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Charity registered number: 100310

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

Directors' report and financial statements

for the year ended 31 March 2017

Laid before the Northern Ireland Assembly
Under the requirements of the Department of Education/NICIE Management Statement
and Financial Memorandum.

on

6th July 2017

The Northern Ireland Council for Integrated Education

(Company limited by guarantee)

Directors' Report and financial statements for the year ended 31 March 2017

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

Reference and administrative details

President

Colm Cavanagh

Directors/Trustees

Alan Henry OBE (Chairperson)

David Clement OBE (resigned November 2016)

David Burgess

Dermot MacCann (Treasurer)

Eamon Quinn

Fiona Darrah

Helen McLaughlin (Vice Chair)

Ian McKay (resigned November 2016)

Martin Stroud

Nigel Frith (resigned November 2016)

Nigel Arnold

Stephen Peover (resigned November 2016)

Stuart Marriott

Tim Webster

Michael Arlow

Denise McIlwaine

Maeve Marnell

Anne-Marie Telford

Patricia Douglas (appointed May 2016)

Company Secretary

David Burgess

Senior management members

Roisin Marshall (Chief Executive Officer)

Maureen Johnston (Finance Officer)

Clíodhna Scott Wills (Senior Development Officer)

Bernie Kells (Senior Development Officer resigned May 2016)

Lorna McAlpine (Senior Development Officer).

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

Reference and administrative details (continued)

Registered and Principal office

25 College Gardens
Belfast
Northern Ireland, BT9 6BS

Solicitors

Cleaver Fulton Rankin
50 Bedford Street
Belfast, BT2 7FW

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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Any Enquiries regarding this document should be sent to NICIE, 25 College Gardens, Belfast, BT9 6BS

The Northern Ireland Council for Integrated Education

(Company limited by guarantee)

Directors' report for the year ended 31 March 2017

The directors, who are also trustees, present their annual report and the audited financial statements for the year ended 31 March 2017. The financial statements are prepared in accordance with the Companies Act 2006, "Accounting and Reporting by Charities", Statement of Recommended Practice affordable to charities preparing their accounts in accordance with the International Financial Reports standards and in accordance with the requirements and guidelines set out in the Government's Financial Reporting Manual (FRoM) issued by the Department of Finance which is in force for the financial year for which the financial statements are being presented.

The accounting policies contained in the FRoM 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 ("DE"). 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 NICIE. 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 DE. 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; DE, the Department of Foreign Affairs Ireland, The Heritage Lottery Fund and others to promote the work of the organisation.

Directors' report for the year ended 31 March 2017 (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 DE. The key objectives for this programme underpinned DE'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 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 to work together in the initiative 'The Invitationally Inclusive School (ISSP)'.
3. The exploration and collection of information on the foundation and development of Integrated education funded by the Heritage Lottery Fund.

Directors' report for the year ended 31 March 2017 (continued)

Achievements and performance

The statement of financial activities for the Council is set out on page 34.

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 DE. 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 34 to 47. The net outgoing resources for the year before recognised gains and losses was £13,777 (2016: £22,823).

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 a quarterly basis to the Board of Directors and DE. 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 and the Heritage Lottery Fund. 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 £612,729 (2016: £444,952). This includes a net pension liability of £656,000 (2016: £486,000). For further details of the pension commitment liability please refer to note 12 of the financial statements and the Remuneration report.

Forward funding

The Council has secured sufficient income from a variety of donors for the year 2017 - 2018 to offer comfort to the directors and stakeholders of its ability to operate into the future. Major funding has been guaranteed from DE, with other project funds being made available from the Department of Foreign Affairs, Ireland and the Heritage Lottery Fund.

Strategic goals, objectives and activities

NICIE developed and implemented a new Strategic Plan in partnership with the Board of Directors for 2016-2019

Vision

An education system in which Catholic and Protestant children and those of other beliefs, cultures and communities learn together in the same school to build reconciliation.

Mission

To build a cohesive society by advocating for the development and facilitating the growth of high quality integrated education. This will be achieved by influencing, innovation and collaboration.

The following were identified as strategic goals for the next three years.

Strategic Aim 1: Increase the opportunities for Catholic, Protestant and children of other beliefs, cultures and communities to be educated together in the one school

Priorities for 2016-19

- *Build a network of sustainable integrated schools*
- *Identify and meet the needs of parents and local communities for integrated education*
- *Support innovative models of sharing and integration*

Directors' report for the year ended 31 March 2017 (continued)

Strategic Aim 2: Achieve high quality Integrated Education

- *Identify, award and disseminate excellence in integrated education among integrated schools*
- *Collaborate with external stakeholders*

Strategic Aim 3: Promote, influence and advocate for Integrated Education

Priorities for 2016-19

- *Raise awareness of and increase support for integrated education*
- *Influence government and public debate on the benefits of IE*

Strategic Aim 4:

Run an effective organisation

Priorities for 2016-19

- *Ensure the cost effective and efficient use of resources and staff to meet strategic objectives*
- *Improve mechanisms for internal communication and external communication with all relevant stakeholders*

The NICIE business plan has aligned these Strategic goals with DE Business Plan and DE 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

Increase the opportunities for Catholic, Protestant and children of other beliefs, cultures and communities to be educated together in the one school

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 DE 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, DE 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.

Achievements in 2016/2017 included the following

- Active participation in Area Planning through representation on a range of committees, liaison with Education Authority (EA) regions, Council for Catholic Maintained Schools (CCMS) and other stakeholders.
- Continuous consultation with integrated schools regarding growth and expansion to assist in formulation of Local Area Plans.
- Participation in range of meetings throughout the year - NICIE representation at Area Planning Local Groups and Area Planning Working Group and Area Planning Steering Group.
- Development of NICIE contribution to the next iteration of the three year strategic review.
- NICIE Action Plan for Area Planning 2017 – 2020 submitted October 2016.
- EA Area Planning Annual Action Plans submitted – Dec 2016 for June 2015 to March 2017; EA Area Plan Annual Action Plan – March 2017 – June 2018 submitted in January 2017.
- NICIE supported schools bringing forward Development Proposals (DPs) for expansion and commentaries were submitted on all proposals.

