



CITB
CONSTRUCTION INDUSTRY
TRAINING BOARD NI



**ANNUAL
REPORT
2021-22**

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**CITB NI Annual Report and Accounts
For the year ended 31 August 2022**

Laid before the Northern Ireland Assembly pursuant to Article 21 (2) of the Industrial
Training (Northern Ireland) Order 1984 by the Department for the Economy

on

10 February 2023

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Non-Executive Director's Report

The period of this report has encountered many uncertainties, including the outworking of Brexit and the impact of COVID restrictions, not to mention the political turmoil that both have brought to the NI economy in general and the construction sector in particular.

Over this period, the Chairman and Board of CITB NI was renewed (between April to July 2022) and I wish to take this opportunity to thank the outgoing Chair and Board for their significant input and guidance over their tenure. This has been particularly helpful to me coming into my new post.

CITB NI looks forward to meeting fresh challenges. The Net Zero Carbon approach to the built environment means that our future and current workforce will need to develop new skills and competencies to enhance their traditional ones. New governmental direction in the form of refreshed policies and strategies such as the 10x Economy document, Skills Strategy, Housing Supply Strategy and Energy Strategy, mean that CITB NI will need strong direction for industry and its stakeholders.

With a new Board in place, I am confident that we have the individual and collective insight and skills to provide clear and decisive support to CITB NI in supporting both the economic and industry challenges ahead. The Board has an excellent spread of skills and experience from various stakeholder aspects of the Construction Industry, and this will serve us well in our work.

The Board has already started to review and discuss the activities undertaken by CITB NI over the past years. The aim will be to build on the successful interventions and develop new, innovative, proposals to support the sector.

Working in partnership with Government and industry, the Board will develop the structure and interventions that CITB NI will need to support the industry to meet the demands of the economy, our clients and the whole of society.

A final word of thanks to our Chief Executive and all of the staff in CITB NI who have worked very hard through difficult circumstances to continue to provide much needed support to the industry.



Noel Brady
Chairman
20 January 2023

Chief Executive’s Foreword

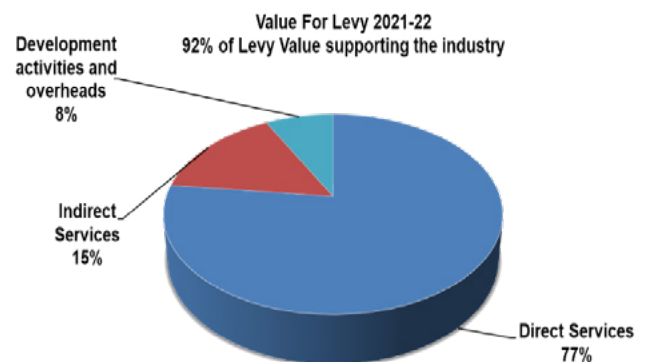
Before reviewing the 2021-22 year, I would like to echo the current Chairs thanks to the outgoing CITB NI Board and Chair. Over their term of office, the outgoing Board has been exemplary in their stewardship of CITB NI and provided sage advice and direction to myself and the staff. I wish them all well and hope that the bond they have forged during their time as CITB NI Board members will continue and they remain supporters and advocates for the work we do for years to come. I am also confident that the skills and expertise already evident within the new Chair and Board members will be of great support as we meet new challenges and consider how CITB NI will best meet these now and in the future.

Performance Overview

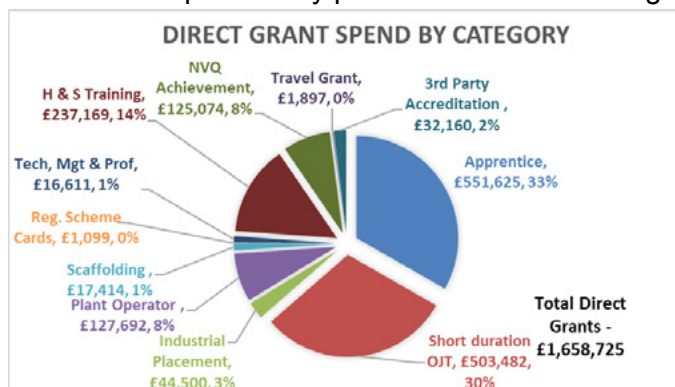
As CITB NI emerged from the shadow of COVID, the 2021-22 year brought its own challenges to the organisation and staff. As is generally the case with the construction sector, our employers and their workforce adapted to the challenges that arose within the year.

Political uncertainty in terms of long-term policy and lack of budget direction has had a significant impact on the strategic wellbeing of the sector. It is difficult for industry to invest in new skills and practices without confidence in the level of future investment in our built environment. While acknowledging the significant policy work undertaken by the Departments, and the proposals to invest in the NI economy, without the certainty of political direction, industry is wary of restructuring their skills profile. This is especially true for the SME enterprises that make up much of the construction sector.

However, despite the comments above, the sector has remained buoyant and the activity levels within the sector have been strong. As can be read later in this report, both Grant support to the industry and Levy income have maintained levels seen in previous years. This year CITB NI returned 92% of the value of Levy raised to the industry in direct or indirect services. More detail on the activities will follow later in the report, but this is an indication of the significant support and partnership approach that we have with the sector.



An area I am particularly proud of is the continuing



increase in the support provided for apprentices. Both Craft and Higher-Level Apprentices are the long-term lifeline for the industry. These routes, along with the direct University Graduate route, provide the people that will carry the industry well into the future. This year, support for apprentices, including industrial placement constituted 36% of the total

grant spend. Compared with only 9% a few years ago, the rise is a combination of the strength of the sector, improvements in the support provided by CITB NI and the forceful marketing of the benefits of apprenticeships by CITB NI, Government and the industry bodies. These measures have gone some way to significantly improve how we support new entrants into the sector. But the work is not complete. This year we have started to re-consider how we attract the next generation into construction, at all levels and disciplines, and how we support upskilling of the existing workforce to meet the challenges of future demands from the economy and our clients.

The following sections of this report show the significant breadth of work CITB NI delivers in partnership with, and on behalf of, the sector. This work will continue but we need to review both what we do and how we do it to ensure we retain the Levy at a reasonable level while providing significant benefit to the sector. We will be working with our Board and industry over the coming months to ensure CITB NI can provide the support industry and the economy needs for the future.

PERFORMANCE ANALYSIS

CITB NI Board has agreed the following aims:

1. CITB NI is respected and valued by industry, stakeholders, and staff.
2. The industry invests in skills and qualifications to improve safety and profitability.
3. CITB NI is customer focused, flexible, responsive and supportive.
4. CITB NI is the voice for skills and informs Government policy.
5. Communication is clear and direct.
6. Qualifications and occupational competencies meet the needs of the industry.

Key Issues and Risks

It is inevitable that this section of the annual report will focus on the effects of Brexit and COVID and how they have impacted CITB NI's finances and the ability to deliver core services.

During 2021-22, CITB NI continued to embed its normal risk management strategy by identifying those risks which could pose a threat to successful performance. As COVID measures began to have less of an impact over the 2021-22 year the Executive Management Team adjusted the risks on a regular basis. The decisions log, introduced in the 2019-20 year to track decisions in response to COVID, helped to ensure that the remaining risks associated with COVID were managed and responded to on a timely basis.

In accordance with Public Health Guidelines, CITB NI had implemented several measures to ensure the safety of its staff and customers. Since March 2020 the majority of CITB NI staff have been working from home with a skeleton of core staff working in the office on a rota basis. From the spring of 2021 some limited training resumed in the building, particularly scaffolding with rigorous measures in place to ensure the safety of those attending and staff involved. Regular checking of temperatures, use of face masks and additional bathroom facilities continued until February 2022. Following additional risk assessment these measures and those in relation to entry to the building were reduced during 2022.

The budget for 2021-22 had again been set amongst some uncertainty and CITB NI had estimated a potential reduction in income as a result of the pandemic. However, levy income was cautiously monitored throughout the year by the Executive Management Team and the CITB NI Board with income remaining steady over the year.

The feared downturn, anticipated as a result of Brexit, COVID and increasing material costs, in construction activity did not materialise over this reporting period and the sectoral performance remained steady.

Going Concern

CITB NI has sufficient working capital at 31 August 2022 to meet its current obligations. On this basis the Board considers CITB NI's financial position at the year-end to be satisfactory.

Position at year-end

CITB NI's Statement of Financial Position is sufficiently liquid to meet its current financial obligations. During the year ended 31 August 2022, net current assets have decreased slightly from £2.76 million to £2.60 million. Cash at bank and in hand has remained at £3.6 million and was invested in term deposit accounts during the year.

Reserves

The Statement of Comprehensive Net Expenditure (SoCNE) reserve at the year-end has increased from £0.9 million to £5.7 million.

This is largely due to a significant movement of £5.1 million in the NILGOSC pension liability this year resulting in an adjustment of £5.5 million in respect of actuarial gains which have been credited to the SoCNE reserve.

The annual pension report, which is provided by an appointed independent actuary, has showed a movement from an International Accounting Standard (IAS) 19 calculated deficit of £4 million to a net asset of £1 million. The actuary explained that this movement is generally due to changes to the key assumptions used to calculate the present value of the liabilities. The discount rate has increased by 2.5%, the CPI inflation by 0.2% and the salary increases by 0.2%. This has resulted in a more positive position than if the financial assumptions at the start of the period had been used.

The actuary also advised that there has been a change in the post-retirement mortality assumptions to allow for the effect of COVID-19 on the future development of mortality rates. This has also had a positive effect of around 1% on the defined benefit obligation.

The actuary explained that there is considerable volatility in the IAS 19 surplus/deficit that would be disclosed at any given date due to current market conditions and therefore it is not possible to confidently predict what the IAS19 position will be at the end of the next financial year, hence the current year's adjustment to reserves does not mean that the same position will exist next year. Further information on pensions can be found in note 10 to the accounts.

Balanced Score Card

A Balanced Scorecard (BSC) was introduced in September 2007 as a management performance tool to manage, monitor and evaluate Key Performance Indicators (KPI).

The results of the Balanced Scorecard are used to inform future strategies and improve performance. KPI targets within the Balanced Scorecard are reviewed annually. Performance against these is reviewed regularly by the Executive Management Team and progress reported to the Board three times within the year. These progress reports are shared with all staff and the Balanced Scorecard is a standing item on Divisional meeting agendas.

The CITB NI Risk Registers (both Operational and "Top Risks") record all risks identified and the category they relate to within the Balanced Scorecard. Through this, a clear link is made between the risks and uncertainties faced by the organisation and which "Risk Category" they relate to within the Balanced Scorecard. The "Top Risks" are discussed at each meeting of the Audit & Risk Assurance Committee and organisational risks are reviewed at regular staff meetings.

A copy of the Balanced Scorecard is provided in Appendix 1 and shows overall performance against the Critical Success Factors for 2021-22.

From the aims CITB NI has developed 5 "operational themes" which support the aims noted above. These are:

- I. CITB NI is the Training Hub for the NI construction sector.
- II. CITB NI acts commercially to enhance its return to the industry.
- III. CITB NI will seek to develop constructive strategic partnerships.
- IV. CITB NI will aim to achieve, promote, and deliver services to high standards.
- V. CITB NI should be at the cutting edge of training needs within the NI industry.

The following is an extensive, but not exclusive account of activities undertaken by CITB NI in support of these themes. Many of the activities contribute to more than one theme but are reported in only one area.

Training Hub for the NI Construction Sector

Training Grant Support to Industry

The grant scheme has three separate elements which encompasses, direct training facilitated by CITB NI, training delivered in partnership with other organisations and the demand-led grant scheme.

The CITB NI demand-led grant scheme has proven to be very popular once again in 2021-22 as it offers a high degree of flexibility for employers to undertake training relevant to their own organisational requirements.

This is the third year of the enhanced grant scheme which was launched in 2019-20. The scheme aims to incentivise the recruitment and retention of apprentices and to support the increased cost of training through an enhanced daily rate for short-duration training.

This has resulted, yet again in a further increase in the support CITB NI was able to make available to the sector.

