive Net Expenditure. In that respect the number of premature retirement compensation cases at March 2017 was 6,195.

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ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

19 CAPITAL COMMITMENTS

	2016-17	2015-16
	£000	£000
Contracted capital commitments at 31 March 2017 not otherwise included in these financial statements:		
Property, plant and equipment	161,640	43,262
Intangible assets	-	-
	<u>161,640</u>	<u>43,262</u>

**EDUCATION AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

20 COMMITMENTS UNDER LEASES

20.1 Operating Leases

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

	2016-17 £000	2015-16 £000
Obligations under operating leases for the following		
Land		
Not later than one year	90	90
Later than one year and not later than five years	122	111
Later than five years	98	111
	<u>310</u>	<u>312</u>
Buildings		
Not later than one year	205	242
Later than one year and not later than five years	292	467
Later than five years	25	60
	<u>522</u>	<u>769</u>
Other		
Not later than one year	798	821
Later than one year and not later than five years	1,322	1,495
Later than five years	-	2
	<u>2,120</u>	<u>2,318</u>
TOTAL	<u>2,952</u>	<u>3,399</u>

20.2 Finance Leases

The EA has several finance leases but the repayments of the leases are of a peppercorn nature. The discounted present value of the lease payments were deemed immaterial and therefore a finance creditor was not created in the annual accounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

**21 COMMITMENTS UNDER PFI CONTRACTS AND OTHER SERVICE
CONCESSION ARRANGEMENTS CONTRACTS**

The EA acts as a paying agent for the Department of Education in relation to a number of PFI contracts. In each case the property is not an asset of the EA and is not included in the Statement of Financial Position.

The contracts in place are as follows:

1. Lagan College, Belfast (a Grant Maintained Integrated School)

In this case the payments are accounted for on a 'pass-through' basis and do not affect the amounts disclosed in these accounts.

2. Down and Connor Public Private Partnership (PPP) Scheme

This scheme consists of three schools - St Joseph's Primary School, Carryduff (an EA School), Our Lady and St Patrick's College Knock (a Voluntary Grammar School) and St Mary's Primary School, Portglenone (an EA School). The unitary payments in respect of St Joseph's PS, Carryduff and St Mary's PS, Portglenone are funded through the EA while the payments in respect of Our Lady and St Patrick's College Knock are accounted for on a 'pass-through' and do not affect the amounts disclosed in these accounts.

3. De La Salle PPP Scheme

This scheme consists of St Patrick's Grammar School, Downpatrick (a Voluntary Grammar School). Payments in respect of this scheme are accounted for on a 'pass-through' basis and do not affect the amounts disclosed in these accounts.

3. Holy Cross College, Strabane (an EA School)

4. St Mary's College, Derry (an EA School)

5. St Cecilia's College, Derry (an EA School)

6. St Genevieve's High School, Belfast (an EA School)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

EA has a number of on-balance sheet (SoFP) PFI contracts and other service concession arrangements contracts currently in place. In each case under IFRIC12 the asset is included as an asset of the EA. The substance of the contracts is that EA has a finance lease with the payments comprising two elements:

- imputed finance lease charges; and
- service charges.

The following PFI contracts and other service concession arrangements contracts are currently in place:

PFI Wellington College, Balmoral High School and the Regional Training Unit

EA built Wellington College, Balmoral High School and the Regional Training Unit under a single PFI contract involving a land swap arrangement. The value of the land transferred covered the cost of construction and furniture and equipment of the buildings. The contract will last for 25 years from 2 January 2002. The monthly unitary charges relates to the caretaking, maintenance (building and grounds), cleaning, security, catering services and the renewal of furniture and equipment on the sites. The cost of the services is indexed on an annual basis.

PPP Contract for five Schools – Orangefield Primary School, Ashfield Girls’ High School, Belfast Model School for Girls, Grosvenor Grammar School and Belfast Boys’ Model School

EA has a single contract in place to build and maintain five schools which were opened in 2009 and 2010 and include:

- Orangefield Primary School;
- Ashfield Girls’ High School;
- Belfast Model School for Girls;
- Grosvenor Grammar School; and
- Belfast Boys’ Model School.