Directors' report for the year ended 31 March 2017 (continued)

- Primary and Post-primary Growth and Expansion meetings held for integrated schools. A meeting for schools intending to bring forward DPs was held on 16 June 2016, with support from DE, to explain the new Case for Change procedure. Two meetings in July 2016 (1 primary /1 post-primary – 20 & 21 July 2016). Two meetings in January 2017 (10 & 26 Jan 2017). Separate Meetings arranged for schools who could not attend.
- On-going support /advice for integrated schools taking forward or exploring the need within their own schools for Development Proposals to support growth in the next period up to 2020.
- Supporting 11 schools with Development Proposals (DPs) and providing commentaries for DE on same. Approvals received for 10 schools to grow or transform.
- 5 Grant Maintained Integrated(GMI)/ primary /post-primary and nursery Cases for Change approved
- 3 Nursery Unit (NU) Cases for Change approved -3 DPs for additional and new nursery provision written, 2 - commentaries for Controlled Integrated Primary School (CIPS) NU written.
- 3 Controlled integrated primary schools and colleges DPs approved – NICIE commentaries submitted.
- 572 new places created in integrated schools.
- Fresh Start (FS) /Stormont House Agreement (SHA) – surveys carried out in 16 integrated schools.
- Minister announced Fresh Start /SHA schools supported with surveys.
- NICIE Responses to Community Planning Consultation and attendance at Consultation meetings.
- Detailed response to DP consultation process for other sectors, including supporting schools in their responses.
- Revision and updating of Preschool Strategic Plan for NICIE.
- Representation of NICIE on Preschool Education Advisory Groups /Preschool Education Group and Child Care Partnership.
- Advice and guidance on development of pre-school provision provided for integrated primary schools.
- Liaison with Integrated Education Fund (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.
- Opening of two new transformed schools.
- Support for 3 recently transformed schools.
- Support for schools in achieving balance.
- Joint meetings with IEF to monitor and respond to interest in Transformation.
- Meeting with school governors, EA, CCMS, Shared Education in a local area to explore possibilities for schools in that area.
- Presentations to several schools regarding the transformation process.
- Ongoing advice to parents regarding the Transformation process.

Strategic Aim 2: Achieve high quality Integrated Education

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 in partnership with the IEF; 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.

Achievements in 2016/2017 included the following:

- Integrated education promoted via the development and distribution of the Irish News / Newsletter supplement (and online through NICIE and Irish News websites).
- Supporting Loughries PS, Mallusk PS and Killyleagh PS as transformed schools, enabling them to progress actions outlined in their transformation action plans, including provision of staff and governor training, representation at key events, ethos development advice and support, marketing and promotion etc.
- Support for Crumlin IC as required by the school.
- Integrated ethos indicators developed and audit tool created.
- EIEA assessed and awarded to Round Tower IPS, Newbridge IC, Fort Hill IPS and Crumlin IPS June 2016.
- Mentors appointed to Ulidia IC, Braidside IPS, Sperrin IC Principals as well as Omagh IPS and Corran IPS acting Principals.

Directors' report for the year ended 31 March 2017 (continued)

- Association of Principal Teachers in Integrated Schools (APTIS) bi-monthly committee meeting held plus a 1 day conference in November 2016 and a two day conference in March 2017.
- Programme for school improvement developed with Vice Principals (VP) and NICIE Associate, Schedule of meetings drawn up and communicated to VPs.
- Training suite sent to all integrated schools and placed on website.
- First draft of training suite to be offered to Shared Education Partnerships.
- Governance roles and responsibilities and visioning for recruitment training sessions delivered.
- Governance session on Limited Company Status held October 2016.
- Governor training on Recruitment organised in conjunction with Equality Commission.
- Primary Irish & Shared Cultural Heritage training delivered to 17 integrated primary schools, leading to additional capacity building for 10 schools and the development of a shared cultural heritage resource by CCEA.
- Three day accredited anti-bias training course delivered to primary and post-primary schools (with IEF funding obtained through the Open Society Foundation). This training was attended by grant Maintained Integrated Schools (GMIs) and transformed schools, including the senior leaders of the 3 recently transformed schools.
- Ethos training and reflection on upcoming 30th anniversary for All Children's IPS.
- Strategic planning for Newcomers and children with English Additional language (EAL) with Senior Leadership Team and relevant staff of Malone Integrated College.
- Development of Good Practice Guide for Supporting Newcomers in Primary Schools (produced with IEF / Open Society Fund (OSF)).
- APTIS, VP, Teachers Committee, Special Educational Needs Coordinators (SENCO) meetings held.
- Anti-bias full day training delivered to all leaders, teachers and teaching assistants from Millstrand IPS and Ballymoney IPS.
- Re-edit and reprint of 'ABC: Promoting an Anti-Bias Approach to Education in Northern Ireland'.
- Development and dissemination of The Battle of the Somme curriculum resource.
- Organisational consultation response submitted to the Children and Young People's Strategy.
- Induction booklet for those new to integrated education outline developed (including the proposal for an integrated governor section) – April 2016.
- Governor handbook framework drafted.
- Peer Mediation Train the trainers delivered to 12 primary schools (as part of the Moving Forward Together programme) in the Randalstown/ Antrim area - schools included integrated, catholic maintained and controlled schools.
- Peer Mediation school cluster training delivered to all teaching and classroom assistants in 12 primary schools in the Randalstown/ Antrim area to help embed Peer Mediation in each school.

Strategic Aim 3: Promote, influence and advocate for Integrated Education

Priorities for 2016-19

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 2016/2017 included the following:

- Events:- launch & celebration of Integrated Education month, including the Walk for integration to Stormont from Ardnally, home of first integrated school in 1981, Dunleath Lecture, Annual General Meeting (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 and meetings with various research students and academics.
- Representation on General Teaching Council Northern Ireland (GTCNI).
- Integrated schools represented on management side committee.
- Representation on Northern Ireland Teachers Pension Scheme Advisory Board (NITPS).
- Information stands at Stranmillis University College Careers Fair, Political party conferences, Chief Officers Third Sector (CO3) conference and Parent Teacher Association (PTA) NI event.
- Continued representation on the Council for the Curriculum, Examinations and Assessment (CCEA) RE Advisory group.