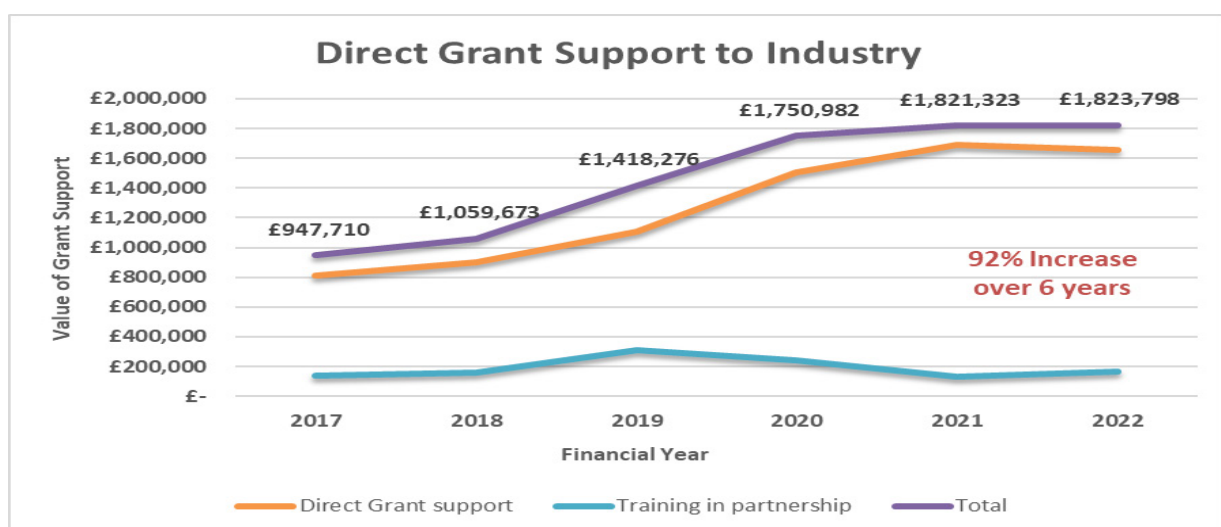
The benefit to industry in terms of direct support for 2021-22 was £1.82 million and is split as follows:

	£
Direct grant funding (Grants paid to employers)	1,658,725
Training in partnership & direct training *	165,073
Total Direct Support	1,823,798

*Excludes scaffolding

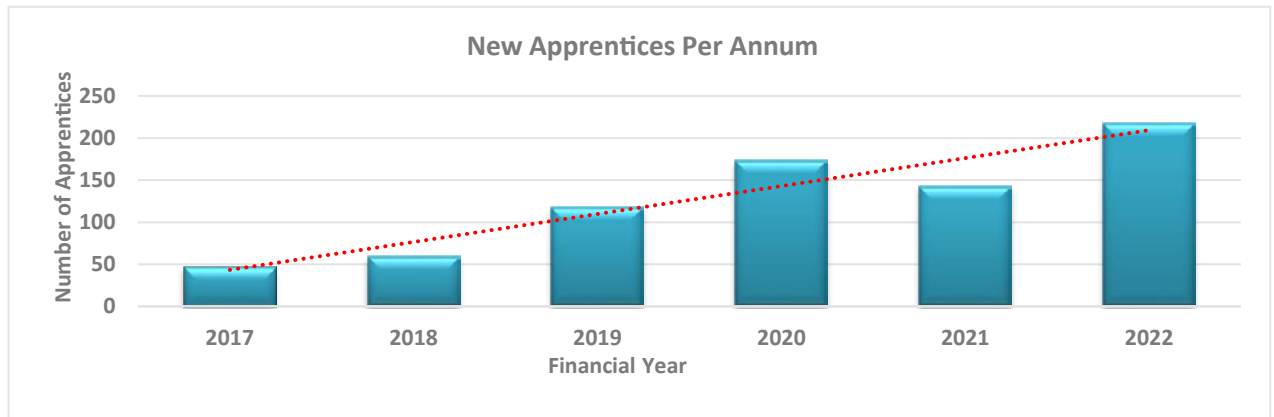
The figures include grants paid and accrued in addition to adjustments in respect of prior-period accruals. CITB NI has paid and accrued £2k more in direct support to the industry than in the previous year (2020-21: £1,821k).

Over the last six years CITB NI has been able to increase the support made available for training. This is in parallel with maintaining the levy rate at 0.55% and the careful use of reserves to fund this additional expenditure. The chart below outlines the support provided split between direct grant to employers and other direct training provided in partnership or directly procured by CITB NI.

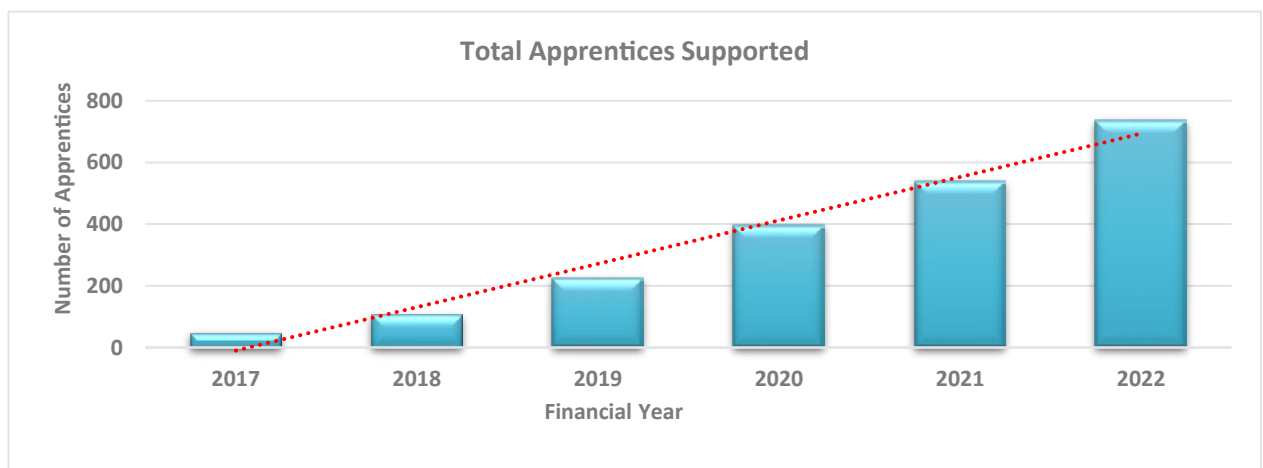


In total, there has been a 92% increase in grant support since 2017. This has been made possible through various initiatives to maximise levy income, careful spending in other areas and the use of accumulated reserves. Whilst a similar level of expenditure is forecast for 2022-23, CITB NI is in the early stages of outlining a strategic review of the grant funding scheme. This will be one of CITB NI's top priorities in 2022-23 to ensure that the scheme remains relevant, targeted to areas where it is needed most, is efficient, and affordable going forward for the next three to five years. This review will continue in 2022-23 and construction industry employers will be consulted on any significant changes proposed.

In 2017, CITB NI introduced an initiative to increase the number of apprentices employed and supported in the sector. We are pleased to report an increase this year on the number of apprentices supported. We have exceeded all expectations in this area of the grant scheme since we first launched our campaign to support 100 apprentices. The table below illustrates the number of new apprentices we have supported each year.



At the end of 2021-22 we have supported 758 apprentices over the last six years. The table below illustrates the cumulative numbers supported each year with a rise from just 47 apprentices in 2016-17 to 758 at the end of 2021-22.



During 2021-22, 583 employers claimed a grant (2020-21: 690), with a total of 5,662 (2020-21: 5,819) grant applications.

Over the year, 471 levy paying employers claimed grant and 112 employers who are below the levy threshold and do not pay levy claimed a grant. This is an indication of the support provided to smaller companies, however many micro-companies benefit indirectly from grant through receipt of training carried out by larger companies, so this is only an indication.

Training in Partnership

CITB NI supports training that the industry has identified as important to development, innovation and productivity. These interventions continue to target areas identified by the industry representative bodies or through employer engagement as critical in dealing with the current economic climate and for the future growth of the industry.

Direct training intervention allows essential training and knowledge to be delivered to the industry where it does not exist or is not readily available in Northern Ireland. It also supports training of strategic importance to the industry which may not be undertaken without CITB NI intervention. Training Interventions provided directly by CITB NI span a wide range of needs but fall within three specific areas: health and safety training, training for the existing workforce, and training for new entrants into the industry.

A total of 10 Training in Partnership interventions were supported in 2021-22 with 6 programmes concluding and 4 spanning into the 2022-23 training year. In total, 327 participants benefited from the wide range of Training in Partnership programmes; participation levels per programme are illustrated in the below graph. CITB NI continued to support mental health training for the industry, a total of 19 courses were delivered, which has benefited 127 participants.

The programmes supported through Training in Partnership in 2021-22 include the following:

- NVQ Level 2 Roof Slating and Tiling Apprenticeship Scheme in partnership with National Federation of Roofing Contractors (NFRC)
- Mental Health Wellbeing Training delivered by Inspire
- NVQ Level 4 Construction Site Supervision in partnership with Mineral Product Association Northern Ireland (MPANI) and tailored to Highways and Maintenance
- Notjustforboys programme - delivered by Women's Tec
- Concrete Practice Accreditation in partnership with University of Ulster
- Northern Ireland Association for Care and Resettlement of Offenders (NIACRO) Construction Skills Register training and Plant & Risk Assessment Training
- Demolition sector-specific training in partnership with Northern Ireland Demolition Association (NIDA)
- Independent Asbestos Training Providers (IATP) Non-licensed Asbestos Operative Training



NVQ Level 4 Diploma in Construction Site Supervision

The NVQ Level 4 in Construction Site Supervision was introduced to improve structured training of individuals operating at, or seeking to progress to, a supervisory position within the construction sector. It was introduced in response to industry feedback on the need to improve the quality and competency of individuals, and as a reaction to major failings reported in terms of construction quality.

The concept is to combine a formal qualification (NVQ Level 4) with an interactive approach to common supervisory activities that would be innovative and unique in its approach to competence and knowledge improvement.

The eighth Construction Site Supervisor Programme commenced during in July 2021 with 14 candidates participating within the programme. This course was tailored specifically to incorporate the Highways Maintenance and Repair Sector who seek to qualify their workforce to recognised NVQ Level 4 supervisory standard. The students were invited to attend the joint Chartered Institute of Building (CIOB) and CITB NI Student Recognition Awards on 22 June 2022 at CITB NI to receive certificates of completion and attendance.

To date 112 individuals have successfully completed their NVQ level 4 in Construction Site Supervision, 10 completing in the 2021-22 training year.

Roofing Apprenticeship Training Scheme

For a period of ten years between 2007 and 2017 no formal training for the roofing sector was available in Northern Ireland. As a result of an approach by the NI Roof Training Group and the National Federation of Roofing Contractors (NFRC) CITB NI supported the establishment of an NVQ Level 2 in Roof Slating and Tiling by means of its Training in Partnership Grant Scheme. The third cohort of Roofing Apprentices commenced in June 2021; due to imposed COVID constraints these participants are expected to complete their qualifications by January 2023.

Laying the Foundation for Mental Health in the NI Construction Industry

Further investment went into supporting mental health awareness in the construction industry in 2021-22 with 19 courses being offered through the year to CITB NI registered employers. 127 individuals took part in the variety of courses which included Mental Health First Aid training. CITB NI strengthen its partnership with stakeholders and a collaborative group formed to become the Building Mental Health Alliance. The group represent industry decision-makers, employers and key stakeholders for both mental health and the construction industry.

Mobile Training Unit (MTU)



The Mobile Training Unit (MTU) provides a convenient way of meeting training requirements with minimum disruption to the site and production. It is a tried and tested way to train and develop experienced workers on site and has been recognised as a flexible and innovative approach to meeting employers' training needs. The MTU travels across the province delivering an extensive range of construction-related, health & safety and bespoke training to operatives, supervisors, and managers.

The MTU continued to be off-road for 11 out of 12 months of 2021-22 due to the pandemic restrictions, mainly due to the safe distance required within the MTU classroom, however, online training was delivered in a remote live classroom environment with a CITB NI Trainer. A total of 1,146 individuals received online training which was a year-on-year increase of 738 trainees. The MTU returned to face-to-face training in August 2022 and will continue into the new training year to deliver hybrid options to the industry, face-to-face via the MTU or live online training with the CITB NI Trainer.

Development of Asbestos Training Centre

CITB NI delivered Independent Asbestos Training Providers (IATP) Non-licensed Asbestos Operative training to 33 individuals to encourage trained operatives working in the industry. The training took place at CITB NI and made use of the asbestos demonstration room which was developed in 2020. Discussions with HSE NI resulted in a partnership to develop 6 training videos on working with asbestos, filming took place in 2022 with the videos to be promoted to the industry in 2022-23 training year.

Scaffolding Training

CITB NI remains the only facility in Northern Ireland able to provide the Construction Industry Scaffolders Record Scheme (CISRS). 153 individuals received accredited training through the Construction Industry Scaffolders Record Scheme (CISRS). 10 scaffolding apprentices achieved NVQ Level 2, and 3 apprentices achieved NVQ Level 3 through the scheme. CITB NI have both annual internal and external quality assurance audits and an annual CISRS centre audit is also conducted, all reports were concluded with no recommendations for action which is a demonstration of the diligence and hard work of CITB NI staff. During 2021-22 the external scaffolding training classroom was refurbished, and an exterior storage area constructed for ease of training materials access.

Undergraduate Development Programme (UDP)

The Undergraduate Development Programme through CITB NI offers free Construction Skills Register (CSR) card training to the University of Ulster built environment students progressing to their placement year in industry. In the formative years of the programme, induction sessions on construction working and construction site health and safety were also delivered in addition to CSR training, however in discussion with the University of Ulster built environment lecture staff, they recommended that CSR training was the priority and most impactful for students. 33 students received the free CSR training in 2021-22 which was delivered at CITB NI in June 2022.

Industry and Stakeholder Engagement

Sixteen employer engagement webinars were held during the year. Each included a business improvement workshop or session on topical areas such as Digital and Social Media Marketing, Quality Control and Construction Law Update. Some of the other topics included were delivered in partnership with other organisations. Ernst Young supported events covering the Tax, Data Analytics & Automation and Supply Chain Solutions. CITB NI also worked with InterTradeIreland to deliver two sessions for companies on Tendering in the Public Sector Construction Market through their Go-2-Tender programme. The tendering events included free follow up mentoring sessions for employers

that attended. A total of 176 employer representatives attended the events. Each engagement opportunity was backed up with up-to-date information included in the online presentation of CITB NI's products and services. This was reviewed and updated regularly and promoted on the CITB NI website for employers to access to get an overview of the benefits of being registered.

Development work to provide a Floor Covering pre-apprenticeship training programme suitable for apprentices and for upskilling the current workforce has continued from last year. Further meetings have been held with employers, and potential providers of training and funding.

