

**The Northern Ireland Council for Integrated Education
(a company limited by guarantee)**

Directors' report and financial statements

for the year ended 31 March 2016

**Laid before the Northern Ireland Assembly by the
Department of Finance and Personnel under
section 10(4) of the Government Resources
and Accounts Act (Northern Ireland) 2001**

on

21 June 2016

The Northern Ireland Council for Integrated Education

(Company limited by guarantee)

Directors' Report and financial statements for the year ended 31 March 2016

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The Northern Ireland Council for Integrated Education **(Company limited by guarantee)**

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Reference and administrative details

President

Colm Cavanagh

Directors/Trustees

Alan Henry OBE (Chairman December 2014)

David Clement OBE

Anne McCann (resigned April 2015)

Brendan O'Loan (resigned November 2015)

David Burgess

Dermot MacCann (Treasurer)

Eamon Quinn

Fiona Darrah (appointed November 2015)

Heather Watson (resigned November 2015)

Helen Hamilton (resigned September 2015)

Helen McLaughlin (Vice Chair)

Ian McKay

Martin Stroud

Nigel Frith (appointed November 2014)

Nigel Arnold (appointed November 2015)

Stephen Peover

Stuart Marriott

Susanne Gillespie (resigned April 2015)

Tim Webster

Michael Arlow (appointed February 2016)

Denise McIlwaine (appointed February 2016)

Maeve Marnell (appointed February 2016)

Anne-Marie Telford (appointed February 2016)

Company Secretary

David Burgess

Senior management members

Roisin Marshall (Chief Executive Officer) appointed Jan 2016

Maureen Johnston (Finance Officer)

Clodhna Scott Wills (Senior Development Officer)

Bernie Kells (Senior Development Officer)

Frances Donnelly (Senior Development Officer resigned May 2015).

Lorna McAlpine (Senior Development Officer returned from secondment November 2015).

The Northern Ireland Council for Integrated Education (Company limited by guarantee)

Registered and Principal office

25 College Gardens
Belfast
Northern Ireland, BT9 6BS

Solicitors

Johns Elliot
40 Linenhall Street
Belfast, BT2 8BA

Bankers

First Trust Bank
33 – 35 University Road
Belfast
BT7 1ND

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Waterfront Plaza
8 Laganbank Road
Belfast,
BT1 3LR

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Directors' report for the year ended 31 March 2016

The directors, who are also trustees, present their annual report and the audited financial statements for the year ended 31 March 2016. The financial statements are prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 and in accordance with the requirements and guidelines set out in the Government's Financial Reporting Manual (FRM) issued by the Department of Finance and Personnel which is in force for the financial year for which the financial statements are being presented.

The accounting policies contained in the FRM apply International Financial Reporting Standard as adopted or interpreted for the public sector context.

Reference and administrative details

Details of the registered office, directors, independent advisers and other relevant information are given on page 3.

Structure, Governance and Management

Governing document

The Northern Ireland Council for Integrated Education ("NICIE") was incorporated in 1989 as a company limited by guarantee and is exempt from tax under Section 505(1) (c) of the Income and Corporation Act 1988 as a body established for charitable purposes only. NICIE was designated as a Non Departmental Public Body ("NDPB") in February 2012. It is sponsored by the Department of Education for Northern Ireland ("DENI"). The company's principal activity as defined in the Education Reform (NI) order 1989 is "to encourage and facilitate the development of integrated education and schools for the public benefit".

Directors

All directors are members of the Council. All directors are guarantors of the company with a maximum liability of £10.

Appointment of directors

NICIE directors are elected or appointed from six areas representative of all stakeholders. These comprise, Teachers, Principals, Schools, Trusts, Early Years and the DENI. Directors can serve two periods of between 2-4 years subject to the terms of the Memorandum and Articles of Association.

Director induction and training

The Company Secretary ensures that appropriate induction and training is given to all Board members. Each new director is provided with a pack of information about the Council and their responsibilities and is given an opportunity to meet all staff.

Organisation

The governance, management and conduct of the business and affairs of the Council are carried on by the Board of Directors ("BoD") in accordance with the Memorandum and Articles of Association of the Council and the Management Statement (incorporating the Financial memorandum). The Chief Executive Officer ("CEO") is Roisin Marshall.

Funding

The Council works in close collaboration with its principal funders; the DENI, the Department of Foreign Affairs Ireland and others to promote the work of the organisation.

Directors' report for the year ended 31 March 2016 (continued)

Structure, Governance and Management (continued)

Risk management and internal control

The directors are responsible for ensuring that an effective system of internal financial control is maintained and operated by the Council.

The system of internal financial control is based on a framework of regular management information, administrative procedures and a system of delegation and accountability.

In particular it includes:

- A comprehensive budgeting system, with a strategic plan and an annual budget, which is reviewed and agreed by the directors;
- Regular reviews by the directors of monthly and annual financial reports, which indicate financial performance against approved budget and forecast; and
- Procedures for monitoring progress against the strategic plan.

As part of the monitoring process, the directors have implemented a risk management strategy which comprises:

- A quarterly review of the risks which the Council may face and actions taken to mitigate identified risks;
- The establishment of systems and procedures to mitigate those risks identified; and
- The implementation of procedures designed to minimise any potential impact on the organisation should any of those risks materialise.

Principal risks identified are in relation to the following areas:

- Insufficient budget, capacity and capability to deliver fully and to a high standard NICIE business plan and priorities aligned to the Department of Education business plan
- Ineffective governance & accountability framework.
- Failure to exercise proper stewardship, and secure optimal use, of the resources allocated to NICIE in line with Financial Memorandum and grant conditions where applicable, within a proper financial control framework under NDPB status.
- Failure to increase the number of children benefiting from Integrated Education.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by directors. Particular attention is focused on non-financial risks arising from fire and health and safety of all staff and visitors.

Objectives and activities of the Council

During the year the Council continued to operate in the following programme areas:

1. Development and support services, for which core funding was made available through DENI. The key objectives for this programme underpinned DENI's Strategic Plan and policies and included promoting the growth of integrated provision through supporting parents' groups, supporting schools in the process of 'transformation' or interested in 'transforming' and supporting existing integrated schools with regard to consolidation and expansion and in embedding 'integration in practice'. NICIE worked with integrated schools and other stakeholders in the process of Area Based planning. NICIE was concerned to raise the level of debate about the role of integrated education by informing and influencing public opinion. NICIE promoted the characteristics of integration in practice both in integrated schools and across other schools. NICIE continue to strive to improve its internal capacity.
2. The initiation and development of work funded through Department of Foreign Affairs, Ireland. This grant provides for the development of resources to assist schools in commemorating a decade of anniversaries and the new NICIE initiative Positive Partnerships for Integration (PPInt).

Directors' report for the year ended 31 March 2016 (continued)

Achievements and performance

The statement of financial activities for the Council is set out on page 39.

All programmes are drawn up in accordance with best practice and link to the Strategic Aims of the Council and are aligned to the business plan of DENI. All programmes have detailed operational plans with qualitative and quantitative targets, linked to targets monitored on a regular basis by the Board, Senior Management Team and the external funding bodies.

Details of NICIE's activities during the year can be accessed on line at www.nicie.org.uk or by contacting the Company at the registered address.

Financial Review

The full financial results of the Council are set out in detail in the financial statements on pages 35 to 48. The net outgoing resources for the year before recognised gains and losses excluding exceptional items was £22,823 (2015: £19,342).

Performance

The Council bases its operations strategically on a 3 year strategic plan and on an annual basis on an Operational Plan which is reported on quarterly to the Board of Directors and DENI. Although the Operational Plan is set within the context of DE's business plan it includes projects and work carried out which fall outside the Department's plan, and which are funded by Department of Foreign Affairs, Ireland. The Council reports on its operations in its Annual Report. The Council has delivered on all its major undertakings in this current year.

Reserves

The company receives grants from various sources that are spent on the activities as detailed in the respective Letters of Offer. Any unspent monies may be subject to claw-back by the grant provider.

The net liabilities at the year-end including the pension deficit is £444,952 (2015: £518,129). This includes a net pension liability of £486,000 (2015: £564,000). For further details of the pension liability please refer to note 13 of the financial statements and the Remuneration report.

Forward funding

The Council has secured sufficient income from a variety of donors for the year 2015 - 2016 to offer comfort to the directors and stakeholders of its ability to operate into the future. Major funding has been guaranteed from DENI, with other project funds being made available from the Department of Foreign Affairs, Ireland.

Strategic goals, objectives and activities

NICIE has identified the following strategic goals for the duration of its 2014-2016 Strategic Plan.

Strategic Aim 1: Growth

To increase the numbers of children and young people experiencing an integrated education.

Directors' report for the year ended 31 March 2016 (continued)

Strategic goals, objectives and activities (continued)

Strategic Aim 2: Excellence in Integrated Education

To support the delivery of quality integrated education which delivers excellent experiences and outcomes.

Strategic Aim 3: Inform, Influence and Promote

To raise awareness, influence others and increase support for integrated education.

Strategic Aim 4: Internal Capacity Building

To strengthen the organisation so that it achieves its mission successfully.
However, it recognises that in an environment that is characterised by change, these goals may change.

Strategic goals, objectives and activities

The NICIE business plan has aligned these Strategic goals with DENI Business Plan and DENI targets:

- Raising Standards for all;
- Closing the Performance Gap, Increasing Access and Equality;
- Developing the Education Workforce;
- Improving the Learning Environment; and
- Transforming the Governance and Management of education.

The strategic goals are highlighted below:

Listed below are the key objectives associated with each of the Council's strategic goals and the achievements noted against each objective:

Strategic Aim 1: Growth

To increase the numbers of children and young people experiencing an integrated education.

Associated with this goal were the following objectives: work proactively, in partnership with IEF, to identify and support new opportunities to increase the numbers of children benefiting from an Integrated Education; support parents who are interested in developing integrated provision for their children; provide support and advice to integrated schools that wish to consolidate and expand their provision; support schools that wish to transform and schools in the process of transformation; through consultation and discussion to effect a change in DENI policy on transformation; support schools that wish to develop an integrated ethos but who do not wish a change in legal status; work with political parties, DENI and educational partners to ensure that the case for Integrated Education is central to the development of educational policy, work with others to influence the development of shared practice based on the integrated experience.