Directors' report for the year ended 31 March 2017 (continued)

- 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, and Ulster Tatler.
- A series of meetings with opinion formers and with politicians.
- Regular meetings with officials in DE and in Education Authority (EA).
- Response to a series of consultations on policy issues- Programme for Government, Children & Young People's Strategy and Independent Review of Integrated Education.
- 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 representation at cross border Peace Proms in Belfast.
- Member of cross border symposium on RE in primary schools.
- Performance Review and Staff Development (PRSD) administration and annual meetings with EA, Comhairle na Gaelscolaíochta (CNaG) and CCMS to report and feedback.
- NICIE representation at party political conferences.
- Continued Support for visiting South Korean academic.
- Representation on Horne of Africa Peoples Aid Northern Ireland (HAPANI) Board of Directors and present at all Board Meetings until end August 2016 when officer stepped down.
- Briefing to Education Committee.
- Visits to 43 of the 65 schools by the CEO.
- Meetings with various politicians.
- Liaison with EA, CCMS, CnaG, Governing Bodies Association (GBA), Controlled Schools Support Council (CSSC)
- Liaison with Higher Education Institutes.
- Representation at Shared Education Learning Forum (SELF) Conference.
- Launch of Heritage Lottery Funded Big Small Stories Project.
- Establishment of The Invitationally Inclusive Schools Project (IISP) funded by Department of Foreign Affairs.

Strategic Aim 4: Run an effective organisation

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 2016/2017 included the following:

- The Annual Report & Accounts for 2016/2017 were audited and submitted to DE 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 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 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.
- New Directors were recruited and given induction and training.

Directors' report for the year ended 31 March 2017 (continued)

- Staff Development and Training was implemented throughout the year including: health and safety training; risk assessment training and procurement policy; Schools Improvement and performance; business cases; Special Education Needs (SEN); Area Planning, Sustainable schools policy; writing cases for change, role of the school governor and effective management and safeguarding protection as well as managing Dynamic Change and Team working.
- A number of staff policies were developed, reviewed, amended and approved by the FGPSC.
- There were no breaches of public pay policy.
- The Council's Corporate Risk Register was developed in line with the 2016/2017 business plan, aligned to DE's Risk Management Strategy, routinely reviewed and revised and action plans for improvement monitored throughout the year.
- 100% 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 Development Officer, Project Coordinator for Heritage Lottery funded project and Senior Development Officer.
- Review of Panel of Associates and recruitment process to recruit new associates.
- NICIE working to align itself with recommendations from Deloitte Review, subject to necessary funding.
- Continued Project Team meetings between all development and senior development officers.
- Internal /External training to Board and Staff.
- Staff/Director Appraisals.
- Participation in Core Capacity Assessment Tool (CCAT) to assess organisational effectiveness
- Review of strategic and business plans.

Fixed assets

Details of the movement of fixed assets are set out in note 7 to the financial statements.

Donations

The Council made no political donations during the year (2016: £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 123.5 days (2016: 52 days). The BOD works continuously to reduce this figure and this is reviewed at BOD meetings. The increase was due to a long term illness of a member of staff.

Directors' report for the year ended 31 March 2017 (continued)

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 2016/2017 NICIE paid 100% (2015/2016: 100%) of its creditors within 30 days and no commission debt interest was paid or was due in respect of transactions in 2016/2017.

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.

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.

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

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Directors' report for the year ended 31 March 2017 (continued)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have been reappointed as Independent Auditors at the 2016 at the Annual General Meeting and 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

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

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Annual report for the year ended 31 March 2017

I am delighted to report that NICIE has continued to work very effectively throughout 2016/17 to support, promote and grow integrated education with a first class staff team of committed and enthusiastic people.

The Directors have set the vision of

‘An education system in which Catholic and Protestant children, and those of other beliefs, cultures and communities learn together in the same school.’

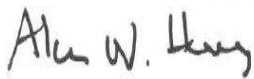
The strategic plan has been reviewed and our direction of travel set for the next three years. We have had one new director join us this year and have said farewell to three long standing directors Ian McKay, David Clements and Nigel Frith. All three have made a huge contribution to integrated education over the years.

NICIE managed to stay within budget this past year despite the cut in the budget last year. NICIE will endeavor to do the same this year although it will be challenging. Our directors have worked extremely hard to ensure good governance in NICIE at all times.

NICIE is working closely with the Integrated Education Fund to promote, grow and support integrated education and has collaborated well with other educational bodies. The Independent Review into Integrated Education has been published and NICIE is keen to see some of the recommendations being carried forward.

As chair of NICIE, I am very proud of our achievements this year, one of which has been to contribute to the creation of 572 new opportunities for children and young people to avail of an integrated experience from September 2018. This is just one example of how NICIE positively impacts on students and their families.

NICIE want to continue to collaborate with any school(s), parent(s) and communities considering integration. Our door is always open.



Alan Henry
Chairperson

Chief Executive Officer's Annual Report

Are you in?

This year we celebrated 35 years of the journey of integrated education for Protestants and Catholics, people of other beliefs, cultures and communities learning together in the same school.

This year is about remembering the big small stories... the stories of people striving to make integrated education a reality in Northern Ireland where we have undisputedly, a divided society. Diversity exists in all schools but in reality less than 1% of Protestants send their children to Catholic schools and just over 6% of Catholics send their children to Controlled (state) schools.

Over 35 years we have managed to develop an average of two schools per year that are integrated. That is quite an achievement. Now we need our government to take the lead and take forward the recommendations in the Independent Review of Integrated Education. NICIE are delighted that the Independent Review of Integrated Education has been published and are discussing with DE what, if any, recommendations within the control of NICIE can be taken forward.

There is a need to respect people of other faiths, people of different faiths, people who have no faith and people with different philosophies and beliefs in school in a proactive, inclusive way. It is our humanity that unites us.

So what are our hopes for the next 35 years?

At our walk for integration on the 3 March 2017 this year, we opened our symbolic Time Capsule into which we will put all our big small stories from the last 35 years that will be collected over the next number of months.

Into that time capsule we shall also put our hopes for the next 35 years. In 35 years' time what would we like to see in terms of our children being educated together in the one school?

We would like to see all schools, where at all possible, to be educating Protestants and Catholics, children of other beliefs cultures and communities together. We would like to see all schools with an integrated ethos. We believe this is possible and our experience tells us that it is got to come from parental choice, from the communities and ultimately they will influence our politicians-the people who govern us. Whether it be a mix of shared and integrated education is up to the people but NICIE are clear that educating children together all day every day in the one school is the ultimate desire. NICIE cannot do this alone and so our ability to partner and form relationships, influence and advocate for this goal is what we need to put our energy into.