CITB NI participates on both the NI Heritage Skills - Reference and Core groups along with other industry stakeholders and the Department for Communities, Historic Environment Division. The purpose of the two groups is to address skills issues within the built heritage sector. During the year CITB NI was successful in obtaining funding from the Covid Recovery Employment and Skills Initiative (CRESI) towards the cost of employing a Heritage project manager for three years. This role will focus on identifying heritage training needs and developing and delivering training initiatives to address these.

Consultations

During the year CITB NI responded to three external consultations:

- Dept for Communities – Conservation Principles – Oct 2021
- Dept for Communities – National Lottery Heritage Fund (NLHF) Policy Directions – April 2022
- Strategic Investment Board – Draft Investment Strategy for Northern Ireland (ISNI) 2050 – April 2022

Recruitment & Careers

With the gradual lifting of Covid-19 restrictions, CITB NI was able to participate in face-to-face careers promotional activity throughout the year.

The Adopt a School programme was relaunched to post primary schools and CITB NI registered employers across Northern Ireland to provide an opportunity for employers to pair with schools in either their local or work area to promote construction careers. Registrations are ongoing and to date 62 schools have registered along with 30 employers, resulting in 15 pairings. In June, an Adopt a School 'Activity' day was held with three of the employers and their paired schools where the employers provided site visits, talks and job sampling to promote construction careers to students. The aim of the event was to raise the profile of the scheme to both employers and schools to encourage registration.

CITB NI has supported the GCSE in Construction and the Built Environment since its inception in 2005. Currently there are 53 schools offering the qualification across Northern Ireland and to date over 10,000 students have achieved the qualification. Having developed a complete text guide and workbook, each year CITB NI provide 25 free copies to every school delivering the GCSE qualification. Approximately 30 schools across Northern Ireland offer BTEC qualifications with some offering the 'A' Level equivalent.

CITB NI has established and will facilitate a Construction Teachers Forum. The forum will create an opportunity for teachers of construction qualifications to come together to discuss best practice for training delivery, share ideas, resources and develop solutions that will enhance the teaching of construction qualifications in schools across NI.

To encourage students to continue their route into construction for the second year running the £1,000 CITB NI Built Environment Student Bursary Award was awarded to twelve students who commenced and completed their first year of a full-time 3rd level Built Environment related construction qualification with a Northern Ireland training provider. The bursary will be open again for applications during the 2022-23 training year.

CITB NI was the lead for the province wide Northern Ireland Apprenticeship Week sub-group, working in partnership with other sectors to host and attend events to promote apprenticeships. Activities included the launch of a series of apprentice case study videos, and an event in partnership with Radius Housing and Mid & East Antrim Borough Council for students at Ballymena Academy. Working in partnership with W5 an event was also organised for 16–18-year-olds at W5, Belfast during the week. The W5 event was attended by 180 students and teachers from across Northern Ireland. Belfast Metropolitan College provided several job sampling activities and 15 employers attended offering apprenticeship opportunities.

During the year a video was produced that showcases the built environment and construction industry in Northern Ireland and the many and varied roles and activities within it. The video, along with the newly launched case study videos are available to download from the careers section of the CITB NI website. The careers section of the website is continually updated with the latest CITB NI careers publications for employers, students, influencers, and careers advisers to download.

CITB NI attended a Women in Engineering event organised by Farrans at the Belfast Grand Central Station project in Belfast. One of the CITB NI Construction Ambassadors facilitated an engineering-based activity and construction careers information packs were provided. The girls took part in several activities and were taken on a site tour. Another event to promote Women in Engineering was held at W5 and was attended by 150 girls from six schools. CITB NI attended and provided construction careers information.

Some of CITB NI's Construction Ambassadors attended careers events at schools during the year to promote construction careers. CITB NI attended the Northern Ireland Schools and Colleges Careers Association (NISCA) Conferences in November and May, engaging with teachers and careers officers from across Northern Ireland.

A webinar to promote careers in construction and CITB NI's products and services was delivered in March to 33 career advisors from the careers service.

SkillBuild NI

The WorldSkills UK Live competition took place at CITB (GB), Bircham Newton in November 2021. 10 Northern Ireland competitors attended, with 6 achieving medals (2 Gold, 1 Silver, 3 Bronze) in four trade areas, Carpentry (Female Bronze medallist), Painting and Decorating (female bronze medallist), Plastering and Dry Wall Systems (3 male medallists, Gold, Silver, Bronze), Wall and Floor Tiling (1 male medallist Gold). Attendance numbers were lower than previous years due to the COVID impact on competitions in the previous academic years, and no SkillBuild NI Final took place in 2020 or 2021.

The SkillBuild NI Inter-Campus Competition (ICC) commenced in mid-February through to early March 2022 within all six main NI colleges and one private training provider, a total of 226 students took part. The aim of the CITB NI-organised competition is to develop quality trade skills, competition experience, soft skill development and to identify the best skilled competitors to progress to the SkillBuild NI Final.

The SkillBuild NI Final was held at CITB NI in May 2022, this was a great opportunity to welcome students, lecture staff and employers to the training facility. 98 students competed across a range of 11 trade areas which included plumbing, electrical and fire and security competitions which sit outside the SkillBuild trade competitions. Due to the restrictions of COVID, the competition was scaled down with focus on competitors only, with fewer visitors and no school careers engagement, however it is expected that competitions in 2022-23 will see little to no restrictions. Of the 98 students, 15 have been selected to attend the WorldSkills UK Live final in Edinburgh College in November 2022 and as per previous years, CITB NI will support with travel and chaperone arrangements.

SkillBuild competitions are funded by the Department for the Economy, WorldSkills UK with CITB (GB) and CITB NI also contributing at varying levels. The SkillBuild NI Final is a WorldSkills UK Regional Heat and is therefore subject to entry requirements and competition management. CITB NI receive generous industry support for the competition each year, which includes donated construction materials and competitor prizes.

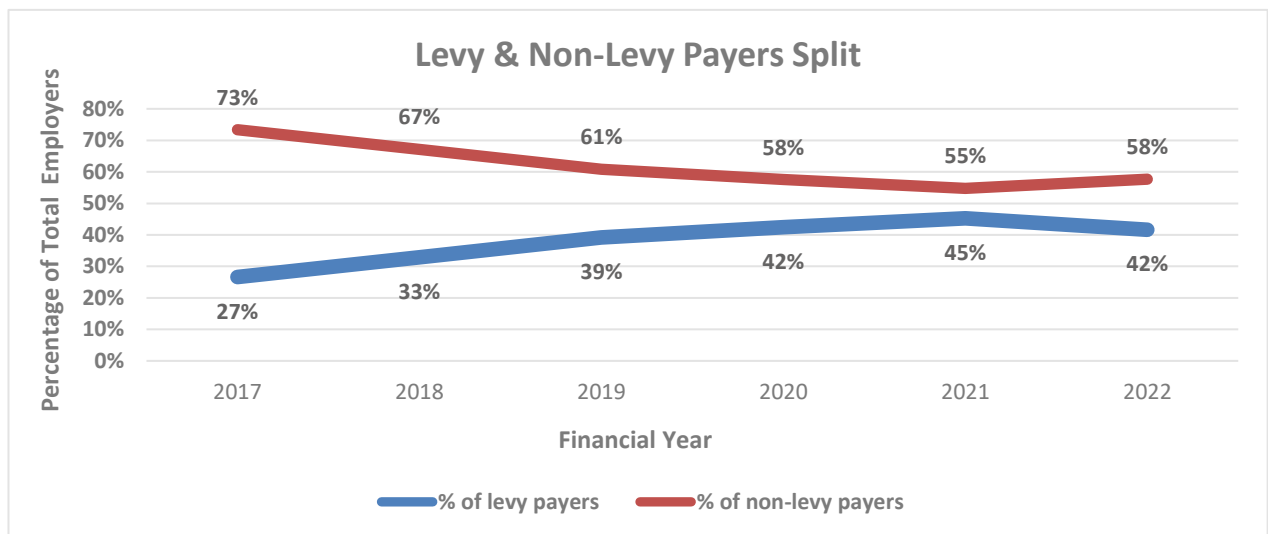
Acts Commercially to Enhance Return to the Industry

Levy

The levy rate for the year was set at 0.55% (2020-21: 0.55%) of employers' emoluments. For the purposes of calculating the levy, the definition of emoluments are gross wages paid in the relevant tax year to Pay as you Earn (PAYE) employees and labour-only subcontractors working in Northern Ireland.

The levy rate was maintained at the 2020-21 level to ensure that sufficient funds were available to meet the increased demand in the grant scheme. We have been able to maintain this lower levy rate for the last three years as more employers are now contributing to the levy pool and therefore the costs and benefits can be spread more fairly across the industry.

In 2021-22 we have seen the gap between levy payers and non-levy fluctuate slightly. The percentage of levy payers has decreased from 45% in 2021 to 42% in 2022. This can be due to several reasons including more accurate returns information because of audits, more work outside Northern Ireland by large levy paying employers and some newly registered employers who may be below the threshold for paying levy.



We will continue to monitor this and continually seek to ensure that the costs and benefits are spread fairly throughout the industry.

An employer is deemed to be in-scope (and should subsequently be registered) to CITB NI if their business activities fall within the definition of Schedule 1 of "The Industrial Training (Construction Board) Order (Northern Ireland) 1964".

The levy team perform levy audits on a cyclical basis to ensure that the correct amount of levy has been assessed for each employer. The audits are normally completed at employer's premises. As a result of COVID, a decision was taken from March 2020 to halt on-site audits to protect both CITB NI

staff and registered employers. We are pleased to report that we recommenced audits on employer's premises in the early part of 2021-22 and this was welcomed by many employers.

A total of 791 audits (2020-21:763) were attempted during the year. Of the 791 attempted, 483 (2020-21: 286) were completed with the remainder to be carried forward to be completed in 2022-23.

The audits that were completed resulted in additional levy of £118,036 (2020-21: £43,774) being invoiced. In addition, refunds to the value of £191,798 (2019-20: £99,458). This result means that we have more accurate levy figures for the year and are educating employers on the importance of submitting accurate information by the required deadlines.

Approximately 97% of the invoiced levy was recovered during the year which is 8% higher than the previous year. This is due to normal credit control procedures resuming following a period of relaxation during the COVID pandemic.

Levy income for the year was £3.4 million (2020-21: £3.5 million). This decrease is a result of refunds being issued due to more accurate information being received and several debts being written off prior to the year-end.

The Internal Scope Panel reviewed three levy scope challenges during the year. Two employers remained in scope and one employer was removed from scope.

There were no Industrial Tribunal appeals lodged in 2021-22.

CITB NI Facilities

The focus for repairs and maintenance at CITB NI in 2021-22 was to continue to improve the building and grounds for use by the industry and training providers, and to host several key events in the year. A number of upgrades and investment took place as well as some exciting events:

- Scaffolding training room (mobile) was refurbished, and an external scaffolding storage area was installed.
- The external scaffolding building saw some investment to advance the use of the building from a storage area to a training space. Loughshore School completed bricklaying training classes and SkillBuild also hosted the fire and electric competition in May in the building.
- SimSite was developed and constructed as a training intervention and training space for the industry and for use in careers promotion. Materials were donated through the Mineral Product Association NI and various stakeholders and the SimSite was first used during the National House-Building Council (NHBC) Building for Tomorrow Conference during a live exhibit.
- SkillBuild NI Final which is a WorldSkills UK Regional Heat was held at CITB NI on 4 May 2022. CITB NI hosted the event for the first time for over 10 years and welcomed almost 200 visitors including competitors to the variety of competitions.

Lease and Hire of Facilities

External meeting room bookings have been slow to return to CITB and therefore slower non-levy income than expected, mainly due to the impact of Covid restrictions for the first half of the year and secondly, due to the rise of virtual meetings. Several repeat customers used the meeting rooms and external training areas including paying customers and registered employers who can use the facility for free.

6 tenants have rental agreements in place at CITB NI, a 6th tenant being added during the 2021-22 training year. Tenancy is a stable source of non-levy income for CITB NI, and some tenants also

directly serve the construction industry. The provision of a canteen at CITB NI is an attractive offer for students and external guests.

- South-Eastern Regional College (SERC)
- Cosaint Training and Consultancy Ltd
- Truly Scrumptious Catering
- People 1st
- Pulse AV
- Mineral Products Association NI

Sustainability report

CITB NI is committed to making improvements in sustainability through conscious action in addition to the sustainable benefits following the emergence of hybrid meetings and home working. CITB NI compile annually a Waste Management Report and a Carbon Footprint Report to measure energy use and offsetting to produce an annual carbon footprint value.

The measurement of waste and energy also allows for decisive measures to control and promote sustainable practices. Compared to the 2020-21 financial year, both staff and visitor numbers to CITB NI increased as pandemic restrictions continued to ease. Travel for business purposes also increased year-on-year and facility and meeting room bookings were also slowly returning. These factors contributed to an increase in some reported energy measures and the improvement of digital data collection also allows for greater accuracy in carbon footprint monitoring. The continued increases in electricity and fuel costs, however, have not led to financial savings as a result of waste and energy management.

The reported carbon footprint of CITB NI for the 2021-22 year is 99.7 tonnes of CO²e which has increased from last year (83.2) however it is below pre-pandemic levels of 118.9 and is significantly lower than the first CITB NI carbon footprint report in 2008-09 which was 342.69 tonnes of CO²e. The average carbon footprint of UK office-based organisations is 3.5 tonnes CO²e per employee and the 2021-22 figure for CITB NI is 3.2, this is a positive indicator because the CITB NI reported values include 6 tenants and a training centre.

The electricity use at CITB NI has increased year-on-year by 15,627kwh to 144,992kwh which highlights the return of staff, visitors and tenants versus the previous year. However, decisive measures to heat the premises in a more careful way saw a decrease of 5,000 litres of heating fuel (20,300 litres).