Directors' report for the year ended 31 March 2016 (continued)

Achievements in 2015/2016 included the following

- Active participation in area based planning through representation on a range of committees, liaison with Education Authority (EA) regions and other stakeholders.
- Continuous consultation with integrated schools regarding growth and expansion to assist in formulation of Local Area plans in both academic years.
- Submission of NICIE primary area plans to Education Authority Regions.
- Supporting 11 schools with Development Proposals (DPs) and providing commentaries for DENI on same. Approvals received for 10 schools to grow or transform
- Detailed response to DP consultation process for other sectors, including supporting schools in their responses.
- Support for new GMI college proposal in Crumlin – Camlin College through the NICIE Support Programme for the development of Grant-Maintained Integrated Schools.
- Supporting Loughries PS, Mallusk PS and Killyleagh PS and Clintyclay transformations, which includes submission of development proposals and commentaries when appropriate and leading schools through the NICIE support programme for transforming schools.
- Issue of information and “expressions of interest in PPInt” to primary and post-primary schools. 36 non integrated schools and 27 integrated schools expressed interest in becoming involved, subject to funding being secured under Peace 4.
- Revision and updating of Pre-School Strategic Plan for NICIE.
- Representation of NICIE on all PEAG groups and Child Care Partnership.
- Advice and guidance on development of pre-school provision provided for integrated primary schools.
- Spring Conference for integrated primaries organised and facilitated on theme of Growth & Expansion.
- Liaison with IEF on promoting Integrated Education to ensure a more targeted and sustainable approach for any charitable funding for schools.
- Generating media debate on the promotion of IE.
- Transformation approval for Mallusk, Loughries and Killyleagh Primary Schools. Implementation of schools' transformation action plans and on-going support in association with EA and DE, as appropriate.
- Transformation – Schools already transformed
- Transformation - Support to Mallusk IPS (Transformation Action Group (1 March – 31 March)).

Strategic Aim 2: Excellence in Integrated Education

To support the delivery of quality integrated education which delivers excellent experiences and outcomes.

Associated with this goal were the following objectives : strengthen and increase the profile of NICIE as the chief advocate and recognised voice of integrated education; develop and promote policies and policy papers, both proactively and in response to government consultations; develop strategic relationships with DE and other educational stakeholders which enable NICIE to influence educational policy; develop strategic relationships with IEF and other key stakeholders which ensures the case for Integrated Education is kept in the public eye; promote Integrated Education as a model for inclusive education developing equality, diversity, respect and reconciliation through educational excellence: locally, nationally and internationally.

Directors' report for the year ended 31 March 2016 (continued)

Achievements in 2015/2016 included the following:

- 5 schools working through the Excellence in Integration Programme.
- 1 school awarded Excellence in Integration award.
- School improvement team support for new principals: 7 new principals supported
- NICIE staff and associate training and development of supporting documentation on Area Planning; Transformation; Development Proposals; Representation achieved at all Area Planning meetings, quality assuring and reporting progress on Transformation shared with DE and EA as appropriate.
- Development of "Integrated Ethos indicators" to support reporting to DE within their guidance framework.
- Development and sharing of good practices between integrated and non-integrated schools through shared music, drama and cultural learning programme between TOR Bank School and Millennium Integrated PS (MIPS).
- Joint assessment and SEN training facilitated with teacher coordinators in TOR Bank and MIPS.
- Development of Easter Rising curriculum resource to support learning and teaching at key stages 2 & 3.
- Development of accompanying drama to support Easter Rising resources.
- Continued PPInt advocacy through exploratory discussions with 8 schools; receipt of expressions of interest, from 36 non-integrated schools and 27 integrated schools (subject to funding).
- Securement of small grant from DFA to continue pilot work with TOR Bank and MIPS
- Provision of training and facilitation to 170 teachers as support to Phoenix and Cookstown Shared Education Partnership.
- 2 programmes of integrated ethos education modules delivered to 30 students from Stranmillis UC.
- 1 session on integration in practice delivered to 120 year 12 pupils in Fort Hill IC
- Whole staff integrated ethos training delivered to Erne IC.
- Training for 'teachers new to integration' 3 schools, 12 participants.
- Ongoing training for 'teachers new to integration' in transforming schools.
- 6 Roles and Responsibilities training for Governors sessions: 64 governors from 13 GMIs attended.
- 2 Visioning for Recruitment sessions delivered: 2 schools, 15 Governors.
- 6 Parents Council training sessions: 3 schools, 75 parents.
- Various 'Integration in practice' sessions delivered: 18 sessions, 12 schools, 200+ participants.
- "Voyage of Discovery" project showcase evening presented by Crumlin Integrated college, Crumlin I PS, Bunscoil, and St Joseph's PS.
- Meetings of various forums held: Teachers committee, SENCO Forum, VP Forum, Bursars Forum.
- Support for APTIS Spring and Autumn Conferences.
- 2 seminars on good governance for Chairs of Board of Governors and Principals in November 2015 and April 2016.
- Further development of Facing the Past: Shaping the Future resources including website and representation at Creative Centenaries /CRC conference.
- Supported 2 days of Forgiveness Education Training, delivered by Robert Enright.
- Delivered 3 day accredited anti-bias training course in April 2015.
- Delivered 1 day 'anti-racism and good practice in supporting EAL students' training day for primary schools.
- Oakwood IPS / Malone IC / Cranmore IPS – project involving development of anti-bias staff INSET in August 15 and subsequent, autumn project with P7s & Yr 8 on 'Exploring Our Traditions'.

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Directors' report for the year ended 31 March 2016 (continued)

Strategic Aim 3: Inform, Influence and Promote

To raise awareness, influence others and increase support for integrated education.

Associated with this goal were the following objectives: develop a programme of training based on the four core principles of Integrated Education for staff, governors and parents of integrated schools; develop and implement the 'Excellence in Integrated Education Award' which identifies and recognises best practice; promote leadership development and capacity building across the integrated movement; provide a programme to support schools with mixed populations that wish to move to an inclusive model of education and to develop 'integration in practice'; develop strategic relationships with key funders which enables NICIE to extend its work in promoting and developing 'integration in practice'.

Achievements in 2015/2016 included the following:

- Integrated Education Supplement promoting schools developed for circulation in the Irish News, The Newsletter and Farm Week.
- Establishment of community dialogue group in Lurgan through Craigavon Outreach Group, in association with IEF; 4 meetings with local community/church workers and presentation to COG group on IE.
- NICIE Newsletter.
- Events:- launch & celebration of Integrated Education week, including the Dunleath Lecture, AGM, Association of Principal Teachers in Integrated Schools (APTIS) conference to promote and disseminate achievements in integrated education.
- A number of presentations to International Study Groups (US /UK universities) and meetings with various research students and academics.
- Representation on the Anti-Bullying Forum Steering Group and the HAPANI Directors.
- Representation on GTCNI.
- Information stands at Stranmillis University College Careers Fair, Political party conferences and PTA NI event.
- Continued representation of the CCEA RE Advisory group.
- A regular series of articles and opinion pieces in local newspapers, interviews on radio and television, nationally and internationally.
- Promotional materials widely circulated through: Irish News supplement, Kids 4NI, Ulster Tatler and Agenda NI.
- A series of meetings with opinion formers and with politicians.
- Regular meetings with officials in DE and in ELBs.
- Response to a series of consultations on policy issues.
- The further development of the Integrated Peace Education, Global Network.
- The continued partnership with Nansen Dialogue Centre, Macedonia.
- Public outreach events – Dunleath lecture and November seminar.
- Representation on a range of committees and groups.
- Liaison with senior managers in EA regions to develop protocols for agreed working between NICIE and EA to support transforming schools.
- NICIE and integrated students' representation at international conference on European convention on Rights of Child to promote IE.
- NICIE representation at cross border Peace Proms in Dublin Convention Centre.
- Joint presentation with IEF to the Education Committee and follow up draft amendments to Shared Education Bill.
- NICIE amendments presented to DE for the revised Community Relations Equality and Diversity policy.
- NICIE representation at party political conferences.
- Supported visiting S Korean academic, Soon Won Kang, during her 6 week visit (Jan – Feb 16).
- NICIE Represented on HAPANI Board of Directors and present at all Board Meetings.
- Events included annual Dunleath lecture, AGM and APTIS conferences; Stormont showcase during IIEW; Portadown & Glencraig EIEA celebration event.

Directors' report for the year ended 31 March 2016 (continued)

Strategic Aim 4: Internal Capacity Building

To strengthen the organisation so that it achieves its mission successfully.

Associated with this goal were the following objectives: ensure the cost effective and efficient use of resources and staff to meet strategic objectives; adopt a proactive approach to fundraising to develop and extend the work of NICIE; strengthen NICIE's capacity to carry out its work through a programme of Continuous Professional Development; ensure Effective Governance through enhanced structures and procedures; establish processes for monitoring; evaluation and reporting on the implementation of this strategic plan.