The contract for the services for each building covers the 30 year period from the date that the school is opened. The monthly unitary charge covers the contribution to the construction costs and the provision of services for caretaking, maintenance (building and grounds), external cleaning, security and the renewal of furniture and equipment on the sites. The cost of the services is indexed on an annual basis. Internal cleaning and catering services are provided by EA. The Belfast Model School for Girls and the Belfast Boys’ Model School buildings also include community facilities, the North Belfast City Learning Centre (NBCLC), which was jointly funded by:

**EDUCATION AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

- the Department of Education;
- the Department of Finance;
- the Department of Health;
- the Office of First Minister and Deputy First Minister; and
- the Department for Communities.

Oracle Financial IT System

EA has responsibility for the Oracle financial IT system. This is a PFI scheme, the purpose of which is to provide an IT system to support the financial and management needs of EA in light of the requirements of Resource Accounting. This scheme is shown on-balance sheet. This contract was extended to March 2017.

The new contract was signed in November 2016, with implementation in December 2016 of the financial element of the system. Provision of the financial services to be provided under the new contract (which is not PFI) was deemed to meet the requirements of the old contract. Although the new system went live in December 2016, the old contract was in operation throughout the 2016-17 financial year.

Bangor Academy and Sixth Form College and Nendrum College

EA operates a PPP Contract in respect of Bangor Academy and Sixth Form College and Nendrum College. Nendrum College opened on 29 February 2008 and Bangor Academy opened on 30 April 2008. Both of these schools are shown on-balance sheet. Ownership will transfer to EA in 2039.

Tor Bank Special School

EA operates a PPP Contract in respect of Tor Bank Special School, which was handed over on 22 October 2012. This scheme is shown on-balance sheet, although the budget is off-balance sheet which is accounted for through a dual reporting adjustment in Note 27. Ownership will transfer to EA in 2037.

Drumglass High School – Dungannon

EA operates a PFI contract in respect of the provision of accommodation and related services at Drumglass High School, Dungannon. The PFI contract commenced in September 2000 and runs for 25 years, ending in September 2025.

**EDUCATION AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

C2k Project

EA has responsibility for the C2k project. This is a PFI scheme which provides an IT system to schools which supports teaching, learning and administration.

Details of the imputed finance lease charges are given in the table below for the following periods:

	2016-17	2015-16
	£000	£000
Rentals due within one year	11,900	21,987
Rentals due later than one year and not later than five years	47,598	47,598
Rentals due later than five years	197,480	209,380
	<hr/> 256,978	<hr/> 278,965
Less interest element	(100,467)	(108,346)
Present value of obligations	<hr/> 156,511 <hr/>	<hr/> 170,619 <hr/>

Details of the minimum service charges are given in the table below for the following periods:

	2016-17	2015-16
	£000	£000
Service charge due within one year	32,174	29,571
Service charge due later than one year and not later than five years	47,544	19,677
Service charge due later than five years	133,297	138,945
Total	<hr/> 213,015 <hr/>	<hr/> 188,193 <hr/>

**EDUCATION AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

21.2 Charge to the Statement of Comprehensive Net Expenditure and future commitments

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of off-balance sheet (SoFP) PFI transactions and other service concession arrangements and the service element of on-balance sheet (SoFP) PFI transactions and other service concession arrangements was £47,858k (2015-16: £47,343k) and the payments to which EA is committed is as follows:

	2016-17	2015-16
	£000	£000
Not later than one year	60,547	57,067
Later than one year and not later than five years	154,996	124,625
Later than five years	397,452	418,389
Total	612,995	600,081

22 PENSION OBLIGATIONS

Statement of Financial Position	2017	2016
	£000	£000
Fair value of assets	1,758,298	1,494,033
Present value of funded defined benefit obligation	(2,440,207)	(1,960,304)
Present value of unfunded defined benefit obligation	(20,719)	(18,678)
Pension liability recognised in the Statement of Financial Position	(702,628)	(484,949)

Further detail in relation to pension obligations can be found in the Staff Report within the Accountability Report.

23 CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

Job Evaluation

Whilst EA expects a liability could arise, until the relevant job descriptions and evaluations have been agreed, we cannot estimate, with any certainty, the value of the liability. Liability is contingent upon a future event which is outside the control of EA.