In terms of Support for integrated schools together NICIE in partnership with the Integrated Education Fund (IEF) work tirelessly to support integrated schools. They are the ones who have taken the biggest risk. We support them by fundraising, training and development, area planning, governance and representation, to name a few areas. In short we are the voice for integration in the wider educational world. They deserve nothing less and they deserve our best efforts. We promise them that we will do that to the best of our ability...NICIE and the IEF together.

NICIE has reviewed its 3-year strategic plan and has had approval for the 2017/18 Business Plan from DE.

NICIE has played a key role in the Area Planning Process with 572 new opportunities for children and young people to avail of an integrated education being created in the past year. Development Proposals have been approved for 8 integrated schools. Another 8 are in the system but have not yet been approved. NICIE has supported schools either in the process of capital build or about to embark on capital build through Fresh Start Funding over the last year. There has been very positive feedback from schools about this crucial and timely support.

A substantial task for NICIE has been to ensure schools that have transformed and need extra support, and those who have recently transformed benefit from advice and guidance from NICIE staff. This is vital work for schools wanting to be welcoming and inclusive of all children in the local community and beyond. It requires schools to be creative in how to attract pupils from the minority tradition, changing the perception of the school and the mind set of parents.

NICIE's vision to create an education system in which Catholic and Protestant children and those of other beliefs, cultures and communities learn together in the same school to build reconciliation requires establishing trust with different sectors and support bodies in education. NICIE are acutely aware of this and will continue to work with schools and relevant stakeholders to ensure that this vision is realised.

The children and young people who attend integrated schools know that it is possible to educate children together to include everyone in their school. Educating children together requires schools to think about what they need to do differently, not taking anything away, not diluting any one's identity but acknowledging and respecting different perspectives, different cultures, different religions and different abilities. Every school can be a good integrated school. It should not be a type of

Chief Executive Officer's Annual Report (continued)

school. It should be what every school desires to be... inclusive of everyone and that includes those from Protestant and Catholic faith backgrounds, that includes everyone's culture and tradition, that includes everyone and anyone who is different in any way.

This is not about educating for the future. This is about educating in the present. Integrated education can and does contribute to social cohesion in this part of the world. It would be remiss of a school to ignore the fact that a child has a disability. Equally it would be remiss of a school to ignore the fact that a child has a very strong faith background or set of beliefs that construct their identity. These things need to be celebrated, acknowledged, accepted and understood.

Religion matters
Culture matters
Ability matters
Disability matters
Sexual orientation matters
Age matters
Gender matters
Race matters
We all matter.

So when I hear 'you wouldn't know there was any difference' we need to think...is that a good thing? Because we are all different and we all belong to different groups and that matters. When it comes to education, teachers support each child to be comfortable in their own skin and to be comfortable with other skins.

We owe it to the founder governors to keep their vision alive, to continue to be the change they wanted to see, to keep the dream of children being educated together alive. I have never met anybody who thought it wasn't a good idea to educate Protestants and Catholics together so we need to keep being invitational. We need to keep inviting people to consider integration for their school, for their community for their children and young people, for our society.

We need to reinvigorate our desire to educate children together remembering where we started, where we are going and where we want to get to. Parents are signing up to the Integrated Education Fund Parental Engagement Campaign through the Integrate my school website. The time has come to let parents have their say so that their children experience others in a meaningful way in their school.

The challenges that lie before all of us are to be the best integrated schools that we can be. This 35 year journey has seen parents choose schools with limited resources, with not fit-for-purpose buildings because they wanted their children to be educated with people of different faith backgrounds, with children who have no faith, with children and adults reflecting what they would consider to be a normal and better society.

Shared education can never replace integrated education but we can work in partnership to ensure our ultimate goal is achieved.

NICIE want to make integrated education irresistible again.

In 35 years' time many more schools will be integrated where at all possible. They might begin by sharing along the way and integrated schools, by their very nature, can contribute to sharing in a very real sense with other schools.

With the help of our politicians and the vision of our schools and parents in Northern Ireland...we can continue to make a difference.

It is not about the status of the school, it is about the practice of the school. Do you proactively go out of your way to include children from protestant, catholic, other beliefs, cultures and communities into your school? Are you invitationally inclusive?

We will continue to walk the walk and talk the talk.
Are you In? Are you in? Are you in?



Roisin Marshall
Chief Executive Officer

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

Annual Governance Statement

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 2016 to 2017.

The Annual Governance Statement has been produced in line with guidance issued by the Department of Finance (DoF) 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 set out its new strategic aims and objectives in its Strategic Plan for 2016-2019.

NICIE’s vision is to have “an education system in which Catholic and Protestant children and those of other beliefs, cultures and communities learn together in the same school to build reconciliation”.

The mission of NICIE is “To build a cohesive society by advocating for the development and facilitating the growth of high quality integrated education. This will be achieved by influencing, innovation and collaboration”.

The Strategic plan sets out clearly defined strategic objectives for the year 2016-2017. I have ensured that the aims and objectives have been implemented during the year 2016-2017 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 2016-2017 and was monitored throughout the year.

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

Governance Framework

In partnership with the Board of Directors (BOD) I have a corporate responsibility for setting objectives, agreeing priorities and implementing ministerial policy. The BoD, and I as the NICIE Accounting Officer and the staff of NICIE developed and agreed a business plan for the 2016-2017 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 30.9.2016 and year end evaluation provided updated progress reports on the achievements of NICIE for the 12 months to 31.3.2017 to both the BOD and DE.

Annual Governance Statement (continued)

NICIE continued to ensure the implementation of the recommendations of the Deloitte report of organisation and governance conducted in December 2014. The majority of the recommendations in this report are completed and embedded in the organisation and this has provided satisfactory assurance to DE to complete specific monitoring of NICIE's implementation of the Deloitte recommendations.