Achievements in 2015/2016 included the following:

- Developing and aligning the NICIE business plan 2015-2016 to the DENI business plan.
- Business plan with updated NICIE's progress report submitted March 2016.
- The Annual Report & Accounts for 2015/2016 were audited and submitted to DENI and relevant statutory bodies.
- Appropriate Financial and Management Reports were produced for senior management team, Finance and General Purposes Staffing Committee (FGPSC) and BoD throughout the year.
- A comprehensive internal and external audit programme was established and successfully delivered.
- All Returns were forwarded to DE/ Department of Finance and Personnel in line with guidance.
- All Council and Committee meetings took place as scheduled. Appropriate support was delivered to Council and Committees by Officers.
- Governance continued to be reviewed and the chairperson carried out an annual appraisal of all directors.
- Review of internal procedures and guidance on Area Based Planning; Development Proposals; Transformation; Developing business cases to request additional funding to support Transformation; reporting progress on Transformation. Amendments documented and disseminated with staff and associates on 2 training days and continued as on-going practice in team meetings.
- Continued review and distribution of Terms of reference for 3 committees.
- 6 New Directors were recruited and given induction and training.
- Staff Training was implemented throughout the year including health and safety training, risk assessment training and procurement policy, SEN Schools Improvement and performance, business cases, SEN, Area Planning, Sustainable schools policy and DPs, role of the school governor and effective management and child protection.
- A number of staff policies were developed, reviewed, amended and approved by the FGPSC.
- There were no breaches of policy pay policy.
- The Council's Corporate Risk Register was developed in line with the 2015/2016 business plan, aligned to DE's Risk Management Strategy, routinely reviewed and revised and action plans for improvement monitored throughout the year.
- 97% of all non-disputed invoices were paid within 30 days of term date.
- Payment of all non-disputed invoices within 10 working days was maximised.
- Recruitment of temporary SDO to secure full team complement.
- Review of Panel of Associates and refreshment of new replacements to meet changing needs in Area Planning and Transformation support.
- NICIE working to align itself with recommendations from Deloitte Review, subject to necessary funding.
- Retirement of CEO and Recruitment of new CEO.
- Establishment of regular Project Team meetings between all development and senior development officers.
- Provision of 2 days' training by DE on the impact of NICIE's NDPB status on aspects of governance and internal monitoring and reporting etc.
- Delivered BOD induction session to 2 new DE reps (March 2015).

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Directors' report for the year ended 31 March 2016 (continued)

Fixed assets

Details of the movement of fixed assets are set out in note 8 to the financial statements.

Donations

The Council made no political donations during the year (2015: £Nil).

Tax status

On 2 March 1989 the Council was granted charitable status and is exempt from corporation tax on its activities. The activities of the Council are exempt for value added tax purposes. The Council therefore does not have to account for value added tax on its income nor is it able to recover the value added tax element of expenditure.

Disabled employees

The Council gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitude and abilities as well as Health and Safety factors.

Equality of Opportunity

We follow the Northern Ireland Civil Service Policy that all eligible persons shall have equal opportunity for employment and advancement on the basis of ability, qualification and aptitude for work.

Employee involvement

It is the policy of the Council to promote the understanding and involvement of all its employees in its aims and performance and it is committed to the continuing development of effective employee communication and consultation.

Sickness Absence

The sickness absence rate for the year was 52 days (2015: 178 days). The BOD works continuously to reduce this figure and this is reviewed at BOD meetings.

Prompt Payment

The Council is committed to the prompt payment of bills for goods and services received in accordance with NICIE Financial Memorandum, the Confederation of British Industry's Better Practice Prompt Payers Code. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later. In 2016 NICIE paid 100% (2015: 97%) of its creditors within 30 days and no commission debt interest was paid or was due in respect of transaction in 2015/2016.

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Directors' report for the year ended 31 March 2016 (continued)

Statement of accounting officer's and directors' responsibilities

The directors (who are also trustees of The Northern Ireland Council for Integrated Education) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and Article 8(6) of the Financial Provisions (Northern Ireland) Order 1993 require the Chief Executive and directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs and of the surplus or deficit of the Council for that period. In preparing those financial statements, the Chief Executive and directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Council will continue in business.

The Chief Executive and directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Council's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In addition, in appointing the Chief Executive of the NICIE as Accounting Officer for the Council, the Department for Education has placed on the Chief Executive responsibilities including the regularity and propriety of the public finances and for the keeping of proper records, and which are set out in the "Accounting Officers" Management Statement (incorporating the Financial memorandum) issued by the Department of Finance and Personnel.

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Directors' report for the year ended 31 March 2016 (continued)

Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the Council's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Council's auditors are aware of that information.

Small companies' exemption

In preparing this report the directors have taken advantage of the small companies exemptions provided by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have been reappointed as Independent Auditors after a tender process and have agreed to continue as auditors. A resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



Roisin Marshall
Chief Executive Officer
21 June 2016

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Annual report for the year ended 31 March 2016

This has been both a sad and exciting year for NICIE with the retirement of the CEO and the recruitment of a new CEO. I want to pay sincere thanks to Noreen Campbell who did a sterling job of steering NICIE through the past year. I want to also welcome Roisin Marshall as the new CEO and wish her every success in her new role. Finally I would like to pay tribute to all NICIE staff for their enthusiastic support through this transition.

NICIE managed to stay within budget this past year despite the drastic cut in the budget last year and that was in no small measure to the conscientious staff. This year also brings a cut in the budget and that is disappointing.

Changes in the staffing structure have been considered since the organisational review of NICIE, commissioned by DE and carried out by Deloitte, which reported on the strong governance and effective management of NICIE.

I am pleased, as chair of NICIE to report that our relationship with the Integrated Education Fund to share strategies in our joint work for integrated education is going from strength to strength.

An increasing number of schools are interested in the process of transformation, the NICIE initiative on Positive Partnerships for Integration has being piloted in a few partnerships of schools. The IE Review into Integrated Education is underway and many of our schools are or are planning to expand. NICIE know that more schools will desire to become integrated and NICIE will continue to lead and support those seeking an integrated educational experience. NICIE continue to support the 63 schools that hold integrated status.

As chair of NICIE, I am very proud of their achievements and of modelling the kind of society most people wish to see. Reconciliation is not the easiest path to tread but integrated schools are contributing in a monumental way to reconciliation and social cohesion whilst at the same time providing quality education.



Alan Henry
Chairperson
21 June 2016

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Chief Executive Officer's Annual Report May 2015/16

The integrated movement has been a powerful advocate for change in the education system in NI. Seamus Heaney in his poem "Whatever you say, say nothing", reads:

" 'Religion's never mentioned here', of course.
'You know them by their eyes' and hold your tongue.
'One side's as bad as the other,' never worse.
Christ it's near time that some small leak was sprung."

A small leak was sprung when the first integrated school was opened in 1981 and since then, 63 schools have declared their desire to be integrated formally. Leaks have sprung up all over the region and that is no small measure, due to the relentless work of parents, governors, principals, teachers, NICIE and the IEF (including other Trusts over the years).

This development took people by surprise and the authorities were not quite sure how to deal with such an innovation. It resulted in the ad hoc, haphazard development of integrated education but integrated education works and has proven to do so over the last 35 years.

So the challenge is how to engage with parents, staff and governors in schools that already exist to support them in integration? Do we need to be curious about why schools are reluctant to be openly integrated? The argument is won that children from Protestant and Catholic backgrounds should be educated together. The recent support behind Shared Education bears witness to the fact that generally and genuinely politicians and citizens in NI think that we should do something to bring children together. Undeniably Shared Education is two schools or more collaborating for school improvement and giving children an experience in shared classes. Integrated Education gives children an integrated experience all day, every day with children and adults from Catholic and Protestant backgrounds in the one school. Proponents of Shared Education stop short of actually educating the children and young people together in the one school all day every day.

The challenge for organisations like NICIE, CCMS and the EA are to identify the barriers to any school become integrated especially those with a mix of Protestants and Catholics already in the school?

Who is responsible for identifying and encouraging these schools and who is going to incentivize them? NICIE would suggest this should be the responsibility of the planning authorities, Education Authority and the Council for Catholic Maintained Schools with NICIE as a collaborative partner supporting these schools in developing their integrated ethos. Ian Mc Morris, ex NICIE chair of the Board of Directors was elected to represent NICIE on the Education Authority this year.

The Integrated Education Review being conducted by Colm Cavanagh and Margaret Topping will make this line of accountability from DE with their 'duty to encourage and facilitate integrated education' clearer and more target driven. Not surprisingly DE should have to report on the progress of these targets. These fundamental tweaks in the system should ensure the growth of integrated education in the north of Ireland. Even the SDLP can see the potential of ensuring that Catholic Schools are enabled to integrate. The Churches are already talking about Jointly Managed Church Schools and two support bodies the Controlled Schools Support Council (CSSC) and the Catholic Schools Trustee Support Service (CSTS) have been set up to help schools to facilitate the development of such concepts.

NICIE were delighted with the All Children Together Dunleath Lecture: "Creating a Joint-Church School: An Australian Experience." Many representatives from the educational field were given a great insight into the potential of jointly managed church schools. Thanks go to Madeleine Brennan for her passionate input.

Meanwhile NICIE has continued to support the Grant Maintained and Controlled Integrated Schools in the development of their ethos and to give support to schools transforming to integrated status. Development Proposals have been approved for Mallusk, Loughries and Killyleagh primary schools and we are delighted to welcome Tor Bank Special School into the development of the integration process through their positive partnership with Millenium IPS. We are indebted to the Department of Foreign Affairs for their support for this positive partnership programme. We are excited about using the concept to enhance the development of schools engaged in the shared education programme.

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Chief Executive Officer's Annual Report May 2015/16 (continued)

Integrated schools are connected by the use of the term integrated in their literature and signage. However, the attention they pay to their integrated ethos is a strand that makes them particularly special. Reconciliation work is not easy and they have not chosen the easy route. They are committed to making a difference to how Protestant and Catholic children and young people are educated through curriculum reflective of both sides of the divide, sports indicative of the two traditions, celebrations acknowledged across the barriers in the full knowledge that the young people will be aware that there are many different realities and that we choose our truth.

The Integrated Education Alumni Association is a living testament to this. Inspiringly, these adults know that integrated education has helped them to come to the realization that if you want something in your situation to change, you must do something about it yourself. As a parent, if you think an integrated experience would be a good thing for your child, you can do something about it...suggest the school your child attends integrates and follow the process...simple!

<https://www.education-ni.gov.uk/articles/establishing-integrated-school>

NICIE continue to be busy and challenged with how best to support the integrated schools that already exist and who need all our support to continue to be centres of excellence amid DE budget cuts and rising financial pressures as employers in GMI schools. The Stormont House Agreement Fresh Start funding for integrated/shared education and shared housing was announced in February and integrated and shared projects are being progressed. Integrated schools need this money to ensure that the small, quality, integrated provision already established is maintained and developed.