The potential total liability if all of these potential liabilities were to materialise is currently estimated at £7,320k.

Legal Cases and Public Liability

Proceedings against EA have been initiated for a number of public employer's liability and employment tribunal cases. The likelihood of EA being found liable and the amount of any settlements cannot yet be estimated as the cases concerned have not progressed sufficiently to allow assessment by the EA solicitors.

**EDUCATION AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

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The potential total liability, if all of these potential liabilities were to materialise, is currently estimated at £4,098k.

Those amounts which are probable and ascertainable are included in either accruals or provisions for liabilities and charges.

24 RELATED PARTY TRANSACTIONS

The EA is a Non-Departmental Public Body sponsored by the Department of Education and the Department for the Economy.

The departments are regarded as related parties. During the year, EA has had various material transactions with the departments and with other entities for which the departments are regarded as the parent department.

In addition, EA has had a small number of material transactions with other government departments and other central government bodies. Most of these transactions have been with the:

- Department of Health;
- Health and Social Care Board which is sponsored by the Department of Health; an
- Department of Agriculture, Environment and Rural Affairs;
- No board member, key manager or other related parties has undertaken any material transactions with EA during the period.

During the year EA paid £74,101K to the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC). The chairperson of NILGOSC is an independent externally appointed member of the EA's Audit Risk and Assurance Committee.

A register of members' interests is available and can be inspected on application to the Chief Executive's Office.

**EDUCATION AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

25 THIRD PARTY ASSETS

EA is responsible for the administration of trust funds which benefit the pupils of certain schools. The Chief Executive, as Accounting Officer, is responsible for the propriety and regularity of the trust funds and for the keeping of proper records. These are not EA assets and are not included in the accounts. The assets, held at the Statement of Financial Position date to which it was practical to ascribe monetary values, comprised monetary assets, such as bank balances and monies on deposit, and listed securities. They are set out in the table immediately below.

	2016-17	2015-16
	£000	£000
Monetary assets such as bank balances and monies on deposit	174	179
Listed securities	460	458
	<u>634</u>	<u>637</u>

26 FINANCIAL INSTRUMENTS

As the cash requirements of EA are met through Grant-in-Aid provided by DE, financial instruments play a more limited role in creating 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 EA's expected purchase and usage requirements and EA is therefore exposed to little credit, liquidity or market risk.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

27 FINANCIAL TARGET - RESOURCE

	DE £000	Youth £000	DfE £000	Total £000
Net expenditure transferred to Net Expenditure Reserve	1,619,828	37,717	13,837	1,671,382
<i>Adjustments</i>				
<i>AME</i>				
Movement in Provisions	1,714	(225)	-	1,489
NILGOS Pension Scheme Non cash element	(27,263)	(556)	-	(27,819)
(Profit)/Loss on disposal of non-current assets	(174)	(359)	-	(533)
Depreciation and Deficit on Revaluation	(86,370)	(3,034)	-	(89,404)
<i>Other Adjustments</i>				
PFI Dual Reporting Adjustment	8,025	-	-	8,025
DAERA expenditure	-	-	(384)	(384)
Other non-cash items/capital income	(251)	-	-	(251)
Net Expenditure	1,515,509	33,543	13,453	1,562,505
Final Budget Plan	1,495,650	34,226	13,553	1,543,429
Year-end position (2016-17)	(19,859)	683	100	(19,076)
Year-end position (2015-16)	7,352	207	75	7,634
				£000
Opening Schools funding commitment at 1 April 2016				51,168
Net movement in school surpluses in year				(6,342)
Closing Schools funding commitment at 31 March 2017				44,826

**EDUCATION AUTHORITY
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Final Budget Plan

The Final Budget Plan includes Premature Retirement Compensation costs (PRC) and the portion of the previous year's surpluses allocated by DE in 2016-17 but excludes Annually Managed Expenditure (AME).

Year-end position at 31 March 2017

EA's financial targets for 2016-17 were to contain expenditure within the accrued limits approved by the Departments in budget plans. The targets were achieved for Youth and DfE funding. The target was not achieved for DE funding.