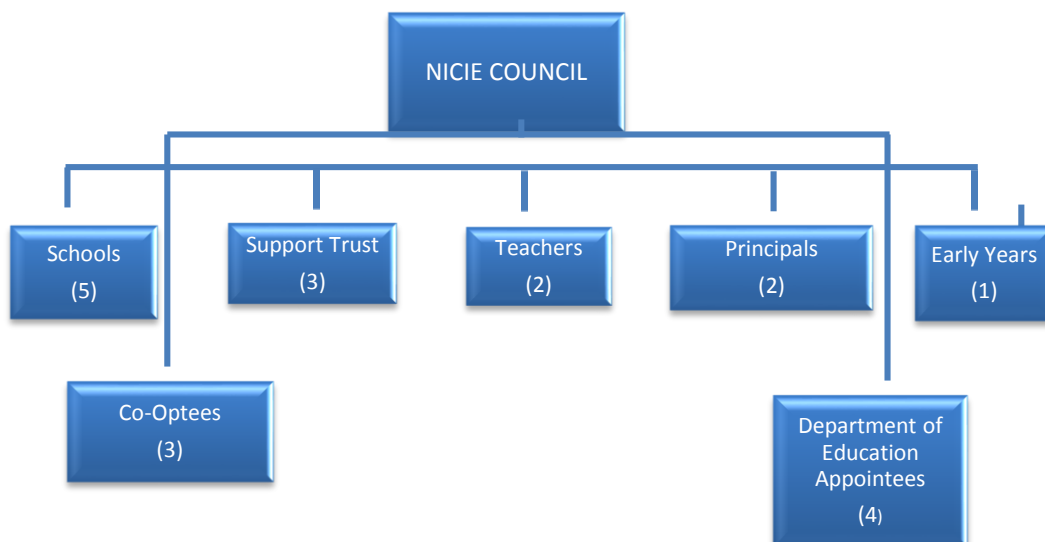
Structure of NICIE

Board and Committees

The Board of Directors has a membership of 16 non-executive members including 4 DE representatives. The role of the Board is 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 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



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

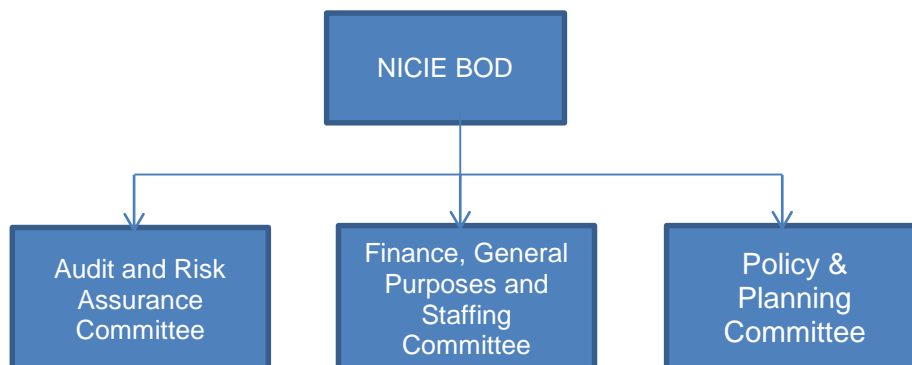
Annual Governance Statement (Continued)

- | | | |
|----|---|---|
| 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 articles of association.

NICIE Board and Committees Structure



The Northern Ireland Council for Integrated Education

(Company limited by guarantee)

Annual Governance Statement (Continued)

Attendance at Meetings

Directors' attendance at meetings held during 2016-2017 is detailed below. Please note that some directors were not in post or elected to the sub committees for the full financial year.

Member	Board of Directors 9 meetings (inc AGM)	Audit & Risk Assurance 4 meetings	Finance, General Purposes and Staffing Committee 10 meetings	Policy and Planning Committee 5 meetings
M Stroud	8		10	5
H McLaughlin	8			5
D Clement End of Term November 2016	4	3		
I McKay End of Term November 2016	5	2		3
D MacCann	6		7	1
T Webster	7		1	1
Patricia Douglas Appointed May 2016	6			
David Burgess	3			1
Eamon Quinn	8		2	5
Stuart Marriott	7			3
Nigel Frith Resigned November 2016	4			1

The Northern Ireland Council for Integrated Education

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Member	Board of Directors 9 meetings (inc AGM)	Audit & Risk Assurance(ARAC) 4 meetings	Finance, General Purposes and Staffing Committee(FGPSC) 10 meetings	Policy and Planning Committee 5 meetings
Stephen Peover Resigned November 2016	3		3	
Alan Henry Chair	9			
Nigel Arnold Appointed November 2016	7	4		2
Fiona Darrah Appointed November 2016	7			2
Denise McIlwaine	5		5	
Maeve Marnell	8		2	4
Michael Arlow	7	2		2
Anne-Marie Telford	6	1		3
Stephen McAnee (Non Director Member)		4		

Performance of the Board

The BoD held 9 meetings including the Annual General Meeting in 2016/2017. 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 appointment of the four new DE representatives have greatly enhanced the overall skill set and gender balance of the NICIE BoD.

A review was completed in December in partnership with the NICIE chairperson of all NICIE subcommittees and a number of directors (including the new DE representatives) have been appointed to both the Audit and Risk Assurance Committee (ARAC) and the Finance and General Purposes Staffing Committee (FGPSC). This has ensured that there are individuals with

Annual Governance Statement (Continued)

additional skills and experience on these committees. Additionally this ensured that the officers that had served their terms were replaced and that committees were adequately quored.

The chairperson has undertaken and completed the 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. The Chairperson will also be appraised on an annual basis through arrangements determined by the Department.

The Chair and I as CEO/Accounting Officer met on a monthly basis for ongoing review of NICIE business and a review of my ongoing work and reporting to the Board and relevant stakeholders. An appraisal was also carried out on the 19 July 2016 and targets set for the next year.

In addition a training template was circulated to all board members to highlight training requirements and identify areas that could improve board performance.

Moreover 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 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.

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 Board also had presentations during the year from a number of speakers about ongoing developments within the education sector.

The Chairperson, Finance Officer and Chief Executive Officer met the Permanent Secretary of DE for Governance and Accountability meetings. Position reports were forwarded prior to these meetings highlighting any areas of significant accountability and governance. It was agreed that all was in order.

The Minister of Education published an independent review of the planning, growth and development of integrated education in March which had been prepared by NICIE President Colm Cavanagh and Professor Margaret Topping from The Queen's University of Belfast.

The Remit of the report was:

- How to develop and grow integrated education;
- How to develop a more integrated system in its widest sense to bring together increasing numbers of Protestant and Roman Catholic pupils within all schools (as distinct from the co-operation of separate shared schools); and
- The allocation of £50 million per year for the period 2016-2026 made available for capital expenditure under the "Fresh Start" Agreement.

There were 39 recommendations in the report.

This review has been considered by the Board in detail at the recent Board meeting.