NICIE Associate, Eileen Lenehan, prepared a summary report on the "Development of an Admissions Policy for Integrated Post Primary Colleges that includes a 'Grammar Stream Entry'," for the information of the NICIE CEO. NICIE's journey towards the development of an admissions policy that would include a 'Grammar Stream Entry' began with a discussion paper written for the Minister of Education by Noreen Campbell in June 2013. The paper 'Beyond Selection – A Blueprint for Educational Change' proposed changes to the admissions criteria for integrated colleges that would enable them to better attract the full range of ability. This work continues to find a way to mitigate the risks associated with the existence of a selective education system.

NICIE responded to consultations on key policies – Shared and Integrated Education, CRED, School starting Age, Anti Bullying, Transport to mention but a few.

Three schools achieved the Excellence in Integrated Award and we provided advice and support to 12 schools in the early stages of exploring transformation. Eight types of bespoke training and support were provided to a total of 52 schools and a range of participants from governors; parents; teachers; classroom assistants and teachers new to integration as well as significant internal professional development and team building activities. Despite severe staffing challenges with officers on secondment and the retirement of the CEO, NICIE still managed to engage and support 12 different international research/academics.

This year saw one Chief Executive Officer (CEO) retire and a new one enter the frame. One thing is for certain, as the new CEO, I will do my utmost to ensure the small but quality number of integrated schools that exist already have the best chance of survival and development, that new schools are invited in and that those organisations with planning responsibility are supported to give the communities what they want and need in terms of integrated education.

To say I am proud of this organisation, is an understatement and my commitment to NICIE is to make sure that the gift of integration is shared with all those who see the value in educating our children together.

I take this moment to pay tribute to our esteemed colleagues Noreen Campbell and Bernie Kells who both retired this year. They brought wisdom, insight and clarity to the organisation. I pay tribute also to colleagues in DE IMIE branch and other branches in DE that support NICIE in our quest for integration and to our biggest supporters, the Integrated Education Fund (IEF).

NICIE will continue to spring small leaks in the education system holding fast our task of 'collaborating to integrate, giving each child an opportunity to experience a quality integrated education.'



Roisin Marshall
Chief Executive Officer
21 June 2016

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Introduction

The Northern Ireland Council for Integrated Education (NICIE) is a Non Departmental Public Body (NDPB) of the Department of Education (DE). NICIE was established in 1987 as an umbrella body to represent integrated schools and to promote Integrated Education. NICIE was set up as a company limited by guarantee with charitable status and is supported through grant aid by DE under the Education Reform (Northern Ireland) Order 1989.

The role of NICIE as defined in the Management Statement is 'to promote integrated education and to perform a wide range of roles in facilitating the development of integrated education in Northern Ireland for the public benefit'.

The Governance Statement sets out the governance structures, risk management and internal control procedures that have operated within NICIE during the financial year 2015 to 2016.

The Annual Governance Statement has been produced in line with guidance issued by the Department of Finance and Personnel (DFP) in accordance with the guidance in Annex 3.1 of Managing Public Money Northern Ireland (MPMNI) and forms part of the Statutory Accounts and is reviewed, considered and approved by the Board of Directors (BoD).

Scope of responsibility

As Accounting Officer, I am committed to operating in accordance with best practice in business integrity and ethics and maintaining the highest standards of financial reporting and governance. I have responsibility for maintaining a sound system of controls that supports the achievement of NICIE's policies, aims and objectives, whilst safeguarding the public funds and the NICIE assets for which I am personally responsible, in accordance with the responsibilities assigned in the MPMNI.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

As Accounting Officer of a public body and designated NDPB, I am committed to governance excellence and to ensuring accountability and transparency for all decisions and activities. I am responsible to the Permanent Secretary of DE under the terms and conditions as set out in NICIE's Management Statement (incorporating the Financial Memorandum) (MSFM).

Strategic Objectives

NICIE has continued to set clearly defined strategic objectives for the year 2015-2016. The corporate/strategic planning process has evolved and developed into establishment of real-time plans and processes to ensure clear targets for NICIE and I have ensured that this has been maintained during the year 2015-2016 in partnership with all staff, Board of Directors (BoD) and relevant stakeholders.

The NICIE business plan aligned to DE's strategic priorities clearly set out NICIE aims and objectives for the year 2015-2016 and was monitored throughout the year.

The report is available from info@nicie.org.uk.

NICIE's vision has been to ensure that there is integrated choice in every area, educating all children together, offering educational excellence and best practice in integration, and laying the foundation for a future in which an integrated education is the norm for all children in Northern Ireland.

Governance Framework

In partnership with the BoD I have a corporate responsibility for setting objectives, agreeing priorities and implementing ministerial policy. The BoD, the previous NICIE Accounting Officer and the staff of NICIE developed and agreed a business plan for the 2015-2016 year, which was formally approved by DE. This was regularly reviewed along with key risks associated with the delivery of NICIE's objectives throughout the year. A mid-term six month evaluation report to 30.9.2015 and year end evaluation provided updated progress reports on the achievements of NICIE for the 12 months to 31.3.2016 to both the Board and DE.

NICIE continued to ensure that it supports and has implemented the majority of the recommendations of the independent Deloitte report conducted in December 2013 on the NICIE Governance and Organisational Review, and continues to work towards the implementation of the remainder.

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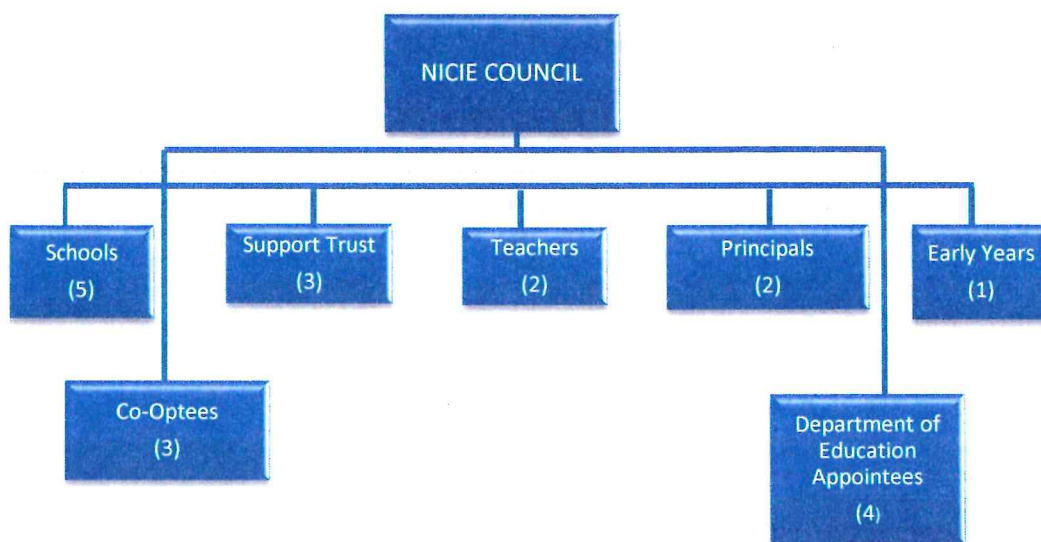
Structure of NICIE

Board and Committees

The Board of Directors (BoD) has a membership of 16 non-executive members and 4 DE representatives. The role of the Board was to provide leadership to NICIE during the financial year, within a framework of prudent and effective controls which enable risk to be assessed and managed to set NICIE's strategic aims, ensuring that the necessary and financial and human resources are in place to meet its objectives: to set NICIE's values and standards and to ensure its obligations to its stakeholders and others are understood and met.

The current BoD structure is illustrated below:

Board of Directors Structure



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NICIE is a constituent body of member organisations with seven categories of membership:

1. School members Those engaged in running a particular integrated school.

5 members to be elected at AGM
2. Support members / Trust Organisations for the support and promotion of integrated education.

3 members to be elected at AGM
3. Teacher members Representatives of teacher organisations. 2 members nominated by The Teachers Committee
4. Principals members Representatives of principals' association.

2 members nominated by APTIS
5. Early Years members Those engaged in running pre-school provision in a particular integrated school.

1 member Nominated by teachers committee
6. Co-Optees To provide additional experience

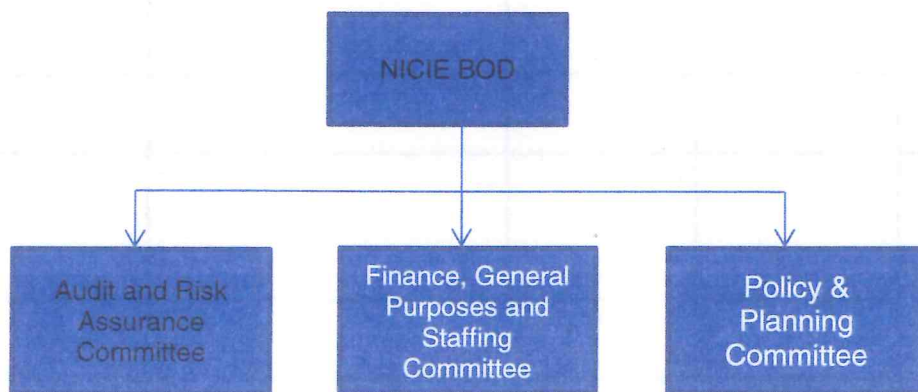
Up to 3 directors
7. Department of Education 4 persons appointed by the Department of Education

Board and Committees Structure

A number of committees serve and report to the Board of Directors and are illustrated below:

The current directors and attendance records are recorded below: The Board structure and all directors were reviewed prior to the AGM in November including attendance records to ensure that the structure complied with NICIE's memorandum and articles.

NICIE Board and Committees Structure



Four new DE Representatives have been appointed to the NICIE board and took up positions in March 2016.