CITB NI used 250 fewer reams of A4 paper in 2021-22 which was largely driven by conscious decision-making across the business, simply choosing not to print. Confidential shredding increased by 27 bags and is largely driven by periodic removal of confidential waste, this will likely continue for some years as the organisation removes unnecessary paper and digitises its processes and records.

Efficiency Measures

CITB NI is committed to supporting a Net Zero future within Northern Ireland both in its work with the construction industry but also as an employer. In addition to reducing emissions, there is scope to review carbon offsetting and establish targets towards a net zero operation.

A number of measures took place in 2021-22 to reduce emissions and improve energy efficiency, such as:

- Mobile Training Unit (MTU) operations – allowing employers to choose a virtual training session or have a trainer visit their premises without the need for an MTU truck roll, saving carbon emissions, and cost.

- Switching off or turning down radiator heating in lesser-used office space in reaction to continued hybrid working.
- Encouraging employers to switch to BACS payments for levy and scaffolding course fees, reducing paper and removing postal miles in the process.
- Removal of printed copy versus electronic material for use in promotion and events.
- Switching to digital processes in scaffolding administration and participant correspondence. Removing a process step in card administration meaning fewer journeys in the postal system and improved receipt time.
- Conscious decision-making in employee travel to attend meetings and events, opting for online meetings to save both emissions and employee travel time.

Management of Third-Party Contracts

Contracts and agreements with 3rd party providers are monitored for performance and regular renewal of services through procurement. IT and PR support services were reviewed during the year to ensure their continued effectiveness and value for money.

External Funding

CITB NI actively investigates potential additional sources of income to support its work. Investigations were carried out into various funding sources, and this is an on-going activity to identify new sources of funding. During the year CITB NI was successful in obtaining funding from the Covid Recovery Employment and Skills Initiative (CRESI) towards the cost of employing a Heritage project manager for three years.

Funding was also secured from the University for Industry (UFI) to support 2 projects. CITB NI are the lead in one project developing virtual environment training (with a working title of Plan IT, Design IT, Build IT) aimed at developing crucial team working and technical skills in a virtual environment. The other UFI funded project is led by Northern Ireland Association for the Care and Resettlement of Offenders (NIACRO)) and builds upon an earlier project aimed at developing entry level construction awareness for those within the Justice system.

Development of Constructive Strategic Partnerships

CITB NI engaged with a wide range of industry bodies and organisations to support their identified training needs or workforce related projects. Some of the initiatives are completed within a relatively short time frame whereas others may span one, two or even a three-year period.

All the projects go through an application process and are evaluated against set criteria to ensure that the training is not currently available through the local network of training providers, is not economically viable for the network to provide or is of strategic importance or need.

The following are some, but not all, of the initiatives CITB NI supported to deliver training that will improve competence, gain qualifications, raise awareness, raise quality standards and industry professionalism.

Women in Construction Network

CITB NI continued to support women in the construction industry by maintaining the Women in Construction Network website which included events and news articles of interest. CITB NI continued as a Corporate Member of Women in Business offering all female CITB NI staff and members of the Women in Construction Network access to the mentoring programme.

Two more Women in Construction video case studies highlighting women in construction will were developed and produced during the year and were promoted on the CITB NI website and social media.

Last year's 2021 WICN survey also indicated the demand for more Women in Construction Summits following the success of the first summit in 2020. This has led to the strategic decision to hold biennial Summits with a view to inspiring change and shattering stereotypes within the industry.

The April 2022 WIC Summit was another successful event with over 150 in attendance. It was a full day of inspirational stories, business advice and career development for women currently working in the construction industry, those thinking of joining and for employers who support diversity or best practice in the industry. It also provided thought-provoking tips on career management, showcased role models, and provided an opportunity to expand professional networks.

Heritage Skills

Once again CITB NI was part of the judging panel for the Lord Andrew Lloyd Webber Heritage Angels awards for achievement of individuals, groups and communities who have helped to rescue, regenerate, research, and record, built heritage in Northern Ireland. CITB NI supported the Best Craftsperson or Apprentice on a Heritage Rescue or Repair Project.

Forum for Adult Learning NI (FALNI)

CITB NI has developed a relationship with FALNI to explore and potentially support the benefits of non-accredited training & learning which can be of benefit to individuals in terms of personal mental health and future employment opportunities.

BuildHealth / Workplace Health Leadership Group (WHLG)

CITB NI maintains its support and relationship with the BuildHealth group and expanded this into working with the WHLG. This partnership has given rise to a new initiative around mental health within the construction sector involving both agencies and industry bodies.

Built Environment Sectoral Partnership (BESP)

CITB NI continues to work in partnership with DfE and industry bodies / federations to support the BESP. The collaboration aims to ensure that DfE supported qualifications meet the current and future needs of the sector.

Industry Bodies / Federations

The valued partnership between CITB NI and employer bodies within the sector continues. This vital partnership ensures activities work towards common goals in terms of recruitment, skills and competencies of both individuals and companies within the sector.

Delivering Services to a High Standard

In support of the continuing commitment to use technology to improve the effectiveness and efficiency of both in-house and customer facing services activity this year focused around upgrading the customer information system and improving our internet connectivity and security.

Upgrade Customer Information System (CIS)

Two tender premarket engagement exercises were completed during the year, with several local IT companies engaging and demonstrating potential solutions to replace our existing customer information system.

The process of procuring the upgrading and replacing of the existing CIS system continued during the year. This included operational meetings with CPD and the development of the detailed system specification and award criteria for use in tender documentation.

Internet connectivity & security

CITB NI continues to transfer existing IT systems from premises-based servers to cloud based systems the reliance on a fast and stable internet connection increases. During the year the CITB NI leased line internet connection was upgraded to further enhance the security, reliability, and connectivity of the connection.

Marketing & Communications

The Marketing Communications function continued to follow the Marketing Communications Strategy throughout 2021-22 and CITB NI also developed a PR strategy for media relations and profile communications. Following on from the previous year CITB NI primarily focused on digital publications for distribution electronically and hosted on the website. These publications included training and webinar event flyers, research infographics, and three Online Magazine publications.

Advertising was placed during the year with trade press, including Specify, Modern Builder, NI Builder, Agenda NI & Agenda NI's Northern Ireland Yearbook. All publications supported CITB NI by publishing press releases throughout the year which helped promote coverage of ongoing CITB NI training initiatives. To support the Build your Career campaign which focuses on careers in construction, radio advertising was placed with Cool FM in August to coincide with GCSE and A Level result, and a media partnership was developed with Belfast Live over a 5-month period.

Sponsorship support was provided to the Construction Excellence Awards and a Student Achievement Awards event in partnership with CIOB.

The CITB NI website was regularly updated during the year and along with email, SMS texting and social media was used to engage with registered employers, industry, stakeholders, and others. There was an average of 4,854 monthly visitors to the CITB NI website throughout the year.

CITB NI has a strong social media following with increased followers on all channels. At the end of the training year the follower totals were 1,750 Facebook, 1,630 Twitter, 2,110 LinkedIn and 377 Instagram.

Throughout the year CITB NI engaged a video production company to produce nine videos to include careers case studies, women in construction, CITB NI training in partnership profile and CITB NI facilities. These have been received well and are scheduled to be continued to be promoted well into the forthcoming training year.

An external PR service was engaged last year to help raise the profile of the organisation, which proved to be a significant benefit in promoting both CITB NI and training within the sector. Therefore, a procurement exercise was undertaken, and a PR company appointed for a further 12 month contract. Several press releases were developed and sent to local and trade press which generated 128 press clippings to a total PR value of £94,472 and contributed to employer and industry awareness of CITB NI services.

Cutting Edge of Training Needs Within the Industry

Research

CITB NI has contributed to several important pieces of research throughout the year. The research focussed on gathering an increased understanding of the training needs of the NI construction industry and to ensure that an adequate supply of training was available for all sectors of the industry.

The Construction Skills Network (CSN) produced accurate and up-to-date Labour Market Intelligence (LMI) for the Northern Ireland construction industry. Forecasts for 2022 – 2026 were published in June 2022.

The CITB NI Annual Skills Statement which provides an overview of current and future skills needs as identified by CITB NI and other stakeholder research, was published in August 2022.

The fieldwork for the 2022 Stakeholder Survey of 45 CITB NI stakeholders was completed in August. This survey outlined how stakeholders felt CITB NI meets its objectives.

The fieldwork for the 2022 Employer Tracking Survey of 100 CITB NI registered employers began on 1 August 2022 and was completed in September 2022. The survey sought to determine customer perceptions and satisfaction levels with CITB NI.

The fieldwork for the 2022 Workforce Mobility and Skills report is currently ongoing and due to be completed in November with publication of the final report due in March 2023. This research highlights how far construction workers travel for work, types of training they complete and what types of qualifications they hold.

Ad-hoc research work was ongoing during the year to look at the skills requirements for Green / Retrofit roles. This included working with stakeholders to identify training needs arising from the Belfast Regional City Deal.

Research was also completed with 100 small business owners who employ less than 25 people, to identify the business training needs and how CITB NI can better support these small businesses.

Standards and Qualifications

The CITB NI Construction Standards and Qualifications Strategy (CSQS) supports the development of industry training and qualifications in Northern Ireland through the implementation and operation of action strands which were all progressed during the year. The strands are: Consultations, New Entrants, Supporting Specialist Sectors, Mutual Recognition, New Technologies, Development of Employer information guidance, Develop Qualifications and Standards, Maintain Standards, Training & Competence, and Funding.

CITB NI continued to facilitate the development of new Northern Ireland Apprenticeship Frameworks by Chairing the Built Environment Sector Partnership (BESP).

CITB NI updated the current Apprenticeship frameworks for the Department for the Economy (DfE) this work involved liaising with Awarding Organisations to ensure qualifications included in the frameworks are current and approved by CCEA.

Development continued on the plant training standard for the construction industry in Northern Ireland. This initiative aims to set the standard for training Plant Operators, Plant Instructors and provide advice and guidance for the management of plant on site.

CITB NI supported the review of National Occupational Standards (NOS) in conjunction with CITB GB for several occupations. The reviews are employer led to ensure that the NOS is current and fit for purpose.

Long-Term Expenditure Trends

CITB NI is a non-departmental public body which has the statutory powers to raise a levy from construction employers in Northern Ireland. The levy is CITB NI's main source of income representing almost 94% of the total income in 2021-22. Employers who turned to competing for work outside Northern Ireland to keep their business operating during the economic downturn, continue to operate outside the province. The overall context of reductions to budgets across the public sector has impacted the construction sector, as construction employers may have fewer opportunities to compete for public-sector contracts in Northern Ireland.

CITB NI seen a significant increase in Levy income in 2017-18 and static figures for 2018-19, 2019-20 and 2020-21. The budget for 2022-23 has been set at a similar level of activity as 2021-22. Early indications are that levy income for 2022-23 is strong, however we must remain cautious due to pressures within Northern Ireland Government budgets which may result in a reduction in capital investment which no doubt will affect the construction sector. Housebuilding is likely to suffer as interest rates rise, commercial building may suffer as it is dependent on a weakening service economy, and repair and maintenance activity is already showing signs of slowing,

The 2022-23 budget is currently projecting a deficit. CITB NI has sufficient reserves to absorb this deficit in 2022-23. The challenge going forward into 2023-24 will be to ensure that support for employers training needs is cost-effective and is affordable within CITB NI's income budget.

A Board workshop was held in November 2022 to review the future strategic direction of the organisation which will now facilitate the development of a new three-to-five-year business plan.



Mr Noel Brady-Chairman

Date: 20 January 2023



Mr B Neilson-Accounting Officer

Date: 20 January 2023

Accountability Report

The purpose of the Corporate Governance Report is to explain the composition and organisation of CITB NI's governance structures and how they support the achievement of its objectives.

Directors' Report

Position of Chief Executive

Mr Barry Neilson was Chief Executive and Accounting Officer for the whole of the period of account.