I along with NICIE staff, Board and integrated education supporters welcome this report and hope that the recommendations will be considered by the incoming Stormont Government.

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 along with all relevant papers.

Annual Governance Statement (Continued)

Committee Reports

Role of the Audit and Risk Assurance Committee (ARAC)

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 2016-2017 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.

A new chairperson was appointed mid-year to replace the existing board member and chairperson that had served his term under NICIE's Articles of Association terms and conditions.

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 31.3.2016 and will also be responsible for the reports to 31.3.2017. It also reviewed a number of policies and documentation from DE and the Department of Finance 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.

Internal Audit services were retendered and a new independent internal auditor was appointed through the services of the Central Procurement Directorate.

A summary report from the ARAC was presented to the BoD by the chair of the committee at each quarter during the year.

A representative from DE also sat on this Committee for part of the year which assisted in giving additional assurance to the Committee that all audit requirements were being adhered to and I understand that a DE representative will continue to attend meetings in 2017 in an observer role.

Finance, General Purposes and Staffing Committee (FGPSC)

This Committee continues to meet prior to the monthly meeting of the Board of Directors. It met 10 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 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 31.3.2017.

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

The FGPSC's remit also included 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 currently with DE Irish Medium Integrated Education (IMIE) branch for consideration and approval.

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 and
- The development of a briefing paper for engaging with politicians

Annual Governance Statement (Continued)

The Policy and Planning Committee has held 5 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. Annual Election 2016 and 17, The Shared Education Bill and Area and Community Planning. 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 Planning. NICIE has engaged extensively with policy-makers and other key stakeholders throughout the year, as well as maintaining a pro-active media and social media presence in partnership with the Integrated Education Fund (IEF) to ensure that Integrated Education is visibly on the agenda. An Elevator Pitch was drafted and circulated to key stakeholders to support engagement with local people with significant influence.

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 including the Education Committee. The Invitationally Inclusive School Project (IISP) funded by The Department of Foreign Affairs from November 2016 for one year is one such creative approach to reaching out to schools that are not formally integrated.

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 and 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 and CEO I have ensured that the MSFM has been adhered to for the financial year 2016-2017.

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.

Training has also been given to staff during the year at Staff Meetings to ensure that controls are adhered to and new staff are given induction training on arrival. Training needs have also been identified for new and existing directors and governance training has been organised and provided.

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. DE is satisfied that NICIE governance is now complying with the recommendations in the Deloitte Review. NICIE Continues to align 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.

Internal Audit

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

- Safeguarding
- Budgeting and Financial Management Information Systems
- Stakeholder Engagement
- Governance and Risk management
- Follow up of previous audit recommendations

Annual Governance Statement (Continued)

The audit completed by the internal auditors found the internal control systems to be operating in a satisfactory manner with some 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 satisfactory. A review of the progress made by NICIE in implementing prior year recommendations was also undertaken and all prior year internal audit recommendations have been implemented.

External Auditor

The company's External Auditors are PriceWaterhouseCoopers LLP. There were no control deficiencies identified during the year.

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.

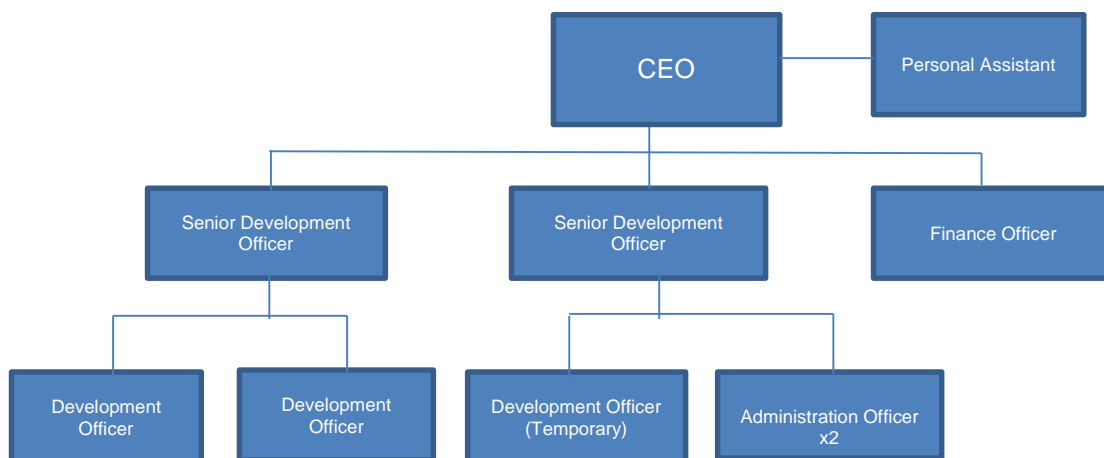
NICIE also successfully registered with the Charity Commission for Northern Ireland.

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 FGSC 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 RSMUK 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:



No Ministerial Directions were given for the year to 31st March 2017.

Annual Governance Statement (Continued)

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. These risks are reviewed on a quarterly basis by the ARAC. These are also circulated to Board and Staff.

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. NICIE is also dependent on its relevant stakeholders to assist, identify and support areas where there are no integrated schools and there is a requirement for integrated education provision.

NICIE staff also assess internal and external risks of all activities and risk is reviewed and mitigated with relevant approvals from NICIE's insurance providers.

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 instances of suspected fraud within NICIE during the year 2016-2017.

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. This was circulated to all new Board members and staff during the year. There were no instances during 2016-2017.

Data Security breaches

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

Significant Governance Issues

There are no further significant governance issues.

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

Annual Governance Statement (Continued)

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 31.3.2017 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 Tuesday 2nd May 2017.

Signature of Accounting Officer



Date of Signature

4.5.2017

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.

Remuneration (audited information)

	2016-2017					2015-2016				
	Salary £	Benefits in kind (to nearest £100)	Bonus	Pension Benefits (to nearest £1,000)	Total (£'000)	Salary £	Benefits in kind (to nearest £100)	Bonus	Pension Benefits (to nearest £1,000)	Total (£'000)
R Marshall <i>CEO</i>	62,000	100	-	11,000	70-75	13,000	100	-	3,000	15-20
M Johnston <i>Finance Officer</i>	43,000	100	-	8,000	50-55	42,000	100	-	8,000	40-50
C Scott Wills <i>Senior Development Officer- Appointed May 2016</i>	40,000	100	-	7,000	45-50	43,000	100	-	8,000	40-50
L McAlpine <i>Senior Development Officer</i>	44,000	100	-	8,000	50-55	15,000	100	-	3,000	15-20
B Kells <i>Senior Development Officer- Resigned May 16 (full Time equivalent 40-45)</i>	4,000	-	-	1,000	1-5	5,000	100	-	1,000	5-10
Band of highest paid director's total remuneration	70-75			11,000		40-50			8,000	
Median total remuneration	40,000			7,000		40-50			5,000	
Pay multiple	1.55			1.57		-			-	

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 2017 (2016: £nil).