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Attendance at Meetings

Directors attendance at meetings held during 2015-2016 is detailed below: Please note that some directors were not in post for the full financial year,

Member	Board of Directors 9 meetings (inc AGM)	Audit & Risk Assurance 4 meetings	Finance, General Purposes and Staffing Committee 11 meetings	Policy and Planning Committee 3 meetings
M Stroud	9		11	1
H McLaughlin	6			3
H Hamilton Resigned Sept 2015	0			
B O'Loan End of Term Nov 2015	0			0
D Clement	8	3		
I McKay	5	3		1
D MacCann	7		9	1
T Webster	6			1
H Watson End of Term Nov 2015	3			
David Burgess	6			1
Ann McCann Resigned April 2015	0		0	0
Eamon Quinn	8			3
Stuart Marriott	6			1
Nigel Frith	6			1

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Stephen Peover	5		6	0
Member	Board of Directors	Audit & Risk Assurance	Finance, General Purposes and Staffing Committee	Policy and Planning Committee
	9 meetings (inc AGM)	4 meetings	11 meetings	3 meetings
Alan Henry	8		0	0
Nigel Arnold Appointed Nov 2015	2			1
Fiona Darrah appointed Nov 2015	2			
Denise McIlwaine Appointed Feb 2016	1			
Maeve Marnell Appointed Feb 2016	1			
Michael Arlow Appointed Feb 2016	1			
Anne-Marie Telford appointed Feb 2016	0			

Performance of the Board

The BoD held 9 meetings including the Annual General Meeting in 2015-2016. It was agreed that the Board meetings would continue to focus on strategy and the future direction of NICIE in the changing educational environment. The chairperson continued to review the attendance of Board Members for the previous 12 months and reiterated the need for attendance. This was closely reviewed and monitored and reported on throughout the year.

The chairperson has undertaken and completed appraisal of directors. The chairperson advised that he would assess the performance of individual Board members through arrangements determined by the Department. Board members will continue to be subject to ongoing performance appraisal, with a formal assessment being completed by the Chairperson at the end of each year and prior to any re - appointment of individual members taking place. Members have been made aware that they are being appraised and the standards against which they will be appraised. Members have had an opportunity to contribute to and view their report. The Chairperson will also be appraised on an annual basis through arrangements determined by the Department.

Additionally issues relating to probity/conflicts of interest were addressed (DETI NDPB Assessment of Performance) and reported accordingly by all Board members.

A register is available for inspection at NICIE Offices.

The DE assisted by the NICIE chair carried out an external recruitment process for the recruitment of four directors appointed by DE. The BoD requested that a number of skill sets be considered in this recruitment process including HR and media and that female representation could also be considered to ensure that the BoD had adequate skills and gender representation. A successful recruitment campaign was completed and four directors were appointed in March 2016 which has greatly enhanced the overall

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skill set of the NICIE BoD.

The Board reviews, through the CEO report and a range of presentations and discussion papers, the ongoing work of NICIE and its implementation of its strategic plan and business plan.

NICIE's CEO Noreen Campbell retired on 31 October 2015 and the BoD assisted by DE and the Education Authority recruited me, Roisin Marshall who commenced the post on 1 January 2016.

During the year the Board reviewed reports from other sub committees including the annual internal audit report, monthly summary extracts from the management accounts and approved the Annual business plan and associated budgets. The Chairperson, Finance Officer and Chief Executive Officer met the Permanent Secretary of DE for Governance and Accountability meetings. The Chairperson and Finance Officer met the Permanent Secretary of DE at another GAR meeting in November 2015 in the absence of the CEO due to retirement and prior to new CEO being in post.

Additionally the Minister of Education has launched an independent review of the planning, growth and development of integrated education. NICIE President Colm Cavanagh and Professor Margaret Topping from The Queen's University of Belfast have been appointed to undertake the review. The panel will be engaging with key stakeholders over the coming months. The review will report by 30 June 2016. This review has been discussed in detail at the February Board meeting which also included NICIE Staff.

As part of ensuring that all Board meetings are managed in an efficient and timely manner I ensure that the Accounting Officer/CEO Report is circulated prior to the Board meetings.

Committee Reports

Role of the Audit and Risk Assurance Committee

In accordance with its terms of reference, the Audit and Risk Assurance Committee (ARAC) oversees financial reporting and the effectiveness of financial and regulatory compliance, controls and systems reporting.

The Audit and Risk Assurance Committee formally met on four occasions during 2015-2016 and reviewed the corporate risk register at each meeting and was satisfied that all risks were identified and corrective action taken where feasible. Some of the key risks are highlighted further in this report.

In addition the Committee reviewed the results of the internal audit report and the implementation of audit recommendations. The Committee was also responsible for reviewing the annual statutory Directors Report and Financial Statements for the year to 31.3.2015 and will also be responsible for the reports to 31.3.2016. It also reviewed a number of policies which were updated by DE during the current year to ensure best practice and that DE business case, tenders and DFP Pay Remittance approval was adhered to.

A summary report was presented to the BoD at each quarter during the year.

A representative from DE also sat on this Committee for 2015-2016 which assisted in giving additional assurance to the Committee that all audit requirements were being adhered to.

Finance, General Purposes and Staffing Committee (FGPSC)

This Committee continues to meet prior to the meeting of the Board of Directors. It met 11 times during the current year. Its function is to focus in greater detail on the finance and personnel issues which are presented to the Board on a monthly basis throughout the year. This Committee also dealt with all issues relating to staff and premises.

The budget for the monthly management statements were carefully reviewed by the previous CEO until October and from January by me and the Finance Officer prior to presentation to the FGPSC who then review the financial and performance management of NICIE ensuring that all budgets and internal controls were adhered to for the year to 31.3.2016.

This committee was also responsible for ensuring that NICIE was fully compliant with business case requirements.

The FGPSC was also responsible for the awarding of tenders and ensuring that NICIE adhered to strict procurement procedures with the approval of DE.

The FGPSC also considered the matter of long term premises for NICIE. The Business Case highlighting the preferred option is with DE IMIE branch.

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Policy and Planning Committee

The Committee's remit during the current year included:

- The formulation of pro-active campaigning to raise the profile for Integrated Education;
- The continuing development of new initiatives to increase integrated provision;
- Discussion of and response to key consultations
- Engagement with change in the education sector on a broader level, especially in the current economic climate;
- The identification and engagement of key stakeholders in particular politicians.
- The development of a briefing paper for engaging with politicians.

The Policy and Planning Committee has held 3 meetings during the year to formulate NICIE's policy position on the future of Integrated Education and to determine NICIE's engagement in, and contribution to current developments including e.g. steering and defining the NICIE response to the inquiry on shared and integrated education and responding to the implications of the Drumragh Integrated College judicial review. The committee has also been involved in the development and ratification of NICIE's strategic planning and new NICIE policy, "Positive Partners for Integration". Committee members provide challenge and guidance in response to updates by senior development officers on key areas of work.

Members of the Committee have been active in relation to the core developments in education policy in the last year, in particular in the areas of Shared Education and Area-Based Planning. NICIE has engaged extensively with policy-makers and other key stakeholders throughout the year, as well as maintaining a pro-active media presence to ensure that Integrated Education is visibly on the agenda.

Throughout the year this Committee has also been involved in seeking to promote and expand integrated education through a range of innovative approaches and has been in discussions with all relevant stakeholders.

Compliance with Corporate Governance

An annual review of the effectiveness of NICIE's governance structures as set out in the 2013 code(DAO/(DFP)10/12), risk management and internal controls has been conducted, informed by staff, directors, independent internal auditors, external auditors, and other reports.

The Management Statement and Financial Memorandum (MSFM) sets out a broad framework within which the Council is required to operate and the Financial Memorandum defines certain financial provisions which NICIE is required to observe. As Accounting Officer the previous CEO has ensured that the MSFM has been adhered to for the financial year 2015-2016. As new CEO I have taken over this role from January 2016.

NICIE has continued to review its internal procedures to ensure that all services are reviewed and that business cases are submitted to the IMIE DE branch in a timely fashion and that all appropriate approvals are obtained before any expenditure is committed.

Further training has been given to all staff on the following:

Business Cases
Special Education Needs
Procurement
Effective Management
Payments and Invoicing
Area Planning, Sustainable Schools Policy and Development Proposals
NDPB Governance and Accountability Overview/The role of the School Governor

NICIE continues to ensure that its governance arrangements as reported in the Deloitte Organisational and Governance Review in 2014 operate in a largely effective way and has aligned its business aims and objectives to DE.

Assurance Reporting

As Accounting Officer I am also responsible for preparing risk assurance statements and these reports provide an assurance over areas of responsibility and confirm that risks are being managed.

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Internal Audit

The scope of the internal audit plan for the current year by NICIE’s independent auditors Moore Stephens was to review the controls in relation to the systems that NICIE had in place in relation to the following areas:

- Financial Processes (Procurement and Travel & Subsistence)
- Treasury Processes
- Risk Management and Corporate Governance
- Work Patterns

The audit completed by the internal auditors found the internal control systems to be operating in a satisfactory manner with some minor areas of improvement. The Internal Auditor was therefore able to give positive assurance to me as Accounting Officer that the Board’s risk management, control and governance arrangements were substantial. A review of the progress made by NICIE in implementing prior year adjustments was also undertaken and all prior year internal audit recommendations have been implemented.

External Auditor

The company’s External Auditors are PriceWaterhouseCoopers LLP (“PwC”). There were no control deficiencies identified during the year. There is unlikely to be any emphasis of matter or qualifications contained in the Audit report for 2015-16.