Schools' Funding Commitment at 31 March 2017

Following the abolition of the End Year Flexibility Scheme, the Executive endorsed proposals in June 2011 which provided a guarantee for schools to have access to past and future surpluses. Funding implications of any variations between planned and actual spend in year will be managed between EA and DE.

28 FINANCIAL TARGET - CAPITAL

	DE £000	Youth £000	Total £000
Total Capital Expenditure for the Period	88,863	3,474	92,337
Final Budget Plan	89,056	3,500	92,556
Year end position at 31 March 2017	<u><u>193</u></u>	<u><u>26</u></u>	<u><u>219</u></u>

29 MACHINERY OF GOVERNMENT

With effect from 1 April 2016, EA took over full responsibility for the provision of all youth services, including those previously undertaken by DE.

As a result, funding for Regional Voluntary Youth Organisations, previously administered by the Youth Council NI, will now be administered through EA.

In accordance with the FReM, the transfer of the assets and liabilities of the Youth Council NI to the EA was accounted for under absorption accounting.

The assets and liabilities which were transferred as a result of this machinery of government change are detailed overleaf. The following balances were not transferred:

- Assets of Property, Plant and Equipment totalling £424. These did not meet the EA's capitalisation threshold;
- Pension liabilities totalling £908k, however these form part of the EA's closing pension liability.

**EDUCATION AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Prior year accounts of the Youth Council NI can be found on <https://youthcouncilni.org/annual-report/>

	Youth Council (NI) 2016 £000
Non-current assets	
Property, plant and equipment	-
<i>Total non-current assets</i>	<hr/> - <hr/>
Current Assets	
Trade and other receivables	13
Cash and cash equivalents	707
<i>Total current assets</i>	<hr/> 720 <hr/>
Total Assets	<hr/> 720 <hr/>
Current Liabilities	
Trade and other payables	749
<i>Total current liabilities</i>	<hr/> 749 <hr/>
Non-current assets less net current liabilities	(29)
Non-current Liabilities	
Pension Liabilities	-
<i>Total non-current liabilities</i>	<hr/> - <hr/>
Total assets less liabilities	<hr/> (29) <hr/>
Taxpayers' equity	
SoCNE reserve	(29)
Pension reserve	-
	<hr/> (29) <hr/>

30 EVENTS AFTER THE REPORTING PERIOD

30.1 Transfer of Funding Authority for Voluntary Grammar and Grant Maintained Integrated Schools

On 23 March 2016, the Education Minister decided to transfer the administrative arrangements of the VG/GMI schools' Funding Authority function from DE to EA. The necessary legislative amendments were made on 24 March 2016 and took effect from 1 April 2016. However, the Education Minister agreed that DE would continue to fund the VG/GMI schools during 2016-17, until the function transferred to EA on 1 April 2017. A Service Level Agreement was put in place between DE and EA to provide further support until 30 June 2017. The function has now transferred successfully.

30.2 Corporation Tax

An unintended consequence of the wording of the legislation which established the EA brought EA within the scope of Corporation Tax. Legislation will be introduced in the Finance Bill 2017-18 to amend the CTA 2010 to include a new section 987B to provide for the new exemption from Corporation Tax for the Education Authority. The measure will be retrospective effective from 1 April 2015 when the Education Authority was established.

30.3 Date Authorised for Issue

The accounting officer authorised the issue of these financial statements on 28 February 2018.

Education Authority Annual Report and Accounts 2016-17

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

Introduction

1. The Education Authority (EA) which is responsible for the provision of education and youth services in Northern Ireland was established on 1 April 2015 under the Education Act (Northern Ireland) 2014, replacing the five Education and Library Boards and their Staff Commission. It is a non-departmental public body sponsored by the Department of Education (DE)¹ and the Department for the Economy (DfE)².
2. The Financial Memorandum agreed with DE, sets out the broad framework within which the EA is required to operate. The Memorandum states that once the EA's Budget (which may be subject to restrictions imposed by DE) has been approved it cannot be exceeded without DE's formal approval.
3. Annual budgetary limits are set by DE in respect of DE and Youth services for both Resource and Capital expenditure. DfE also sets a limit in respect of Resource expenditure. Outturn against these limits is reported in Note 27 and Note 28 of the EA's financial statements.