Off payroll engagements

During the year there was no off payroll engagements (2016: none).

Remuneration report (continued)

Pension entitlements

Officials	Accrued pension at age 60 as at 31 March 2017 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV at 31 March 2017 £'000	CETV at 31 March 2016 £'000	Real increase/Decrease in CETV £'000	Employer contribution to partnership payment Nearest £100
R Marshall <i>Chief Executive Officer</i>	0-5	0-2.5	14	3	7	-
N Campbell <i>Chief Executive Officer (Retired Oct 2015)</i>	-	-	-	104	-	-
M Johnston <i>Finance Officer</i>	0-5 No lump sum	0-2.5	37	27	7	-
C Scott Wills <i>Senior Development Officer</i>	5-10 Plus lump sum 0-10	0-2.5	106	103	-1	-
B Kells <i>Senior Development Officer (resigned May 2016)</i>	0-5 No lump sum	0-2.5	45	44	2	-
L McAlpine <i>Senior Development Officer</i>	10-15 Plus lump sum 15-20	0-2.5	205	186	15	-

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.

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 2017 (2016: £nil).



Roisin Marshall
Chief Executive Officer

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 2017 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 2017;
- the statement of financial activities (including income and expenditure account) for the year then ended 31 March 2017;
- the statement of cash flow for the year ended 31 March 2017; 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.

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 – 20.6. 2017

The Northern Ireland Council for Integrated Education

(Company limited by guarantee)

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Statement of financial activities (including income and expenditure account) for the year ended 31 March 2017

	Note	2017 £	2016 £
Incoming resources/income			
Incoming resources from generated funds			
- Voluntary income	3	679,700	668,877
Total incoming resources		679,700	668,877
Resources expended/expenditure			
Charitable activities			
- Development of integrated education and schools in Northern Ireland		(668,567)	(665,524)
Governance costs		(8,910)	(8,176)
Other resources expended			
- Other finance costs	6	(16,000)	(18,000)
Total resources expended		(693,477)	(691,700)
Net outgoing resources before recognised gains and losses	4	(13,777)	(22,823)
Re-measurement on defined benefit pension	12	(154,000)	96,000
Net movement in funds		(167,777)	73,177
Funds at 1 April		(444,952)	(518,129)
Funds at 31 March	14	(612,729)	(444,952)

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 2017

	Note	2017 £	2016 £
Non-current assets			
Property, plant and equipment	7	4,959	3,074
Current assets			
Trade and other receivables	9	44,387	8,587
Cash and cash equivalents	10	80,771	51,473
		125,158	60,060
Total assets		130,117	63,134
Current liabilities			
Trade and other payables	11	(86,846)	(22,086)
Non-current assets less net current liabilities		43,271	41,048
Non-current liabilities			
Pension commitments as per Note 12	12	(656,000)	(486,000)
Total assets less liabilities		(612,729)	(444,952)
Reserves			
Restricted funds	14	(612,729)	(444,952)

The financial statements on pages 34 to 47 were approved by the Board of directors on 20th June 2017 and were signed on its behalf by:



Alan Henry OBE
Chairperson



Roisin Marshall
Chief Executive Officer

Statement of cash flows for the year ended 31 March 2017

	Note	2017 £	2016 £
Net cash inflow/ (outflow) from operating activities		32,386	(25,004)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(3,088)	(3,193)
Net cash outflow from investing activities		(3,088)	(3,193)
Net increase/(decrease) in cash and cash equivalents in the year		29,298	(28,197)
Cash and cash equivalents at the beginning of the year		51,473	79,670
Cash and cash equivalents at the end of the year	15	80,771	51,473

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

	2017 £	2016 £
Net (incoming)/outgoing resources before recognised gains and losses	(13,777)	(22,823)
Depreciation on tangible fixed assets	1,203	3,090
Movement in trade and other receivables	(35,800)	10,692
Movement in trade and other payables	64,760	(33,963)
Other finance costs	16,000	18,000
Net cash inflow/ (outflow) from operating activities	32,386	(25,004)

Notes to the financial statements for the year ended 31 March 2017

1 Statement of accounting policies

These financial statements have been prepared in accordance with the Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with International Financial Reporting standards and the principles of the 2016-17 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where 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 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.

Notes to the financial statements for the year ended 31 March 2017 (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.

Notes to the financial statements for the year ended 31 March 2017 (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 council 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 2017 (continued)

3 Voluntary income

	2017	2016
	£	£
Department of Education Northern Ireland	653,101	638,000
Department of Foreign Affairs	13,900	28,123
Heritage Lottery	6,998	-
Other	5,701	2,754
	679,700	668,877

4 Net outgoing resources before recognised gains and losses

	2017	2016
	£	£
This is stated after charging:		
Staff costs (Note 5)	416,738	415,352
Depreciation of property, plant and equipment (Note 7)	1,203	3,090
Fees payable to the council's auditors for the audit of the financial statements	5,700	5,700
Operating lease rentals - property	17,500	17,500

5 Staff numbers and related costs

	2017	2016
	£	£
Wages and salaries	324,570	330,410
Social security costs	31,674	25,852
Other pension costs	60,494	59,090
	416,738	415,352

During the year the charity incurred costs of £19,349 (2016: £26,892) 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 (2016: £nil). One employee falls in emoluments band over £60,000 (2016: £60,000) and details are below.

	2017	2016
	£	£
Chief Executives' remuneration – Noreen Campbell (Retired October 2015).	-	43,377
Chief Executives' remuneration – Roisin Marshall	61,866	15,119
Company pension contributions to NILGOSC pension scheme. Noreen Campbell* (Retired October 2015).*	-	6,878
	10,822	2,679
	72,688	68,053

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.