Other Sources of Assurance

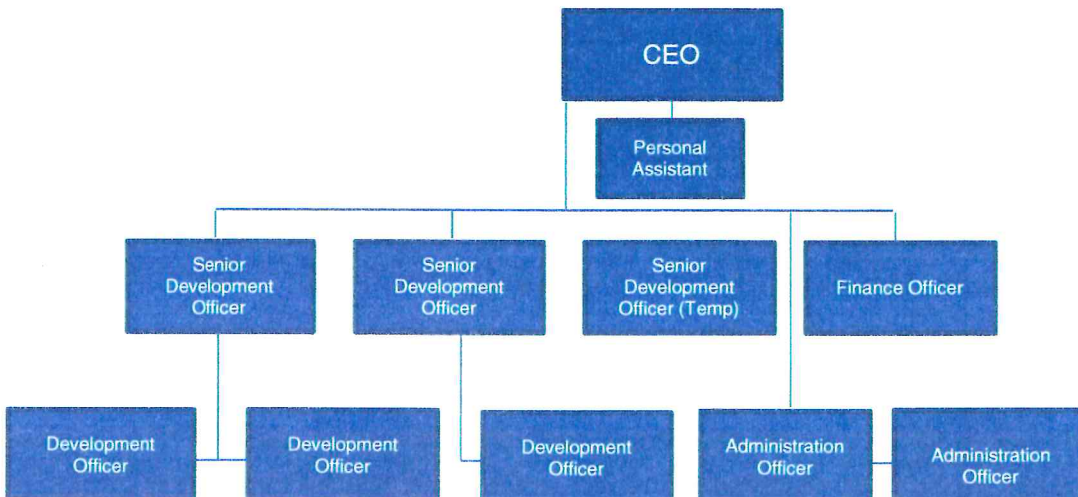
I have also relied on additional sources of assurance during the year, with regular reports from the staff, directors, NICIE Panel of Associates and independent advice from HR and legal experts.

Quality of Data Used by the Board

All of the committees have been supported by Senior Members of the NICIE Team and appropriately experienced officers or representatives of NICIE. I regularly review and interrogate all data with Senior Management Team prior to any information being presented to the Board. These reports include monthly management accounts and budgets which are prepared by NICIE’s qualified accountant and are also reviewed by the FGpsc who have additional finance experience. Other NICIE reports are completed by Senior Development Officers who have a wealth of experience in the education sector which include reports compiled with various forums and relevant stakeholders. Bespoke reports are also compiled by appropriately selected Panel of Associates who have been drawn from a select list based on skills and experience. Committee Members also reviewed these reports and data and sought clarification from officers on the information presented to them.

Additionally the internal audit report was independently compiled by our Internal Auditors Moore Stephens and the Final Financial Statements were independently verified by the External Auditors PwC. It is my view and the view of the committees that the quality of the data used by NICIE is of an acceptable standard.

The staffing structure of NICIE is highlighted below:



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Ministerial Directions

No Ministerial Directions were given for the year to 31st March 2016.

Risk Assessment

Internal Controls and Risk Management

I along with the directors acknowledge our responsibility for NICIE's system of internal control and for reviewing its effectiveness.

The risks associated with the council's activities were reviewed quarterly by the Audit and Risk Assurance Committee. The Corporate Risk Register includes an evaluation of all levels of risk. Both inherent and residual risks were reviewed and represented on a quarterly basis. The Chairperson of the Audit and Risk Assurance Committee reports to each Board meeting on any matters that needs to be brought to their attention.

I, as Accounting Officer, continue to enforce and ensure that risk management is embedded and owned by the Board and all NICIE staff. This has now effectively been incorporated and embedded into all NICIE business plans and daily operations of NICIE. The corporate risk register and risk management is viewed as a dynamic process which actively seeks to incorporate good practice. It is responsive and current and is managed through regular review of both internal developments and external factors.

As a NDPB NICIE has a low risk appetite in relation to compliance, regulation and our strategic aims which I anticipate will continue into the future.

Risk Profile faced by NICIE

The NICIE corporate risk register currently identifies 4 significant risks.

The Risk profile of NICIE in 2015/2016 had 5 significant risks however after consideration and review, Risk 4 was removed and incorporated into Risk 5. Risk 4 was the failure to exercise proper stewardships, and optimise use of the resources allocated to NICIE in line with the Financial Memorandum and grant conditions where applicable, within a proper financial control framework under NDPB status. The Finance Officer also met with DE in December 2015 to review the Corporate Risk Register to ensure that it accurately reflected all risks and was also appropriately aligned to the DE Corporate Risk Register. After consultation with DE and the Audit and Risk Assurance Committee in January 2016 it was agreed that all changes and recommendations be implemented.

The first three risks relate to financial management and governance and I am satisfied that these risks are currently well managed and tolerable and significant progress continues to be made to mitigate these risks.

The remaining risk continues to present the greatest challenge to NICIE. The risk relates to the failure to increase the number of children benefiting from Integrated Education and to promote Integrated Education. The Education landscape continues to undergo significant changes and NICIE must ensure that it manages these risks and ensure that it continues to play a positive role in promoting Integrated Education. Included in this risk is the fact that NICIE does not have adequate capacity and resources to continue to meet all of its aims and objectives contained in the business plan in this ever changing and demanding environment e.g. Buildings and Maintenance, HR support for schools, Statistical analysis as evidence for Area Based Planning.

Fraud Risk

NICIE reviewed its fraud policy during the year and has a zero tolerance in respect of fraud. Internal controls were also reviewed and are clearly embedded within the organisation. I have ensured that the NICIE Finance Officer is a member of the DE Education Sector Fraud forum. There were no suspected instances of suspected fraud within NICIE during the year 2015-2016.

Raising Concerns at work (Whistle Blowing)

NICIE has a policy on Raising Concerns at work (Whistleblowing), which encourages staff to report any instances of unlawful conduct, financial malpractice, or other actions that might compromise, in any way, the Council's reputation and integrity. There were no instances during 2015-2016.

Data Security breaches

There were no data security breaches or losses during the year.

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Significant Governance Issues

There are no further significant governance issues.

Conclusion

The aim of this statement is to ensure that information is provided as to how governance within NICIE has worked for the year to 31.3.2016 and identifies a range of significant governance issues that NICIE is facing during a period of significant change. I can confirm that I will continue to review these issues and ensure that they are addressed. This governance statement was presented to the Audit and Risk Assurance Committee and formally approved by the Audit and Risk Assurance Chair on 5.5.2016.



Roisin Marshall
Chief Executive Officer
21 June 2016

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Remuneration report

Remuneration Policy

The remuneration of all Council staff is determined by the NICVA National Joint Council for local authorities and other authorities of equivalent status. The National Joint Council's principal role is to reach agreement, based on shared values, on a national scheme of pay and conditions for local application throughout the UK.

The NICVA National Joint Council's guiding principles are to support and encourage:

- High quality services delivered by a well-trained, motivated workforce with security of employment. To this end employers are encouraged to provide training and development opportunities for employees;
- Equal opportunities in employment; equality as a core principle which underpins both service delivery and employment relations; and both the removal of all discrimination and the promotion of positive action;
- A flexible approach to providing services to the community, which meets the needs of employees as well as employers; and
- Stable industrial relations and negotiation and consultation between employers and recognised trade unions.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Board and most senior management of the department.

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Remuneration (audited information)

	2015-2016				Total (£'000)	2014-2015				Total (£'000)
	Salary (£'000)	Benefits in kind (to nearest £100)	Bonus	Pension Benefits (to nearest £1,000)		Salary (£'000)	Benefits in kind (to nearest £100)	Bonus	Pension Benefits (to nearest £1,000)	
N Campbell* CEO	39,000	100	-	7000	40-50	55-60	100	-	11,000	65-75
R Marshall** CEO (13,000	100	-	3000	15-20	-	-	-	-	-
M Johnston Finance Officer	42,000	100	-	8000	40-50	35-40	100	-	7,000	40-50
C Scott Wills Senior Development Officer	43,000	100	-	8000	40-50	35-40	100	-	7,000	40-50
B Kells Senior Development Officer	41,000	100	-	8000	40-50	35-40	-	-	7,000	40-50
L McAlpine*** Senior Development Officer Nov 2015	15,000	100	-	3000	15-20	-	-	-	-	-
F Donnelly**** Senior Development Officer- Resigned May 15 (full Time equivalent 40-45)	5,000	100	-	1000	5-10	35-40	100	-	7,000	40-50
Band of highest paid director's total remuneration	40-50			8000		55-60	100	-	10,000	65-75
Median total remuneration	40-50			100		25-30	100	-	-	-
Pay multiple						1:2:4	-	-	-	-

* Noreen Campbell CEO Retired October 2015.

** Roisin Marshall was appointed CEO January 2016

*** Senior Development Officer Lorna McAlpine on secondment with DEL to November 2015

**** Senior Development Officer Frances Donnelly resigned May 2015.

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Remuneration report (continued)

Pension Entitlement

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

Salary

'Salary' includes gross salary and any allowances all of which are subject to UK taxation. This report is based on payments made by the Council and thus recorded in these financial statements.

Benefits in kind

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

Bonuses

No bonuses were paid during the year to 31 March 2016 (2015: £nil).

Off payroll engagements

During the year there was no off payroll engagements (2015: none).

Remuneration report (continued)

Pension entitlements

Officials	Accrued pension at age 60 as at 31 March 2016 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV at 31 March 2016 £'000	CETV at 31 March 2015 £'000	Real increase in CETV £'000	Employer contribution to partnership payment Nearest £100
N Campbell <i>Chief Executive Officer</i> <i>(Retired October 2015)</i>	0-5 No lump sum	0-2.5	104	92	12	-
R Marshall <i>Chief Executive Officer</i> <i>(Appointed January 2016)</i>	0-5 No lump sum	0-2.5	3	-	2	-
M Johnston <i>Senior Development Officer</i>	0-5 No lump sum	0-2.5	27	18	6	-
C Scott Wills <i>Senior Development Officer</i>	0-5 Plus lump sum of 0-10	0-2.5	103	84	17	-
B Kells <i>Senior Development Officer</i>	0-5 No lump sum	0-2.5	44	32	10	-
L McAlpine <i>Senior Development Officer</i>	5-10 Plus lump sum of 10-20	0-25	186	169	18	-
F Donnelly <i>Senior Development Officer</i> <i>(Resigned May 2015)</i>	5-10 Plus lump sum of 15-20	25-30	151	156	(4)	-

Pension entitlements

The Council is a member of the Northern Ireland Local Government Officers' Pension scheme. The Scheme is a defined benefit scheme, which provides a career average regarding evaluated basis. For each year of service up to 31 March 2009, an individual in the NILGOSC Scheme will accrue retirement benefits at the rate of 1/80th (pension) and 3/80th (tax free lump sum) of their pensionable salary. For each year of service after 1 April 2009 the retirement benefits accrued will be at the rate of 1/60th (pension only) of their pensionable salary. The accrued rate from 1 April 2014 will be 1/49th. In addition members can choose to commute some of their pension to provide a tax free lump sum of up to 25% of the capital value of their pension assets.