Board Members

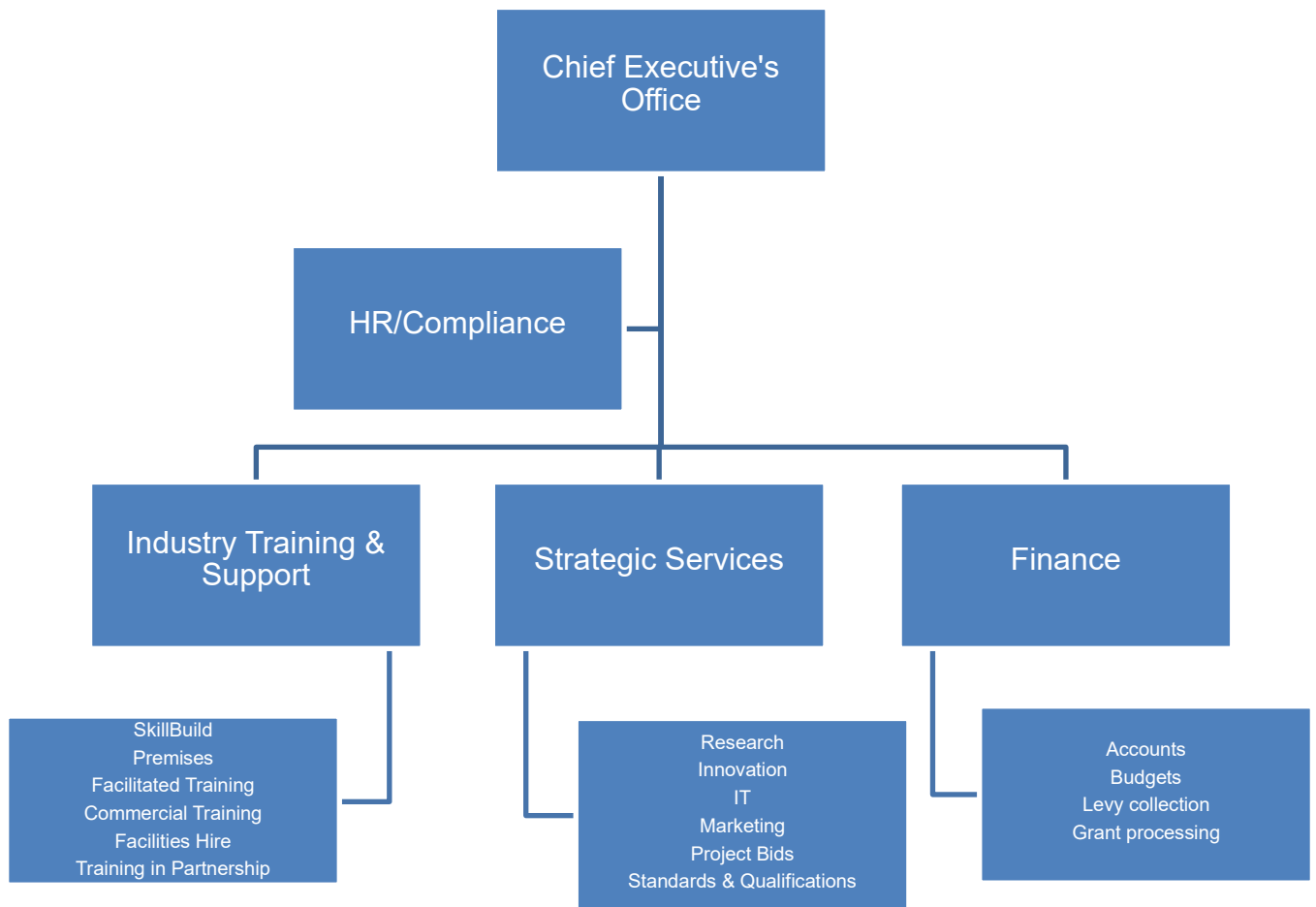
The Board of CITB NI comprised ten members and the Chairman until April 2022.

Two education Board members completed their term of office on 28 April 2022. A further eight Board members and the Chairman completed their term of office on 30 June 2022.

Membership of the Board is determined by the Department for the Economy and through formal appointment by the Minister. Appointments to the Board follow the Office of the Commissioner for Public Appointments guidelines. The Department for the Economy appointed two education representatives on 25 April 2022. Another ten Board members and a chairman were appointed on 18 July 2022.

A list of those who served as Board members during the year and their attendance is outlined in Appendix 2 and 2.1.

Organisational Structure 2021-22



The Executive Management Team comprised the Chief Executive, Director of Industry Training and Support, Director of Strategic Services and the Director of Finance.

Personal Data Related Incidents

There have been no personal data related incidents during the year.

Charitable Donations

CITB NI did not make any charitable or political donations during the year.

Payment to Suppliers

CITB NI is committed to the prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code. Unless otherwise stated on the contract, payment is due within 30 days of the receipt of the goods or services, on presentation of a valid invoice or similar demand, whichever is later.

For the year ended 31 August 2022, 100%, (2020-21: 99.8%) of payments to suppliers were paid within 30 working days. In addition to this, the Government has said that wherever

possible public-sector bodies should seek to pay suppliers within 10 working days of receipt of the invoice. In 2021-22 we met this standard for 99% of invoices received (2020-21: 98%).

Pensions

CITB NI participates in a defined-benefit scheme the assets of which are held in a separate trustee-administered fund operated by NILGOSC. CITB NI takes no direct role in the administration of the fund and contributions to this scheme are as recommended by the actuary. Note 10 to the financial statements provides additional information on pensions.

Complaints Handling

CITB NI has in place a complaints procedure and the Board Administrator is the designated Complaints Officer. All written complaints are acknowledged, within 5 working days and a full investigation and resolution sought within 20 working days. Complainants will be advised of a delay beyond this period with the new expected response date advised.

Written responses to formal complaints are under the signature of the Chief Executive, who is kept informed at all stages of the procedure and the action being taken. Should a resolution not be possible at that stage, the complainant may refer the matter to the Northern Ireland Public Services Ombudsman for independent review.

Records of all complaints received, and the actions taken are maintained for monitoring purposes.

CITB NI did not receive any formal complaints during 2021-22. However, if formal complaints had been received CITB NI would have undertaken a review following the complaint to identify any trends emerging from complaints received and any potential amendment to CITB NI policies or procedures required.

Register of Interests

A Register of Interests is maintained by CITB NI and can be inspected at 17 Dundrod Road, Nutts Corner, Crumlin BT29 4SR. Material transactions with related parties and Board members are disclosed in the Related Party Transactions note of the Annual Accounts.

Statement on Disclosure of Relevant Audit Information

So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

Non-audit Work

During the year CITB NI did not purchase any non-audit services from its auditor, the Northern Ireland Audit Office (2020-21: £1,250). The fee for non-audit work in 2020-21 relates to CITB NI's participation in the National Fraud Initiative (NFI).

Important Events Occurring after the Year End

No important events occurred after the year end which have had any financial impact on the results for the year ending 31 August 2022.

Statement of Board Members and Chief Executive's Responsibilities

Under the Industrial Training (Northern Ireland) Order 1984, the Department for the Economy has directed CITB NI to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of CITB NI and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- observe the accounts direction issued by the Department, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that CITB NI will continue in operation; and
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and that he or she takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Department for the Economy has appointed the Chief Executive as Accounting Officer of CITB NI. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding CITB NI's assets, are set out in *Managing Public Money Northern Ireland* published by the Department of Finance.

As Accounting Officer, I can confirm that there is no relevant audit information of which the auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are informed of it.

Governance Statement

This Governance Statement for CITB NI reflects the organisation's governance, risk and internal control arrangements as they have operated during the 2021-22 year.

As well as being an Industrial Training Board, CITB NI is an Executive NDPB. An Executive NDPB has the following characteristics:

- Operates under statutory provisions and is legally incorporated
- The Chief Executive is accountable to the Board
- The body is responsible for its own budget
- Appointments to the Board are made by the Minister

CITB NI's sponsoring Department is the Department for the Economy (DfE). The DfE Minister appoints the Board of CITB NI through the Public Appointments Unit.

Governance Framework

CITB NI is committed to the principles of good practice in Corporate Governance through the governance framework as evidenced by:

- CITB NI Board
- CITB NI Finance and General Purposes Committee
- CITB NI Audit and Risk Assurance Committee
- CITB NI Review Committee
- Executive Management Team
- Quarterly Accountability meetings with CITB NI sponsoring Department, The Department for the Economy (DfE)

Partnership Agreement

The Partnership Agreement between DfE and CITB NI was signed in December 2021. The increase of delegated authority from £10k to £30k was retained. The Board's Standing Orders were updated and approved by the Board in January 2022.

The Board

The Board of CITB NI meets at least six times during the year. Meetings of the Board are scheduled to be held following meetings of the Audit and Risk Assurance Committee. A report of each meeting of the Audit and Risk Assurance Committee is presented to the Board by the Chairman of the Audit and Risk Assurance Committee and matters of significance are recorded on the Board minutes.

During 2021-22 meetings were again held physically with the option to join remotely if required. This allowed for excellent attendance by Board members while continuing to meet Government guidelines in relation to COVID.

The Annual Board Workshop was held in November 2021 incorporating discussions around setting the strategic direction of the organisation and support for the industry.

During the 2021-22 year, issues considered by the Board included:

- Strategic direction
- Annual budget
- Management accounting
- Performance targets

- Committee reports
- Proposal of the CITB NI annual levy rate

The consultation on the annual levy rate was issued to industry on 22 March 2022.

A register of Board members interests is established and is updated regularly. Declaration of Interests is included on the agenda of Board and Committee meetings.

Finance and General Purposes Committee

The Board's appointed Finance and General Purposes Committee reviews in detail financial matters and human resources issues and makes recommendations to the Board. The Committee is Chaired by a Board member appointed by the Chairman. The Chairman attends as a member of the Committee.

During 2021-22 meetings of the Finance and General Purposes Committee were again held physically.

Audit and Risk Assurance Committee

CITB NI's Audit and Risk Assurance Committee meets four times a year. The Audit and Risk Assurance Committee comprises a chairman, and two members appointed by the Board. Representatives from the organisation's internal auditors, the Northern Ireland Audit Office and DfE are normally present.

The Audit and Risk Assurance Committee reviews on a regular basis, CITB NI's internal control procedures, outstanding audit recommendations, policies and procedures and corporate governance. Risk Register, Dear Accounting Officer and Dear Finance Director letters are also reviewed at each meeting. Fraud is also included on the agenda for each meeting.

The Audit and Risk Assurance Committee provides an annual report to the Board, which summarises the Committee's work for the year including details of agenda items of meetings, internal audit, external audit, risk management and policies and procedures.

Internal Audit

CITB NI's internal audit function is currently provided by KPMG who completed the third year of a three-year term contract. The programme of internal audits is regularly reviewed by the Audit and Risk Assurance Committee and management to ensure that the audit areas identified continue to be appropriate and of benefit to the organisation.

During the year ended 31 August 2022 KPMG completed the agreed programme of audits.

The table below provides a summary of assurance ratings received.

Audit Topic	Assurance Rating
Levy Collection	Satisfactory
Grant Payment	Satisfactory
Corporate Governance, Risk Management and Complaints	Satisfactory
Core Financial	Satisfactory

The overall audit opinion for CITB NI for the year was Satisfactory.

Board Review Committee

The Board Review Committee comprises a chairman and two members appointed by the Board. The Board Review Committee considers the Board's policies in respect of assessment and collection of levy, reviews existing and new grants and makes recommendations to the Board. The Board Review Committee also considers challenges to the scope position and grant appeals by employers and reviews both existing and new programmes or projects being undertaken by CITB NI in accordance with the Rules of Delegation and make appropriate recommendations to the Board.

During 2021-22 The Committee dealt with several appeals arising from the difficulties being experienced by registered employers during COVID to provide key levy information within the required timescale.

The Committee also reviews CITB NI policies.

Executive Management Team

The Executive Management Team (EMT) meets formally on monthly basis and is chaired by the Chief Executive and includes the Directors of Strategic Services, Industry Training and Support and the Director of Finance. The EMT reviews risk management, current financial position, balanced scorecard and ongoing operational issues at each meeting.

Quarterly Accountability Meeting with DfE

Accountability meetings with DfE are held on a quarterly basis. The agendas for these meetings include standing items, such as performance monitoring, budgetary and financial matters, risk management and corporate governance. A report of each meeting is provided for the Audit and Risk Assurance Committee. The DfE Permanent Secretary also meets annually with the Board Chairman.

Quality of Data

The Board its committees and staff rely on data from various sources including:

- Research carried out by CITB NI
- Meetings with industry employer bodies
- Meetings with industry and stakeholders
- Consultations with industry
- Interrogation of research undertaken by other bodies
- Stakeholder meetings; and
- Events with employers in the industry.

This information is consolidated with data from services provided by CITB NI to provide the Board with high quality data to rely on in the discussion making process.

Scope of Responsibility

The Chief Executive of CITB NI is the Accounting Officer and has responsibility for maintaining a sound system of internal control that supports the achievement of CITB NI's mission, vision and aims whilst safeguarding the public funds and Board assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned in Managing Public Money Northern Ireland.

The view of the overall system of internal control is informed by the following:

- Internal audit reports
- Regular review of the Strategic and Operational risk registers.
- Quarterly Accountability meetings with officials from DfE to consider both operational and strategic issues and matters relating to the system of internal control.
- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Executive Management Team and quarterly by the Board.
- Regular reviews by the Board of periodic and annual financial reports which indicate financial performance against the forecasts; and
- Setting targets to assess financial and operational performance.

Review of Effectiveness

The Accounting Officer has the responsibility for reviewing the effectiveness of the system of internal control.

The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within CITB NI who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

The implications of the result of the review of the effectiveness of the system of internal control is provided by the Board, the Audit and Risk Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Purpose of the System of Internal Control

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

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

The system of internal control has been in place in CITB NI for the year ended 31 August 2021 and up to the date of approval of the annual report and accounts and accords with Department of Finance guidance.

Capacity to Handle Risk

CITB NI's risk management system has been formalised through:

- the development and communication of a risk management strategy
- the maintenance and continuous review of the strategic and operational risk registers
- the development of the Business Continuity Plan
- review of risks at Executive Management Team meetings and Audit and Risk Assurance Committee meetings; and
- Review of risks at staff team meetings

Staff are made aware of risk management through publication of the Risk Management strategy on the shared drive, through dissemination of information produced from the Executive Management Team and participation in internal Divisional meetings.

During 2021-22 the risk management strategy, strategic and operational risk registers were reviewed and updated in line with best practice.

The majority of risks are identified by the Executive Management Team and staff. However, over the 2021-22 year a number of risks were identified or amended by Audit and Risk Assurance Committee and Board members and incorporated into the Risk Registers.

The Risk and Control Framework

Risk management procedures have been in place throughout the year ended 31 August 2022 in addition to the existing regular review and reporting of internal control systems. The Executive Management Team reviewed on a regular basis the risk register and the principal risks were identified, classified and the management of those risks considered in detail on a monthly basis.

The management of risks was reported quarterly to the Audit and Risk Assurance Committee and included in the report to the Board.