Notes to the financial statements for the year ended 31 March 2017 (continued)

6. Other finance costs

	2017	2016
	£	£
Expected return	62,000	54,000
Interest cost	(78,000)	(72,000)
	(16,000)	(18,000)

7. Property, plant and equipment

	Information technology £	Furniture and fittings £	Total £
Cost			
At 1 April 2016	53,929	25,911	79,840
Additions	3,088	-	3,088
Disposals	(20,000)	-	(20,000)
At 31 March 2017	37,017	25,911	62,928
Accumulated depreciation			
At 1 April 2016	50,855	25,911	76,766
Charge for the year	1,203	-	1,203
Eliminated on disposal	(20,000)	-	(20,000)
At 31 March 2017	32,058	25,911	57,969
Net book amount			
At 31 March 2017	4,959	-	4,959
At 31 March 2016	3,074	-	3,074

Notes to the financial statements for the year ended 31 March 2017 (continued)

7 Property, plant and equipment (continued)

	Information technology £	Furniture and fittings £	Total £
Cost			
At 1 April 2015	50,736	25,911	76,646
At 31 March 2015	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 2015	50,855	25,911	76,766
Net book amount			
At 31 March 2016	3,074	-	3,074
At 31 March 2015	2,742	229	2,970

8 Financial instruments

As the cash requirements of The Northern Ireland Council for Integrated Education largely are met through Grant-in-Aid provided by DE, 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.

9 Trade and other receivables

	2017 £	2016 £
Trade receivables	7,578	3,355
Prepayments and accrued income	36,809	5,232
	44,387	8,587

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.

Notes to the financial statements for the year ended 31 March 2017 (continued)

10 Cash and cash equivalents

	2017	2016
	£	£
Balance at 1 April	51,473	79,690
Net change in cash and cash equivalents	29,298	(28,217)
Balance at 31 March	80,771	51,473

The following balances at 31 March were held at:

Commercial banks and cash in hand	80,771	51,473
-----------------------------------	--------	--------

11 Trade and other payables

	2017	2016
	£	£
Trade payables	712	915
Accruals and deferred income	86,134	21,171
	86,846	22,086

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.

12 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.

Notes to the financial statements for the year ended 31 March 2017 (continued)

12 Pension commitments (continued)

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

	2017	2016
Rate of increase in salaries	3.5%	4.5%
Rate of increase in pensions in payment	2.0%	2.0%
Discount rate	2.6%	3.5%
Inflation assumption	3.10%	3.0%

The mortality assumptions used were as follows:

	2017	2016
	Years	Years
Average expected future life at age 65 for:		
Male currently aged 65	23.2	21.6
Female currently aged 65	25.8	24.0
Male currently aged 45	25.4	23.3
Female currently aged 45	28.1	26.0

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

Asset Allocation	Quoted	Value at 31 March 2017 Unquoted	Total	Value at 31 March 2016
Equities	74.3%	0.2%	74.5%	72.1%
Property	10.5%	0.0%	10.5%	13.2%
Government Bonds	5.4%	0.0%	5.4%	12.0%
Corporate Bonds	6.1%	0.0%	6.1%	0.0%
Cash	2.6%	0.0%	2.6%	2.7%
Other	0.0%	0.9%	0.9%	0.0%
Total	98.9%	1.1%	100.0%	100.0%

Notes to the financial statements for the year ended 31 March 2017 (continued)

12 Pension commitments (continued)

Reconciliation of present value of scheme liabilities

	2017	2016
	£	£
At 1 April	2,248,000	2,204,000
Service cost	88,000	93,000
Member contributions	21,000	22,000
Interest cost	78,000	72,000
Re-measurement on scheme liabilities	51,000	(122,000)
Benefits paid	(47,000)	(21,000)
At 31 March	2,439,000	2,248,000

Reconciliation of fair value of scheme assets

	2017	2016
	£	£
At 1 April	1,762,000	1,640,000
Expected return	62,000	54,000
Re-measurement on scheme assets	(76,000)	2,000
Employer contributions	61,000	65,000
Member contributions	21,000	22,000
Benefits paid	(47,000)	(21,000)
At 31 March	1,783,000	1,762,000

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:

	2017	2016
	£	£
Service cost	88,000	93,000
Expected return	(62,000)	(54,000)
Interest cost	78,000	72,000
Re-measurement on defined benefit pension scheme	(154,000)	96,000
	(66,000)	189,000

Notes to the financial statements for the year ended 31 March 2017 (continued)

12 Pension commitments (continued)

Amounts for current and previous four years:

	2017 £	2016 £	2015 £	2014 £	2013 £
Scheme liabilities	2,439,000	(2,248,000)	(2,204,000)	(1,746,000)	(1,642,000)
Scheme assets	1,783,000	1,762,000	1,640,000	1,352,000	1,170,000
Deficit in scheme	(656,000)	(486,000)	(564,000)	(394,000)	(472,000)
Experience adjustments on scheme assets					
Amount (£)		2,000	140,000	47,000	108,000
Experience adjustments on scheme liabilities					
Amount (£)	191,000	(1,000)	17,000	-	-

13 Members liability

The liability of each member is limited to £10.

14 Reserves - restricted funds

	2017 £	2016 £
At 1 April	(444,952)	(518,129)
Net outgoing losses/resources before recognised losses	(13,777)	(22,823)
Actuarial re-measurement on defined benefit pension scheme	(154,000)	96,000
At 31 March	(612,729)	(444,952)

The net liabilities at the year-end include a deficit of £656,000 (2016: £486,000) in respect of pension scheme liabilities of the NILGOSC pension fund.

15 Analysis of net funds

	1 April 2016 £	Cash flow £	31 March 2017 £
Cash at bank and in hand	51,473	29,298	80,771
Net funds	51,473	29,298	80,771

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

Notes to the financial statements for the year ended 31 March 2017 (continued)

16 Financial commitments

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

	Property 2017 £	Property 2016 £
Within two to five years	17,500	17,500

17 Contingent liabilities

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

18 Capital commitments

At 31 March 2017 the company had no capital commitments (2016: none).

19 Losses and special payments

At 31 March 2017 the company had no losses and special payments (2016: none).

20 Related party transactions

NICIE is a Non-Departmental Public Body (NDPB) sponsored by DE. DE is regarded as a related party. During the year, NICIE has had various transactions with the DE and with other entities for which DE 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 (2016: none). As per the register of interests maintained by NICIE there were no conflicts of interest during the year (2016: none).

21 Ultimate controlling party

There is no ultimate controlling party.