All pensions (including spouses' pensions, children's pensions, age pensions, ill health pensions, redundancy pensions provided the pensioner is aged 55 or over and preserved benefits) are index-linked and increased each year in line with inflation, as measured by the Consumer Price Index (CPI). Prior to 2011, pensions were increased in line with the Retail Price Index (RPI). The Government determines this increase each year by way of the Local Government Superannuation – Pensions Increase (Review) Order (Northern Ireland) 2002.

The Scheme is funded by contributions made by both employees and employers who have been admitted to the Scheme.

Employee contribution rates depend on their pensionable remuneration but will be between 5.5% and 7.5%, while employer contribution rates are determined by the Scheme's actuary every three years and the rate is currently 20%.

The Scheme is a statutory public service pension scheme as defined by the Pensions Schemes Act 1993 and is regulated by the Local Government Pension Scheme (Northern Ireland) Regulations 2009. As a public service pension scheme, the Scheme is contracted out of the State Second Pension (S2P) and is exempt approved for purposes of Chapter 1 of Part XIV of the Income and Corporation Taxes Act 1988; full tax relief is granted on members' and employers' contributions paid to the Fund.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age.

(Company limited by guarantee)

Remuneration report (continued)

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value ("CETV") is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-2004 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Pension Entitlement

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

Real increase in CETV

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

Compensation for loss of office

There was no compensation paid for loss of office in the year to 31 March 2016 (2015: £nil).



Roisin Marshall
Chief Executive Officer
21 June 2016

The Northern Ireland Council for Integrated Education

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(Company limited by guarantee)

Independent auditors' report to the members of The Northern Ireland Council for Integrated Education (Company limited by guarantee)

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its outgoing resources and application of resources, including its income and expenditure and cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

Opinion on regularity

In our opinion, all the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

What we have audited

The financial statements, which are prepared by The Northern Ireland Council for Integrated Education, comprise:

- the statement of financial position as at 31 March 2016;
- the statement of financial activities (including income and expenditure account) for the year then ended 31 March 2016;
- the statement of cash flow for the year ended 31 March 2016; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). 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, and that in all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' report and financial statements 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 us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

The Northern Ireland Council for Integrated Education

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(Company limited by guarantee)

Independent auditors' report to the members of The Northern Ireland Council for Integrated Education (Company limited by guarantee) (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Government financial reporting manual; and
- the information given in the Directors Report, Annual Report, Chief Executive Officer's Report, the Annual Governance Statement and the unaudited part of the Remuneration Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemption

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors; remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.


Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


Martin Pitt (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast - 21 June 2016

The Northern Ireland Council for Integrated Education

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(Company limited by guarantee)

Statement of financial activities (including income and expenditure account) for the year ended 31 March 2016

	Note	2016 £	2015 £
Incoming resources/income			
Incoming resources from generated funds			
- Voluntary income	3	668,877	734,370
Incoming resources from charitable activities			
Other incoming resources	7	-	9,558,053
Total incoming resources		668,877	10,292,423
Resources expended/expenditure			
Charitable activities			
- Development of integrated education and schools in Northern Ireland		(665,524)	(735,322)
Governance costs		(8,176)	(10,390)
Other resources expended			
- Other finance costs	6	(18,000)	(18,000)
Total resources expended		(691,700)	763,712
Net (outgoing)/ incoming resources before recognised gains and losses	4	(22,823)	9,528,711
Remeasurement on defined benefit pension		96,000	(138,000)
Net movement in funds		73,177	9,390,711
Funds at 1 April		(518,129)	(9,908,840)
Funds at 31 March	15	(444,952)	(518,129)

All amounts above relate to the continuing restricted operations of the company.

There is no material difference between the net outgoing resources before recognised gains and losses for the financial year stated above, and the historical cost equivalent.

The net outgoing resources before recognised gains and losses is the net outgoing resources required by the Companies Act 2006 as opposed to that required by the Statement of Recommended Practice.

There are no changes in equity other than the results shown in the statement of financial position therefore a separate statement of changes in equity has not been presented.

The Northern Ireland Council for Integrated Education

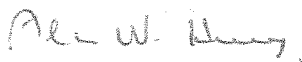
(Company limited by guarantee)

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Statement of financial position as at 31 March 2016

	Note	2016 £	2015 £
Non-current assets			
Property, plant and equipment	8	3,074	2,971
Current assets			
Trade and other receivables	10	8,587	19,279
Cash and cash equivalents	11	51,473	79,670
		60,060	98,949
Total assets		63,134	101,920
Current liabilities			
Trade and other payables	12	(22,086)	(56,049)
Non-current assets less net current liabilities		41,048	45,871
Non-current liabilities			
Pension liabilities	13	(486,000)	(564,000)
Total assets less liabilities		(444,952)	(518,129)
Reserves			
Restricted funds	15	(444,952)	(518,129)

The financial statements on pages 35 to 48 were approved by the Board of directors on 21 June 2016 and were signed on its behalf by:



Alan Henry OBE
Chairperson



Roisin Marshall
Chief Executive Officer

**The Northern Ireland Council for Integrated
Education**
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Statement of cash flows for the year ended 31 March 2016

	Note	2016 £	2015 £
Net cash outflow from operating activities		(25,004)	8,627,390
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,193)	(2,971)
Net cash (outflow)/inflows from investing activities		(3,193)	(2,971)
Net (increase)/decrease in cash and cash equivalents in the year		(28,197)	8,624,419
Cash and cash equivalents at the beginning of the year		79,670	(8,544,749)
Cash and cash equivalents at the end of the year	16	51,473	79,670

Reconciliation of net outgoing reserves to net cash inflow from continuing operating activities

	2016 £	2015 £
Net (incoming)/outgoing resources before recognised gains and losses	(22,823)	9,528,711
Depreciation on tangible fixed assets	3,090	2,171
Movement in trade and other receivables	10,692	4,193
Movement in trade and other payables	(33,963)	(939,685)
Other finance costs	18,000	18,000
Difference between pension charge and cash contributions	-	14,000
Net cash (outflow)/inflow from continuing operating activities	(25,004)	8,627,390

The Northern Ireland Council for Integrated Education

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(Company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2016

1 Statement of accounting policies

These financial statements have been prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005 and the principles of the 2015-16 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance and Personnel. 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 Northern Ireland Council for Integrated Education for the purpose of giving a true and fair view has been selected. The particular policies adopted by The Northern Ireland Council for Integrated Education are described below. They have been applied consistently in dealing with items that are considered material to the financial statements.

Accounting convention

These financial statements have been prepared under the historical cost.

Going concern

Banking facilities have been agreed with the Council which the directors believe are efficient to enable them to continue as a going concern and in doing so settle all liabilities as they fall due.

The financial structuring have been prepared on the going concern basis which assumes that the Council will continue in operational existence for the foreseeable future.

Property, plant and equipment and depreciation

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

For all assets depreciation is calculated so as to write off the cost less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, or over the life of project, whichever is earlier. The principal annual rates used are as follows:

Information technology	:	33 $\frac{1}{3}$ %
Furniture and fittings	:	20%

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Northern Ireland Council for Integrated Education

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(Company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2016 (continued)

1 Accounting policies (continued)

Cash and cash equivalents

In the cash flow statement cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Government grants

Grants that relate to specific revenue expenditure are credited to the statement of financial activities when received.

Taxation

The Company is registered as a charity for tax purposes and is exempt from corporation tax on its activities. The activities of the company are exempt for value added tax purposes. The company therefore does not have to account for value added tax on its income nor is it able to recover the value added tax element of expenditure.

VAT

The company is not registered for VAT. All expenditure and capital purchase in the financial statements is stated inclusive of VAT.

Pension funding

Retirement benefits to employees of the Council are provided by the Northern Ireland Local Government Officers Superannuation Committee ("NILGOSC") defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme.

In respect of this scheme, the Council's staff constitute only a small percentage of the overall membership. The Council has no influence over the level of contributions.

In previous years the Council's share of the NILGOSC scheme could not be identified and in keeping with such multi-employer schemes the Council treated its pension cost as if it were a defined contribution (rather than a defined benefit) scheme. In late 2006 NILGOSC separated each of the employer scheme details and, as a result, the Council has had to incorporate the year end deficit on the scheme in its balance sheet and the movement on the scheme within the statement of financial activities.

The assets of the NILGOSC scheme are held separately from those of the Council. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. The service cost and associated administration costs of the council's defined benefit pension scheme are charged to net outgoing resources before recognised gains. In addition, a retirement benefit interest charge on the net pension deficit is charged to the statement of financial activities as a finance cost. Actuarial gains and losses are recognised directly in statement of financial activities so that the council's balance sheet reflects the fair value of the scheme's surplus or deficit at the balance sheet date.

Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Northern Ireland Council for Integrated Education

(Company limited by guarantee)

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Notes to the financial statements for the year ended 31 March 2016 (continued)

1 Accounting policies (continued)

Incoming resources

Grants

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.

Other income

Other income, which excludes value added tax, is accounted for on the accruals basis.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs

Governance costs include those incurred in the governance of its assets which are associated with constitutional and statutory requirements.

Bank interest

All interest is accounted for in the statement of financial activities on the accruals basis.

Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

Fund accounting

The Council has one type of fund for which it is responsible. The definition of this fund is as follows:

Restricted funds

Restricted funds, subject to specific trusts, are those given to the Council which are to be expended for the specific objects specified by the donor.

2 Statement of operating costs by operating segment

The trustees consider that the company acts as one operating segment and therefore no statement of operating costs by operating segment has been presented.