Risk Registers

The risk registers and assignment of risk ownership are available to all staff.

The risk registers are updated on a regular basis to:

- Add new risks and remove out of date risks;
- Review risk ratings and rankings; and
- Report the top risks to ensure effective mitigation measures are implemented.

Risks to information are managed and controlled within this process and CITB NI has in place Freedom of Information and Data Protection Policies, which include the handling of information. Procedures are in place to ensure the adequate protection of data held on computers. Formal authorisation is required in advance of being given access to IT systems via either the network or WIFI. Individual applications have authorisation signing on procedures for users.

Staff are aware of the importance of securely storing paper records and dedicated archive stores are provided and all staff are provided with IT and cyber security training. This has been undertaken in compliance with the General Data Protection Regulations introduced in May 2018. As staff were mostly working from home during 2020-21 additional training was provided in relation to data protection when working from home.

Reporting

Risk management is reported and reviewed at the Executive Management Team meetings on a monthly basis and formal reports were issued to the Audit and Risk Assurance Committee at each of its meetings throughout the year.

Significant Internal Control Issues

There were no significant internal control issues reported during the year ended 31 August 2022.

Assessment of Compliance with Corporate Governance Code

The Board is content that during 2021-22 it has complied with the Corporate Governance Code as outlined in Managing Public Money Northern Ireland (MPMNI).

Remuneration and Staff Report

The Remuneration and Staff Report sets out CITB NI's remuneration policy for Board members and the Chief Executive. It reports on how that policy has been implemented and sets out the amounts awarded to Board members and the Chief Executive.

Remuneration Policy

As an NDPB, members of staff within CITB NI are not civil servants. The CITB NI Board appoints members of the Board to the Finance and General Purposes Committee. The role of the Committee is to advise the Board on all financial matters, remuneration and employment policy specifically relating to the following matters:

- Staff matters including recruitment, selection, promotion, organisational structure, terms and conditions of service, and disciplinary and grievance matters;
- Board policies in relation to staffing matters;
- Remuneration for staff at all levels; and
- Such other issues as may be referred to it by the Board.

In determining pay and grading systems, and overall increases in pay bill, the board takes account of public-sector pay policy and any guidance issued by DoF, Treasury and the Cabinet Office.

All proposed pay remits are submitted to DfE/DoF for approval in the form of a business case to justify value for money, affordability and consistency with public-sector pay policy. The Department for the Economy work within the public-sector pay policy and guidance in determining the remuneration (including any salary and allowances) for Board members including the Chairman.

There are currently no plans to change the policy in relation to the remuneration of senior managers. Any such changes would be guided by public sector pay policy and any guidance issued by DoF, Treasury and the Cabinet Office.

Service Contracts

All appointments for services made by CITB NI are made based on merit, on the basis of fair and open competition.

Unless otherwise stated, the officials covered by this report hold appointments, which are for a fixed term period of three years. The Department for the Economy, which is required to strictly adhere to the public appointment's procedures, appoints CITB NI Board members. A Code of Conduct for Board members is in place.

Unless otherwise stated, the officials covered by this report can be removed from office by the Minister without notice and without termination payments.

Mr Barry Neilson was appointed permanent Chief Executive with effect from 17 May 2010.

The conditions of service for the Chief Executive are those laid out within CITB NI's Employee Handbook. The Chief Executive is on an open-ended contract.

The current Chief Executive's notice period is three months.

Corporate Governance Report

Salary and Pension Entitlements (Audited)

The following sections provide details of the remuneration and pension interests of the senior officials of CITB NI.

The position of Chief Executive from 01 September 2021 to 31 August 2022 was held by Barry Neilson a direct employee of CITB NI. The remuneration payable to the Executive Management Team was as follows:

Name	2021-22				2020-21			
	Salary £'000	Benefits in kind (nearest £100)	Pension Benefits* (to nearest £1,000)	Total £'000	Salary £'000	Benefits in kind (nearest £100)	Pension Benefits (to nearest £1,000)	Total £'000
B Neilson Chief Executive	65-70	0	16	80-85	65-70	0	15	80-85
A McIlmurray (Part-time) Director of Finance	40-45	0	13	50-55	40-45	0	12	50-55
R McKeeman Director of Industry Training	45-50	0	1	45-50	0-5 (45-50 full year equivalent)	-	-	0-5
W McMullan Director of Strategic Services	45-50	0	16	60-65	45-50	0	14	55-60

During the year, a new Chairman and new Board members were appointed following a Public Appointments competition. The details are listed below:

Official	2021-22		2020-21	
	Salary	Benefits in kind (nearest £100)	Salary	Benefits in kind (nearest £100)
N Brady (Chairman) Appointed 18/07/2022	0-5	-	-	-
D McKee * Board member from 25/04/2022	0-5	-	-	-
A Sloane Board member from 25/04/2022	0-5	-	-	-
G Gordon Board Member from 18/07/2022	0-5	-	-	-
J McKeown Board Member from 18/07/2022	0-5	-	-	-
D McCreadie Board member from 18/07/2022	0-5	-	-	-
L Graham* Board member from 18/07/2022	0-5	-	-	-
C King * Board member from 18/07/2022	0-5	-	-	-
G Graham Board member from 18/07/2022	0-5	-	-	-
N McKee Board member from 18/07/2022	0-5	-	-	-
J Payne * Board member from 18/07/2022	0-5	-	-	-
K Smyth	0-5	-	-	-

Board member from 18/07/2022				
S Young Board member from 18/07/2022	0-5	-	-	-

**Member of Finance & General Purposes Committee*

The Chairman and Board members in the table below completed their term of office in 2021-22.

Official	2021-22		2020-21	
	Salary	Benefits in kind (nearest £100)	Salary	Benefits in kind (nearest £100)
M W Johnston (Chairman)* Leaving date 31/07/2022	15-20	-	15-20	-
B Vaughan * Leaving date 30/06/2022	0-5	-	0-5	-
C Boyle Leaving date 30/06/2022	0-5	-	0-5	-
D Martin Leaving date 30/06/2022	0-5	-	0-5	-
D Henry Leaving date 30/06/2022	0-5	-	0-5	-
M Bradley * Leaving date 30/06/2022	0-5	-	0-5	-
C Brolly Leaving date 30/06/2022	0-5	-	0-5	-
S Hassard Leaving date 30/06/2022	0-5	-	0-5	-
J Pollock* Leaving date 30/06/2022	0-5	-	0-5	-
C Mahon* Leaving date 29/04/2022	0-5	-	0-5	-
C Corken Leaving date 29/04/2022	0-5	-	0-5	-

** Member of Finance & General Purposes Committee*

The Chairman and Board members are appointed by the Public Appointments Office. Therefore, CITB NI does not make any payments in respect of bonuses or pension benefits in respect of these individuals.

Fair Pay Disclosures (Audited)

Pay Ratios

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

The banded remuneration of the highest paid director in CITB NI in the financial year 2021-22 was £65,000 - £70,000 (2020-21: £65,000 to £70,000). The relationship between the mid-

point of this band and the remuneration of the highest-paid director and CITB NI's workforce is disclosed below.

2021-22	25th percentile	Median	75th percentile
Total remuneration	£20,077	£25,935	£32,418
Pay ratio	3.36:1	2.65:1	2.08:1

The 2020-21 median was £25,678 (Pay ratio – 2.65:1)

The 2021-22 financial year is the first-year disclosures in respect of the 25th percentile pay ratio and the 75th percentile pay ratio are required. The 2021-22 Financial Reporting Manual does not require comparative figures to be disclosed for 2020-21.

Total remuneration consists of salary payments. CITB NI makes no other payments to staff other than expenses, travel, and subsistence. The total remuneration figure does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

In 2021-22 and in 2020-21, no employees received remuneration more than the highest-paid director.

Remuneration ranged from £18,644 to £67,500 (2020-21: £18,460 to £67,500).

There was no material change in the pay ratios between 2021-22 and 2020-21.

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- a) salary and allowances, and
- b) performance pay and bonuses (not applicable to CITB NI) of the highest paid director and of their employees as a whole.

The percentage changes in respect of CITB NI are shown in the following table.

Percentage change for:	2021-22 v 2020-21
Average employee salary and allowances	1.4%
Highest paid director's salary and allowances	1.0%

Salary

'Salary' includes gross salary and Board member attendance allowance to the extent that it is subject to UK taxation. CITB NI makes no other payments to Board members or staff other than expenses, travel and subsistence.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue & Customs as a taxable emolument. There were no benefits in kind paid to any member of staff or to members of the Board of CITB NI.

Bonuses

CITB NI does not operate a performance-related pay system. Therefore, no bonuses were paid to staff during the 2021-22 year. (2020-21: NIL).

Pensions of Senior Officials (Audited) -

Board Members

No pension contributions are made by CITB NI in respect of Board members.

Officials	Accrued pension at pension age as at 31/08/2022 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/08/22	CETV at 31/08/21	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
B Neilson Chief Executive	15-20 Plus, lump sum of 0-5	0-2.5 Plus, lump sum of 0-5	264	231	20
A McIlmurray Director of Finance	10-15 Plus, lump sum of 0-5	0-2.5 Plus, lump sum of 0-5	157	142	8
R McKeeman Director of Industry Training	0-5 Plus, lump sum of 0-5	0-2.5 Plus, lump sum of 0-5	9	1	5
W McMullan Director of Strategic Services	15-20 Plus, lump sum of 10-15	0-2.5 Plus, lump sum of 0-5	280	253	15

The above information was provided by NILGOSC and comprises benefits accrued at 31 August 2022.

Pension benefits are provided through the NILGOSC Scheme, which is described in the accounting policies note to the financial statements.

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a 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 because of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is

funded by the employer. This reflects the increase in CETV effectively funded by the employer.

When calculating the real increase in CETV and the pension benefits accrued during the year 2021-22 for the single total figure of remuneration, NILGOSC takes account of inflation. The CPI increase for September 2021 was 3.1%. The in-service revaluation rate for the Career Average Revalued Earnings Scheme was also 3.1%.

In some cases, the real increase in CETV and the pension benefits accrued for the single total figure of remuneration can be negative – that is, there can be a real decrease. This is particularly likely to happen during periods of pay restraint and/or where inflation is higher than pay increases.

The final salary portion of the pension (built up before 1 April 2015) is calculated by reference to final salary pensionable pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. In addition, there is the post-31 March 2015 CARE element of pension. Where there is no pay rise, the increase in pension may not be sufficient to offset the inflation increase - that is, in real terms, the pension value can reduce.

The other main scenario where there can be negative results is where a member is over their normal pension age. The factors used to calculate the CETV are such that the value of pension that could have been taken at normal pension age decreases as the member gets older.

McCloud Remedy

Discrimination identified by the courts in the way the 2015 pension reforms were introduced must be removed by the Department for Communities. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. This is known as the 'McCloud Remedy' and will impact many aspects of the Local Government Pension Scheme. At this stage allowance has not yet been made within CETVs for this remedy.

Staff Report

Staff Numbers and Related Costs (The following section is subject to audit)

	Permanently	Others	2021-22	2020-21
	£	£	£	£
Wages and Salaries	835,746	16,388	852,134	841,472
Social Security Costs	82,678	-	82,678	76,970
Other Pension Costs	470,000	-	470,000	433,000
Total	1,388,424	16,388	1,404,812	1,351,442

Average Number of Persons Employed (The following section is subject to audit)

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

	2021-22	2020-21
Directly employed	28	30
Agency Staff	2	0

Staff Composition

CITB NI had 30 members of staff at 31 August 2022.

	Male	Female	Total
Directors	2	2	4
Employees	6	20	26

Staff Pension Scheme

CITB NI participates in the Local Government Pension Scheme for Northern Ireland which is administered by the Northern Ireland Local Government Officer's Superannuation Committee (NILGOSC) for most of its employees. The NILGOSC Scheme is a defined benefit scheme, which provides members with the benefits related to pay and services at rates that are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The Scheme is funded by employers participating in the NILGOSC Scheme who pay contributions at rates determined by an independent professionally qualified actuary based on regular valuations using the projected unit method.

Employees currently pay contributions between 5.5% and 10.5% of their pensionable earnings. The contribution rate payable is dependent on the rate of pay for their job. As an employer, CITB NI contributes 19.5% of pensionable pay for each employee who is a member of the NILGOSC scheme.

The total amount of employer contributions paid to NILGOSC during 2021-22 amounted to £162,552.

Sick Absence

Staff absence due to illness was on average 8.4 days per employee for the year ended 31 August 2022 (2020-21 1.9 days). The figure for the wider Northern Ireland Civil Service is an average of 12.2 days in 2021-22 (2020-21 9.8 days). The increase within CITB NI can be largely attributed to long terms sickness absences.

Staff Turnover

Staff turnover was 10% which represents 3 staff out of a total of 30 employed over the course of the year.

Staff Policies

In line with the statutory duties of Section 75 of the NI Act 1998, CITB NI promotes equality of opportunity and good relations irrespective of a person's religion, political beliefs, racial group, age, marital status, sexual orientation, gender, disability and dependents.

CITB NI is committed to the fulfilment of its Section 75 obligations in carrying out all its functions, powers and duties relating to Northern Ireland. The Board has put effective internal arrangements in place to ensure that the statutory duties are effectively complied with and that progress on policies is monitored and reviewed.

Objectives and targets relating to the statutory duties are included in the individual performance targets of specific staff with responsibilities in relation to the implementation of the Equality Scheme and monitored through line management review.

CITB NI will endeavour to use its position as an influencer, facilitator and provider of training services to advise and lead the construction industry in the improvement of equality of opportunity and the access to training and employment for all, irrespective of religious and political beliefs, racial group, age, marital status, sexual orientation, gender, disability and dependants.