Overspend of £19.1 million

4. DE advised me that following the Executive's agreement of the budget for Northern Ireland Departments in December 2015, there was ongoing engagement between them and the EA until the then Minister of Education announced the education budget allocation on 9 March 2016. DE presented the EA Board with its budget allocation on 10 March 2016. However, the formal allocation letter from DE was not issued to EA until 23 March 2016, that is six working days before the start of the financial year, DE notified the EA that its DE Resource Budget allocation for 2016-17 was £1,429.2 million. This allocation was £101.4 million less than the Final Budget Plan Allocation of £1,530.6 million for 2015-16 (excluding Premature Retirement Costs of £14.2 million).
5. On 11 August 2016, almost five months after receiving its Budget allocation, the EA Board agreed the EA's budget and the strategy underpinning it, including the savings to be achieved in each area of activity in order to balance the 2016-17 budget allocated by DE. The EA had told me that a number of discussions on budget submissions and scenarios took place with DE during the period from March to August 2016.
6. In August 2016 the EA advised DE that whilst savings proposals were being taken forward, over 70 per cent of the £40 million savings which it intended to make were rated Red or Amber and therefore in risk of not being delivered.
7. Although DE had advised the EA that there should be no expectation that any in-year pressure would be met by a further allocation from the Department during 2016-17, the EA sought and was allocated additional funding during the year.
8. By March 2017 DE had agreed a final DE Resource allocation of £1,481.6 million, with a further £14.1 million allocated in respect of Premature Retirement Costs. However, the EA's expenditure against this total DE Resource Budget allocation of £1,495.7 million was £1,515.5 million, an overspend of £19.9 million (**Figure 1**). The EA advised me that it had

¹ Department of Education funding is provided for education and youth services

² Department for Economy funding is provided for student and further education support services

sought a bid of £29 million in the last monitoring round of 2016-17 and that had this been successful, no overspend would have occurred.

Figure 1: EA 2016-17 Resource Expenditure compared with Budget

	DE	Youth	DfE	Total
	£'000	£'000	£'000	£'000
Net expenditure per the Statement of Comprehensive Net Expenditure	1,619,828	37,717	13,837	1,671,382
Non-cash and other adjustments	(104,321)	(4,174)	(384)	(108,877)
Net Expenditure	1,515,509	33,543	13,453	1,562,505
Budget	1,495,650	34,226	13,553	1,543,429
(Overspend)/Underspend	(19,859)	683	100	(19,076)

9. In the Governance Statement included in DE's 2016-17 Annual Report and Accounts the Department advised that the main causes of the overspend were higher than budgeted spend on schools' delegated budgets (£7.8 million), Special Education Needs (£6.8 million), and school maintenance (£3.9 million).
10. The EA has indicated that it considers the reasons for the overspend are a combined impact of:
 - Significant and ongoing reductions in the spending power of DE budgets (which have declined by around £200 million since 2010-11);
 - The structure of the education system including a number of systemic matters that need to be addressed;
 - The delegation of significant elements of the budget to schools, where EA has limited powers to intervene and intervention can take time;
 - Over 90% of services provided from the EA Block Grant are driven by statutory or policy requirements with over 80% of costs staff based. Demand for services has to be met and delivering significant changes would require consultation, contractual and legislative change; and
 - The failure to secure sufficient additional funding in year.
11. Apart from DE Resource expenditure, all other expenditure in 2016-17 was within the limits set by the sponsoring departments. As a result, the overall overspend compared with the 2016-17 Resource budgets allocated by DE and DfE was £19.1 million (**Figure 1**).
12. As a result of the overspend DE's Internal Audit has undertaken a review of the EA's systems and capacity to monitor schools' spend, to identify the underlying causes of the growth of school deficits. In addition, in October 2015 the EA had set up a working group to examine schools' surpluses and deficits and, where appropriate, it is now in the process of implementing its recommendations.