The Northern Ireland Council for Integrated Education

(Company limited by guarantee)

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Notes to the financial statements for the year ended 31 March 2016 (continued)

3 Voluntary income

	2016	2015
	£	£
Department of Education Northern Ireland	638,000	683,000
Department of Foreign Affairs	28,123	40,293
Other	2,754	11,077
	668,877	734,370

4 Net outgoing resources before recognised gains and losses

	2016	2015
	£	£
This is stated after charging:		
Staff costs (Note 5)	415,352	464,447
Depreciation on tangible fixed assets – owned assets	3,090	2,171
Fees payable to the company's auditors for the audit of the financial statements	5,700	6,000
Operating lease rentals - property	17,500	17,500

5 Staff numbers and related costs

	2016	2015
	£	£
Wages and salaries	330,410	375,582
Social security costs	25,852	27,012
Other pension costs	59,090	61,853
	415,352	464,447

During the year the charity incurred costs of £26,892 (2015: £60,425) relating to agency staff and secondees.

	Number	Number
The average monthly number of persons employed by the company (including directors) during the year was:	10	11

The Directors received £nil for reimbursement of expenses during the year (2015: £nil). No employee falls in emoluments band over £60,000 (2015: £60,000) and details are below.

	2016	2015
	£	£
Chief Executives' remuneration – Noreen Campbell (Retired October 2015).	43,377	56,027
Chief Executives' remuneration – Roisin Marshall (Appointed January 2016).	15,119	-
Company pension contributions to NILGOSC pension scheme. Noreen Campbell**	6,878	10,958
<i>(Retired October 2015).</i> Roisin Marshall	2,679	-
	68,053	66,985

The chief executive is a non-contributory member of the NILGOSC pension scheme. This is a statutory scheme which provides benefits on a final salary basis at a normal retirement age of 65. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service.

**The Northern Ireland Council for Integrated
Education**
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Notes to the financial statements for the year ended 31 March 2016 (continued)

6. Other finance costs

	2016 £	2015 £
Expected return	54,000	61,000
Interest cost	(72,000)	(79,000)
	(18,000)	(18,000)

7 Exceptional Item – waiver of loan

During 2015 the Club Bank debt was restructured which resulted in the amounts outstanding being waived and a £9,558,053 credit to the income and expenditure account.

	2016 £	2015 £
Club Bank Waiver	-	9,558,053

8 Property, plant and equipment

	Information technology £	Furniture and fittings £	Total £
Cost			
At 1 April 2015	50,736	25,911	76,647
Additions	3,193	-	3,193
At 31 March 2016	53,929	25,911	79,840
Accumulated depreciation			
At 1 April 2015	47,994	25,682	73,676
Charge for the year	2,861	229	3,090
At 31 March 2016	50,855	25,911	76,766
Net book amount			
At 31 March 2016	3,074	-	3,074
At 31 March 2015	2,742	229	2,971

Notes to the financial statements for the year ended 31 March 2016 (continued)

8 Property, plant and equipment (continued)

	Information technology £	Furniture and fittings £	Total £
Cost			
At 1 April 2014	62,994	25,681	88,675
At 31 March 2015	50,736	25,911	76,646
Accumulated depreciation			
At 1 April 2014	62,240	24,264	86,504
Charge for the year	754	1,418	2,172
Disposals	(15,000)	-	(15,000)
At 31 March 2015	47,994	25,682	73,676
Net book amount			
At 31 March 2015	2,742	229	2,970
At 31 March 2014	754	1,418	2,172

9 Financial instruments

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

10 Trade and other receivables

	2016 £	2015 £
Trade receivables	3,355	11,672
Prepayments and accrued income	5,232	7,607
	8,587	19,279

The fair values of trade and other receivables are not materially different from the carrying values.

All of the charity's financial assets are classified as loans and receivables. The company has no assets that may be classified as held at fair value through profit and loss, derivatives used for hedging or available-for-sale.

The Northern Ireland Council for Integrated Education

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(Company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2016 (continued)

11 Cash and cash equivalents

	2016	2015
	£	£
Balance at 1 April	79,690	77,996
Net change in cash and cash equivalents	(28,217)	1,694
Balance at 31 March	51,473	79,690

The following balances at 31 March were held at:

Commercial banks and cash in hand	51,473	79,690
-----------------------------------	--------	--------

12 Trade and other payables

	2016	2015
	£	£
Trade payables	915	3,315
Accruals and deferred income	21,171	52,734
	22,086	56,049

The fair value of trade and other payables are not materially different from their carrying value as the impact of discounting is not significant. There is no difference between the amounts shown above and the total contractual undiscounted cash flows of trade and other payables.

13 Pension commitments

The net pension 'liability' shown below does not represent a shortfall which requires short term cash funding. The amount shown below is calculated to comply with the new Financial Reporting Standard, the specific requirements of which differ from the basis on which pension liabilities are actuarially calculated for the purpose of the ongoing funding of the scheme. The Financial Reporting Standard requires:

- (i) actuarial deficiencies to be recognised immediately as a "liability" in the financial statements rather than being spread forward over employees' remaining service lives;
- (ii) the actuary, in valuing the scheme's liabilities, is required to use a bond yield as the discount rate for valuing future liabilities, rather than a rate that reflects the expected return on the scheme's particular asset portfolio, with the result of an apparent increase in the present value of future longer term liabilities.

The Northern Ireland Council for Integrated Education

(Company limited by guarantee)

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Notes to the financial statements for the year ended 31 March 2016 (continued)

13 Pension commitments (continued)

IAS 19 figures in relation to employees and ex-employees who are members of the NILGOSC pension scheme.

	2016	2015
Rate of increase in salaries	4.5%	4.5%
Rate of increase in pensions in payment	2.0%	2.0%
Discount rate	3.5%	3.2%
Inflation assumption	3.0%	3.0%

The mortality assumptions used were as follows:

	2016 Years	2015 Years
Average expected future life at age 65 for:		
Male currently aged 65	21.6	21.6
Female currently aged 65	24.0	24.0
Male currently aged 45	23.3	23.3
Female currently aged 45	26.0	26.0

The market value of assets in the scheme and the expected rate of return were:

	Value at 31 March 2016 £	Value at 31 March 2015 £
Equities	1,268,000	1,107,000
Property	233,000	246,000
Gilts	213,000	205,000
Cash	48,000	82,000
Total market value of assets	1,762,000	1,640,000
Present value of funded scheme liabilities	(2,248,000)	(2,204,000)
Net pension liability	(486,000)	(564,000)

The Northern Ireland Council for Integrated Education

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(Company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2016 (continued)

13 Pension commitments (continued)

Reconciliation of present value of scheme liabilities

	2016	2015
	£	£
At 1 April 2015	2,204,000	1,746,000
Service cost	93,000	84,000
Member contributions	22,000	23,000
Interest cost	72,000	79,000
Remeasurement on scheme liabilities	(122,000)	278,000
Benefits paid	(21,000)	(6,000)
At 31 March	2,248,000	2,204,000

Reconciliation of fair value of scheme assets

	2016	2015
	£	£
At 1 April 2015	1,640,000	1,352,000
Expected return	54,000	61,000
Remeasurement on scheme assets	2,000	140,000
Employer contributions	65,000	70,000
Member contributions	22,000	23,000
Benefits paid	(21,000)	(6,000)
At 31 March	1,762,000	1,640,000

Scheme assets do not include any of The Northern Ireland Council for Integrated Education's own financial instruments, or any property occupied by The Northern Ireland Council for Integrated Education.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Analysis of amount charged to statement of financial activities:

	2016	2015
	£	£
Service cost	93,000	84,000
Expected return	(54,000)	(61,000)
Interest cost	72,000	79,000
Remeasurement on defined benefit pension scheme	78,000	170,000
	189,000	272,000

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Notes to the financial statements for the year ended 31 March 2016 (continued)

13 Pension commitments (continued)

Amounts for current and previous four years:

	2016 £	2015 £	2014 £	2013 £	2012 £
Scheme liabilities	(2,248,000)	(2,204,000)	(1,746,000)	(1,642,000)	(1,352,000)
Scheme assets	1,762,000	1,640,000	1,352,000	1,170,000	943,000
Deficit in scheme	(486,000)	(564,000)	(394,000)	(472,000)	(409,000)
Experience adjustments on scheme assets					
Amount (£)	2,000	140,000	47,000	108,000	(44,000)
Experience adjustments on scheme liabilities					
Amount (£)	(1,000)	17,000	-	-	1,000

14 Members liability

The liability of each member is limited to £10.

15 Reserves - restricted funds

	2016 £	2015 £
At 1 April	(518,129)	(9,908,840)
Net outgoing losses/resources before recognised losses	(22,823)	(19,342)
Actuarial remeasurement on defined benefit pension scheme	96,000	(148,000)
Exceptional item	-	9,558,053
At 31 March	(444,952)	(518,129)

The net liabilities at the year-end include a deficit of £486,000 (2015: £564,000) in respect of pension scheme liabilities of the NILGOSC pension fund.

16 Analysis of net funds

	1 April 2015 £	Cash flow £	31 March 2016 £
Cash at bank and in hand	79,670	(28,197)	51,473
Net funds	79,670	(28,197)	51,473

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Notes to the financial statements for the year ended 31 March 2016 (continued)

17 Financial commitments

At 31 March the company had annual commitments under non-cancellable operating leases expiring as follows:

	Property 2016 £	Property 2015 £
Within two to five years	17,500	17,500

18 Contingent liabilities

The company has a contingent liability to repay revenue grants received, if certain conditions are not fulfilled.

19 Capital commitments

At 31 March 2016 the company had no capital commitments (2015: none).

20 Losses and special payments

At 31 March 2016 the company had no losses and special payments (2015: none).

21 Related party transactions

NICIE is a Non-Departmental Public Body (NDPB) sponsored by the DENI. The DENI is regarded as a related party. During the year, NICIE has had various transactions with the DENI and with other entities for which DENI is regarded as the parent Department.

None of the board members, members of the key management staff or other related parties have undertaken any material transactions with NICIE during the year (2015: none). As per the register of interests maintained by NICIE there were no conflicts of interest during the year (2015: none).

22 Ultimate controlling party

There is no ultimate controlling party.