Equality and Diversity

CITB NI's current workforce is reflective of the catchment areas in which it is based. Annual Monitoring reports are submitted to the Equality Commission each January. An Article 55 review was completed in early 2020 with no equality issues identified.

An Equality Scheme under Section 75 of the Northern Ireland Act has been developed with Annual Progress Reports submitted. A full review of the Equality Scheme is currently ongoing, and a revised Disability Action Plan was developed for the period 2021–2025 and published.

Equality and Diversity issues are regularly monitored by reviewing the outcome of Employee Attitude Surveys and Exit Interviews. Equality issues are reviewed by the Board via the Finance and General Purposes Committee, and we are also proud that out of thirteen current Board members, six are female.

Employee Consultation and Participation

Staff are involved in all matters which affect their work and regular performance reviews are conducted.

Health, Safety and Wellbeing

A Health and Safety at Work Policy has been developed which is reviewed annually. Risk Assessments have been undertaken and are reviewed when required. Health and safety responsibilities have been allocated and an internal Health and Safety Team meets on a quarterly basis to keep under review all aspects of Health, Safety and Wellbeing. Additionally, quarterly Health and Safety Audits are undertaken by a member of the Executive Team to identify any further issues. Staff with responsibilities, have received specific training.

Trade Union Relationships

CITB NI recognises NIPSA trade union. Quarterly Joint Union Management Meetings take place to discuss and progress areas of mutual benefit or concern and internal workplace and Health and Safety representatives are regularly engaged regarding such matters.

Learning and Development

CITB NI identifies learning and development requirements jointly with staff to ensure that the correct skills, knowledge and behaviours exist to achieve the Strategic Plan. These

interventions also equip staff for future career development, introduction of new technologies or legislative developments.

Off-Payroll Engagements (greater than £58,200)

There were no off-payroll engagements during 2021-22. (2020-21: NIL)

Consultancy and Temporary Staff

During the year to 31 August 2022, CITB NI did not incur any expenditure on external consultancy (2020-21: NIL). Expenditure incurred in relation to temporary staff for the year ended 31 August 2022: £16,388 (2020-21: NIL)

Ill-Health Retirement

No staff members retired due to ill-health during 2021-22.

Reporting of Civil Service and Other Compensation Schemes- Exit Packages

(This section is subject to audit)

CITB NI did not participate in compensation schemes and no exit packages were paid during 2021-22 or 2020-21.

Assembly Accountability and Audit Report

The Assembly Accountability and Audit Report brings together the key Assembly accountability documents with the annual report and accounts.

Regularity of Expenditure

(This section is subject to audit)

There was no irregular expenditure in 2021-22.

Losses and Special Payments

(This section is subject to audit)

Losses Statement	2021-22	2020-21
Total Number of Losses	56	48
Total Value of Losses	£62,268	£17,538

There were no special payments made in 2021-22.

Fees and Charges

(This section is subject to audit)

CITB NI charges fees for several training courses provided. The financial objective for the provision of scaffolding courses is full-cost recovery. The results for 2021-22 were as follows:

	2021-22	2020-21
	£	£
Scaffolding Income	66,198	67,095
Staff costs	(56,655)	(57,099)
Direct Expenses	(21,922)	(13,998)
Total	(12,379)	(4,002)

The Scaffolding courses have not met the full-cost recovery objective as a net deficit of £12,379 has been reported for the year. Income is dependent on trainees attending the courses and some cancelled during the year reducing the income available. Additional training equipment was purchased during the year which resulted in an increase in costs. A scaffolding price review has been undertaken with new prices calculated to maintain full cost recovery. The new prices will be implemented from November 2022.

Scaffolding is the only CITB NI course which has the financial objective of full-cost recovery. The reason for this is that all other courses provided by CITB NI are either delivered at no cost to the employer or a small booking fee only applies. The main reason for charging is for a candidate to secure a place on a training course. There is no specific financial objective for these courses as most of the expenditure is funded by CITB NI grant. The nominal fees range from £25 to £100 and are recorded as other income within the Statement of Comprehensive Net Expenditure.

Remote Contingent Liabilities

(This section is subject to audit)

In addition to contingent liabilities reported within the meaning of IAS37, CITB NI also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability within the meaning provided by Managing Public Money Northern Ireland (MPMNI). There were no such remote contingent liabilities to report for the 2021-22 year, (none for 2020-21).



Barry Neilson
Chief Executive
20 January 2023

Construction Industry Training Board Northern Ireland

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

Opinion on financial statements

I certify that I have audited the financial statements of the Construction Industry Training Board Northern Ireland for the year ended 31 August 2022 under the Industrial Training (Northern Ireland) Order 1984. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Construction Industry Training Board Northern Ireland's affairs as at 31 August 2022 and of the Construction Industry Training Board Northern Ireland's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Industrial Training (Northern Ireland) Order 1984 and the Department for the Economy directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Construction Industry Training Board Northern Ireland in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Construction Industry Training Board Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Construction Industry Training Board Northern Ireland's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Construction Industry Training Board Northern Ireland is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Board and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Department for the Economy directions made under the Industrial Training (Northern Ireland) Order 1984; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Construction Industry Training Board Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or

- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Board Members and Accounting Officer Responsibilities, the Board and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Construction Industry Training Board Northern Ireland's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Construction Industry Training Board Northern Ireland will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with the Industrial Training (Northern Ireland) Order 1984.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Construction Industry Training Board Northern Ireland through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Health and Safety Legislation, the Industrial Training (Northern Ireland) Order 1984, the Fair Employment (Northern Ireland) Act 1989 and relevant tax laws;

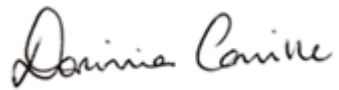
- making enquires of management and those charged with governance on Construction Industry Training Board Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected, and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Construction Industry Training Board Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and unreasonable management estimates;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

27 January 2023

Financial Statements for the year ended 31 August 2022

CITB NI

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE
FOR THE YEAR ENDED 31 AUGUST 2022**

		2021-22	2020-21
	Note	£	£
Income from sale of goods and services	2	145,139	145,059
Other operating income	2	3,478,291	3,578,715
Total operating income		3,623,430	3,723,774
Staff Costs	3	(1,404,812)	(1,351,442)
Purchase of goods and services	3	(794,158)	(727,802)
Depreciation and impairment charges	4,5	(149,352)	(176,203)
Other operating expenditure	3	(1,854,476)	(1,854,930)
Total operating expenditure		(4,202,798)	(4,110,377)
Net operating (expenditure) / income		(579,368)	(386,603)
Finance income		3,701	4,895
Finance expense	10	(68,000)	(86,000)
Net (expenditure) / income for the year		(643,667)	(467,708)
Other Comprehensive Net Income			
		2021-22	2020-21
		£	£
Items which will not be reclassified to net operating costs	Note		
Net (loss)/gain on revaluation of property, plant & equipment	4	65,857	(30,892)
Actuarial (losses)/gains on pension scheme liabilities	10.14	5,462,000	1,798,000
Comprehensive net (expenditure) / income for the year		4,884,190	1,299,400

The notes on pages 52-71 form part of these accounts.

CITB NI

**STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2022**

		2021-22	2020-21
	<i>Note</i>	£	£
Non-Current Assets:			
Property, Plant and Equipment	4	2,251,520	2,306,668
Intangible Assets	5	70,410	76,043
Pension Asset	10	1,046,599	-
<i>Total Non-Current Assets</i>		3,368,529	2,382,711
Current Assets:			
Trade and Other Receivables	7	147,586	311,457
Cash and Cash Equivalents	8	3,601,475	3,588,129
<i>Total Current Assets</i>		3,749,061	3,899,586
Total Assets		7,117,590	6,282,297
Current Liabilities			
Trade and Other Payables	9	(1,144,742)	(1,144,237)
<i>Total Current Liabilities</i>		(1,144,742)	(1,144,237)
Total assets less current liabilities		5,972,848	5,138,060
Non-current liabilities			
Pension Liabilities	10.8	-	(4,049,402)
<i>Total non-current liabilities</i>		-	(4,049,402)
Total assets less total liabilities		5,972,848	1,088,658
Taxpayers' equity and other reserves			
SoCNE Reserve		5,699,866	881,533
Revaluation Reserve		272,982	207,125
		5,972,848	1,088,658

The notes on pages 52-71 form part of these accounts.

The financial statements on pages 48-71 were approved by the Board on 20 January 2023 and were signed on its behalf by:

Signed:  (Chairman)

Signed:  (Chief Executive)

Date: 20 January 2023

CITB NI

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

		2021-22	2020-21
		£	£
Cash Flows from Operating Activities	Note		
Net operating (expenditure) / income		(643,667)	(467,708)
Adjustments for non-cash transactions			
Depreciation & Amortisation	4, 5	149,352	176,203
(Increase)/Decrease in trade and other receivables	7	163,871	185,559
Increase/(Decrease) in trade payables <i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	9	505	375,105
IAS 19 pension costs*	10	366,000	352,000
Gain on disposal of asset		(9,922)	-
Net Cash Inflow/ (Outflow) from Operating Activities		26,139	621,159
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	4	(9,084)	(114,932)
Purchase of intangible assets	5	(13,631)	(45,793)
Proceeds of disposal of property, plant & equipment		9,922	-
Net Cash Outflow from Investing Activities		(12,793)	(160,725)
Net Financing			
Net increase/(decrease) in cash and cash equivalents in the period	8	13,346	460,434
Cash and cash equivalents at the beginning of the period	8	3,588,129	3,127,695
Cash and Cash Equivalents at the end of the period	8	3,601,475	3,588,129

*This balance includes movements in the pension provision in addition to pension costs.

The notes on pages 52-71 form part of these accounts.

CITB NI

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 AUGUST 2022**

	SoCNE Reserve £	Revaluation Reserve £	Total Reserves £
	<u> </u>	<u> </u>	<u> </u>
Balance at 31 August 2020	(448,759)	238,017	(210,742)
Changes in Taxpayers' Equity 2020-2021			
Net (expenditure) / income for the year	(453,458)	-	(453,458)
Auditor's remuneration	(14,250)	-	(14,250)
Revaluation gains/(losses)	-	(30,892)	(30,892)
Actuarial gain on NILGOSC pension scheme	1,798,000	-	1,798,000
	<u> </u>	<u> </u>	<u> </u>
Balance at 31 August 2021	881,533	207,125	1,088,658
Changes in Taxpayers' Equity 2021-2022			
Net (expenditure) / income for the year	(629,167)	-	(629,167)
Auditor's remuneration	(14,500)	-	(14,500)
Revaluation gains	-	65,857	65,857
Actuarial gain on NILGOSC pension scheme	5,462,000	-	5,462,000
	<u> </u>	<u> </u>	<u> </u>
Balance at 31 August 2022	5,699,866	272,982	5,972,848

The notes on pages 52-71 form part of these accounts.

Notes to the Financial Statements

For the Year End 31 August 2022

1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2021-22 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 the most appropriate to the particular circumstances of CITB NI for the purpose of giving a true and fair view has been selected. The policies adopted by CITB NI for the year ended 31 August 2022 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting Convention

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

1.2 Impending Application of Newly Issued Accounting Standards not yet Effective

CITB NI has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. IFRS 16 *Leases* replaces IAS17 *Leases* and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted, and adapted for the public sector, with effect from 1 April 2022 for accounting periods beginning on or after the 1 April 2022.

CITB NI has assessed the impact that the implementation of IFRS 16 will have on the Comprehensive Net Expenditure and on the Statement of Financial Position for the year ending 31 August 2023 and considers there is unlikely to be any material impact. Under IFRS 16 *Leases*, a lessee will no longer make a distinction between finance leases and operating leases; all leases will be treated as finance leases with the exception of short term and low value leases. CITB NI operates several leases with tenants who hire parts of the CITB NI building. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases and will account for them accordingly. Therefore, the treatment of CITB NI's leases will remain unchanged.

IFRS 17 *Insurance Contracts* will replace IFRS 4 *Insurance Contracts* and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted, and adapted for the public sector, with effect from 1 April 2025. Management considers that the impact of the introduction of IFRS 17 *Insurance Contracts* is unlikely to be significant.

1.3 Judgements and Key Sources of Estimation Uncertainty

In the application of CITB NI's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from those estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates

are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The valuation of CITB NI's share of the NILGOSC pension scheme is a critical accounting estimate. A valuation has been provided at the reporting date by the appointed actuary. The valuation is based on various economic assumptions which inherently have a degree of uncertainty, The valuation has been reviewed by management.

The valuation of land and buildings is a critical accounting estimate. A valuation has been performed at the reporting date by Land and Property Services (LPS). The valuation has been reviewed by management, resulting in the assets being stated at fair value in the financial statements.

1.3 Income

The main source of income for CITB NI is a statutory levy. Levy is receivable from assessments based on the employment details returned by construction establishments. This may also include an estimate for construction establishments from which employment details have not been received. Other income is recognised in the period to which it relates.

Interest income is accrued on a time basis, by reference to the principal outstanding and interest rate applicable. Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

Other income, including the reimbursement of legal fees associated with pursuing unpaid levy income, is recognised in the period it is received.

1.4 Employee Benefits including Benefits

Under IAS 19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave at the year end. The cost of untaken leave has been calculated on the basis of records held by the Human Resources Department and individual staff members.

1.6 Pensions

CITB NI participates in the Local Government Pension Scheme for Northern Ireland which is administered by the Northern Ireland Local Government Officer's Superannuation Committee (NILGOSC) for the majority of its employees. The Scheme is funded by employers participating in the NILGOSC Scheme who pay contributions at rates determined by an independent professionally qualified actuary on the basis of regular valuations using the projected unit method.