Conclusion

13. I am disappointed that the EA overspent on its 2016-17 Resource Budget by £19.1 million. I note the reasons given by the EA for this overspend but I would add that I am concerned that:
- the EA was presented with its budget allocation for 2016-17 on 10 March 2016 and only formally advised six working days prior to the start of the financial year;
 - it took the EA almost five months to agree a strategy which would balance its 2016-17 budget; and
 - had additional funds not been allocated in-year by DE, the overspend would have been significantly higher.
14. I will keep this area under review, looking to see what lessons have been learnt and how the EA has strengthened its financial management and report again as necessary. I also intend to publish a report on the financial health of schools later in 2018, in accordance with Article 8 of the Audit (Northern Ireland) Order 1987.



KJ Donnelly

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

28 February 2018

GLOSSARY OF TERMS

ARA	Additional Responsibility Allowance
ASEO	Assistant Senior Education Officer
BEM	Building Engineering Management System
BoG	Board of Governors
BREEAM	Building Research Establishment Environmental Assessment Method
BST	Behavioural Support Team
CASS	Curriculum Advisory Support Service
C&AG	Comptroller & Auditor General
CCMS	Council for Catholic Maintained Schools
CoP	Code of Practice
CPD	Continuing Professional Development
CPSSS	Child Protection Support Service for Schools
CRED	Community Relations, Equality and Diversity
CYPS	Children & Young Peoples' Services
DE	Department of Education
DAERA	Department of Agriculture, Environment and Rural Affairs
DfE	Department for the Economy
DOCPEG	Designated Officer for Child Protection Education Group
DoF	Department of Finance
DP	Development Proposal
DSC	Delivering Social Change
EA	Education Authority
EF	Entitlement Framework
EITP	Early Intervention Transformation Programme
ELBs	Education & Library Boards
EMS	Education Management System
EOTAS	Education Other Than At School
EPS	Education Psychology Service
ES	Extended Schools
ESAGS	Every School a Good School
ESD	Education for Sustainable Development
ETI	Education and Training Inspectorate
EWO	Education Welfare Officer
EWS	Education Welfare Service
FE	Further Education
FTE	Full Time Equivalent
FSM	Free School Meals
FSME	Free School Meals Entitlement
FReM	Financial Reporting Manual
HEI	Higher Education Institutions
HOS	Head of Service
IA	Internal Audit
IDS	Inclusion & Diversity Service
IE	Integrated Education
IM	Irish Medium
LAC	Looked After Children
LMS	Local Management of Schools
LPS	Land & Property Services
MEMR	Monthly Expenditure Monitoring Report

GLOSSARY OF TERMS

MTAC	Membership and Teaching Appointments Committee
NIAO	Northern Ireland Audit Office
NISRA	Northern Ireland Statistics and Research Agency
NISTR	Northern Ireland Substitute Teachers' Register
NRA	Neighbourhood Renewal Area
OEC	Outdoor Education Centre
PAC	Public Accounts Committee
PED	Personal Education Plan
PFG	Programme for Government
PFY	Priorities for Youth
PQH	Professional Qualification for Headship
PRSD	Performance Review & Staff Development
PRU	Pupil Referral Unit
RMD	Regional Managing Director
RYDP	Regional Youth Development Plan
SBNI	Safeguarding Board for Northern Ireland
SCELB	Staff Commission for Education and Library Boards
SDP	School Development Plan
SEBD	Social, Emotional & Behavioural Difficulties
SEN	Special Educational Needs
SENCO	Special Educational Needs Co-ordinator
SEND	Special Educational Needs and Disability
SESP	Shared Education Signature Project
SIMS	Schools' Management Information System
SMT	Senior Management Team
SRO	Senior Responsible Officer
SSEC	Strule Shared Education Campus
SSP	Sustainable Schools Policy
STEM	Science, Technology, Engineering & Maths
TBUC	Together Building United Communities
TESS	Traveller Education Support Service
TEO	The Executive Office
TSC	Term Service Contract
VES	Voluntary Exit Scheme
YCNI	Youth Council Northern Ireland

Ballymena Office
County Hall, Ballymena
Tel: 028 2565 3333

Armagh Office
The Mall, Armagh
Tel: 028 3751 2200

Belfast Office
40 Academy Street, Belfast, BT1 2NQ
Tel: 028 9056 4000

Dundonald Office
Grahamsbridge Road, Dundonald
Tel: 028 9056 6200

Omagh Office
Hospital Road, Omagh
Tel: 028 8241 1411

www.eani.org.uk



@Ed_Authority