1.6.1 NILGOSC Pension Scheme

For the NILGOSC defined benefit scheme, CITB NI has recognised its share of the pension fund assets and liabilities in its Statement of Financial Position as either a pension liability/pension asset, as well as recognising the full cost of providing for future retirement benefits in the Statement of Comprehensive Net Expenditure.

1.6.2 Measurement of the Scheme Assets

The pension fund asset is accounted for at fair value.

1.6.3 Measurement of the Scheme Liabilities

Pension liabilities are measured on an actuarial basis using the projected unit method. The scheme liabilities at the valuation date relate to:

- (i) the benefits for pensioners and deferred pensioners and their dependants, allowing where appropriate for future increases; and
- (ii) the accrued benefits for members in service on the valuation date.

1.6.4 Recognition of Net Pension Asset

CITB NI has recognised a net pension asset in its Statement of Financial Position in accordance with IAS 19 *Employee Benefits*. As CITB NI is expected to be a long-term body within the Fund and continues to admit new entrants, it is the actuary's view that under current market conditions, the surplus in full can be recognised.

1.7 Expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

Direct Grant expenditure is recognised when a grant application form is received from an employer in so far that it complies with certain terms and conditions of grant. Expenditure in relation to Training in Partnership projects is recognised when the training activity has taken place.

1.8 Property, Plant and Equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to CITB NI;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

The level of capitalisation as an individual item of property, plant and equipment has been applied for the current year at £500. If multiple items of the same equipment are purchased together, they can be grouped for the purposes of capitalisation. Where a large asset, for example a building, includes several components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings used for CITB NI's service or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Land and buildings valuations are performed annually by Land & Property Services (LPS). The valuations are carried out by a qualified member of the Royal Institution of Chartered Surveyors.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

Land and non-specialised buildings – market value for existing use.

For all other non-property assets (useful life less than five years) and low-value assets (less than £10,000) depreciated historic cost is considered to be a satisfactory reflection of fair value.

An increase arising on revaluation is credited to the revaluation reserve except when it reverses impairment for the same asset previously recognised in expenditure, in which case it is credited to the Statement of Comprehensive Net Expenditure.

Subsequent Expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.9 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the CITB NI's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to or service potential be provided to CITB NI and where the cost of the asset can be measured reliably.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

The level of capitalisation as an individual intangible asset has been applied for the current year at £500.

Measurement

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost, indexed for relevant price increases using the Consumer Price Index, as a proxy for fair value.

1.10 Depreciation, Amortisation and Impairments

Depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which CITB NI expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The basis by which depreciation and amortisation is calculated is as follows:

Property, Plant & Equipment

Premises – Buildings	10 years
Information Technology & Audio Visual	3 & 5 years
Plant & Machinery	4-5 years
Furniture & Fittings	5 years

Intangible Assets

Information Technology Software	3-9 years
Website	2 years
Software Licences	3-7 years

At each reporting period end, CITB NI checks whether there is any indication that any of its property, plant and equipment or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

1.11 Leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term.

1.12 Cash and Cash Equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.13 Financial Instruments

Financial assets are recognised when CITB NI becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

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

(i) Trade Receivables

Trade receivables are recognised and carried at the lower of their original invoiced value or recoverable amount. Balances are written off when the probability of recovery is assessed as being remote.

(ii) Trade Payables

Trade payables are not interest bearing and are stated at their nominal value.

1.14 Taxation

No provision for taxation arises as the CITB NI has charitable status approved by HM Revenue & Customs.

1.15 Operating Segments

CITB NI's principle aim is to ensure the adequate training of those employed or intending to be employed in the Northern Ireland construction industry. CITB NI provides a range of services, however all of the services provided fulfil the principle aim of the organisation and as such is considered to have only one operating segment. All decisions are made by the Executive Management Team and the Board.

1.16 Provisions

Provisions are recognised in accordance with IAS 37 and are valued using the best estimate of the expenditure required to settle the obligation.

2. Income

The other operating income included within the Statement of Comprehensive Net Expenditure is detailed below:

	2021-22	2020-21
	£	£
<i>Sale of goods and services</i>		
Direct Training Course Income	67,283	73,870
Room hire/rental income	77,856	71,189
<i>Other Operating income</i>		
Statutory Levy Income	3,418,697	3,497,201
Activities funded by the Department for the Economy	16,130	51,284
Income from bodies external to NI Government	33,542	30,230
Gain on disposal of assets	9,922	-
Total Operating Income	3,623,430	3,723,774

3. Expenditure

	2021-22 £	2020-21 £
<i>Staff Costs¹</i>		
Wages and Salaries	852,134	841,472
Social Security Costs	82,678	76,970
Other Pension Costs	470,000	433,000
Total	1,404,812	1,351,442
<i>Purchase of Goods and Services</i>		
Running Costs	451,742	471,953
Other Training Services	227,990	174,951
Direct Training Provision	30,757	19,261
Legal Fees	72,010	46,108
Professional Fees	11,659	15,529
Total	794,158	727,802
Depreciation	149,352	176,203
<i>Other Operating Expenditure</i>		
Grants to Employers and Partner Bodies	1,815,745	1,821,323
Research and Development	2,391	11,836
Auditor's Remuneration and Expenses	14,500	14,250
Rentals under Operating Leases	2,119	599
Expenses of Boards & Committees	19,721	6,922
Total	1,854,476	1,854,930
Total Operating Expenditure	4,202,798	4,110,377

The auditor's remuneration and expenses include an external audit fee of £14,500 (2020-21: £13,000). CITB NI did not purchase any non-audit services from its auditor, the Northern Ireland Audit Office during the year, (2020-21: £1,250). The fee for non-audit work in 2020-21 relates to CITB NI's participation in the NFI.

¹ A breakdown of the staff costs into permanent and temporary staff can be found in the Staff Report within the Accountability Report.

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Information Technology	Plant & Machinery	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 01 Sept 2021	1,070,000	1,030,000	294,861	458,687	222,586	1,092	3,077,226
Additions	-	-	8,179	-	905	-	9,084
Disposals	-	-	(47,238)	(186,306)	(6,813)	-	(240,357)
Revaluations	-	-	-	-	-	-	-
At 31 August 2022	1,070,000	1,030,000	255,802	272,381	216,678	1,092	2,845,953
Depreciation							
At 01 Sept 2021	-	-	270,941	329,737	169,880	-	770,558
Charged in year	-	65,857	12,986	34,520	16,725	-	130,088
Disposals	-	-	(47,238)	(186,306)	(6,812)	-	(240,356)
Revaluations	-	(65,857)	-	-	-	-	(65,857)
At 31 August 2022	-	-	236,689	177,951	179,793	-	594,433
Carrying amount at 31 August 2022	1,070,000	1,030,000	19,113	94,430	36,885	1,092	2,251,520
Carrying amount at 31 August 2021	1,070,000	1,030,000	23,920	128,950	52,706	1,092	2,306,668
	Land	Buildings	Information Technology	Plant & Machinery	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 01 Sept 2020	1,070,000	1,030,000	301,264	458,687	216,953	-	3,076,904
Additions	-	93,730	17,916	-	5,633	1,092	118,371
Reclassifications	-	-	(24,026)	-	-	-	(24,026)
Disposals	-	-	(293)	-	-	-	(293)
Revaluations	-	(93,730)	-	-	-	-	(93,730)
At 31 August 2021	1,070,000	1,030,000	294,861	458,687	222,586	1,092	3,077,226
Depreciation							
At 01 Sept 2020	-	-	260,503	286,931	155,653	-	703,087
Charged in year	-	62,838	17,959	42,806	14,227	-	137,830
Reclassifications	-	-	(7,228)	-	-	-	(7,228)
Disposals	-	-	(293)	-	-	-	(293)
Revaluations	-	(62,838)	-	-	-	-	(62,838)
At 31 August 2021	-	-	270,941	329,737	169,880	-	770,558
Carrying amount at 31 August 2021	1,070,000	1,030,000	23,920	128,950	52,706	1,092	2,306,668
Carrying amount at 31 August 2020	1,070,000	1,030,000	40,761	171,756	61,300	-	2,373,817

Note 4.1 - Land and buildings have been included on the basis of professional valuations performed by Land & Property Services who have provided an updated valuation of the land and buildings as at 31 August 2022. The valuation was carried out by a qualified member of the Royal Institution of Chartered Surveyors.

5. INTANGIBLE ASSETS

	IT Software	Website	Software Licences	Payments on Account & Assets under Construction	Total
	£	£	£	£	£
Cost or valuation					
At 01 September 2021	384,407	119,204	50,043	30,179	583,833
Additions	1,016	-	-	12,615	13,631
Reclassifications	(1,144)	-	-	1,144	-
Revaluations	-	-	-	-	-
At 31 August 2022	384,279	119,204	50,043	43,938	597,464
Amortisation					
At 1 September 2021	360,972	116,550	30,268	-	507,790
Charged in year	10,950	224	8,090	-	19,264
Reclassifications	-	-	-	-	-
Revaluations	-	-	-	-	-
At 31 August 2022	371,922	116,774	38,358	-	527,054
Carrying amount at 31 August 2022	12,357	2,430	11,685	43,938	70,410
Carrying amount at 31 August 2021	23,435	2,654	19,775	30,179	76,043
	IT Software	Website	Software Licences	Payments on Account & Assets under Construction	Total
	£	£	£	£	£
Cost or valuation					
At 01 September 2020	368,828	113,429	31,757	-	514,014
Additions	18,029	5,775	18,286	3,703	45,793
Reclassifications	(2,450)	-	-	26,476	24,026
Revaluations	-	-	-	-	-
At 31 August 2021	384,407	119,204	50,043	30,179	583,833
Amortisation					
At 1 September 2020	336,753	103,436	22,000	-	462,189
Charged in year	16,991	13,114	8,268	-	38,373
Reclassifications	7,228	-	-	-	7,228
Revaluations	-	-	-	-	-
At 31 August 2021	360,972	116,550	30,268	-	507,790
Carrying amount at 31 August 2021	23,435	2,654	19,775	30,179	76,043
Carrying amount at 31 August 2020	32,075	9,993	9,757	-	51,825

6. FINANCIAL INSTRUMENTS

IFRS 7, *Financial Instruments: Disclosures*, requires disclosure that enables evaluation of the significance of financial instruments for CITB NI's financial position and the nature and extent of risks arising from financial instruments to which the organisation is exposed during the period and at the reporting date, and how the organisation manages those risks.

Because of the largely non-trading nature of its activities, CITB NI is not exposed to the degree of financial risk faced by other business entities.

The majority of financial instruments relate to contracts to buy non-financial items in line with CITB NI purchase and usage requirements. CITB NI is therefore exposed to little credit, liquidity or market risk.

CITB NI has not identified any financial instruments which are complex or play a significant medium to long-term role in its financial risk profile.

7. TRADE AND OTHER RECEIVABLES

	2021-22 £	2020-21 £
Amounts falling due within one year:		
Levy receivables	243,728	396,340
Provision for Bad Debts (Levy)	(165,589)	(159,123)
Trade receivables	6,476	8,335
Prepayments and accrued income	62,971	65,905
Total	147,586	311,457

8. CASH AND CASH EQUIVALENTS

	Total £	
Balance at 01 September 2021	3,588,129	
Net change in cash and cash equivalents	13,346	
Balance at 31 August 2022	3,601,475	
	2021-22 £	2020-21 £
The following balances at 31 August were held at:		
Commercial banks and cash in hand	3,601,475	3,588,129
Total	3,601,475	3,588,129

9. TRADE AND OTHER PAYABLES

	2021-22 £	2020-21 £
Amounts falling due within one year:		
Accrued grants to employers	952,527	973,045
Accruals and deferred income	178,041	136,030
Other payables	14,174	35,162
Total	1,144,742	1,144,237

10. PENSION LIABILITY

10.1 Northern Ireland Local Government Officers' Superannuation Committee Scheme

CITB NI participates in the Local Government Pension Scheme for Northern Ireland which is administered by the Northern Ireland Local Government Officer's Superannuation Committee (NILGOSC) for the majority of its employees. The NILGOSC scheme is a "multi-employer", defined benefit scheme, which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The scheme is funded by employers participating in the NILGOSC scheme who pay contributions at a rate determined by an independent, professionally qualified actuary on the basis of regular valuations.

In April 2009, NILGOSC introduced a banding scheme for employee contribution rates, based on pensionable pay. These rates effective from 01 April 2022 are as follows:

Band	FTE Range (£)	Contribution Rate
1	0 to 15,400	5.5%
2	15,401 to 23,700	5.8%
3	23,701 to 39,500	6.5%
4	39,501 to 48,000	6.8%
5	48,001 to 95,100	8.5%
6	more than 95,100	10.5%

In 2021-22 the employer's contribution rate was 19.5%. (19.5% in 2020-21).

Contribution rates are due to remain similar in 2022-23 with only slight increases to the banding limits.

10.2 The McCloud Judgement

Claims of age discrimination were brought in relation to the terms of the transitional protection by groups of firefighters and members of the Judiciary in the McCloud /Sargeant legal case (referred herein as "McCloud") and the Court of Appeal handed down its judgement on this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 scheme valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes.

In July 2020 HM Treasury consulted on changes to the transitional arrangements to the 2015 schemes as a result of this judgement and, at the same time, an update on the Cost Control Element of the 2016 valuations was published. In this update, the Government announced that the pause should be lifted and the cost control element of the 2016 valuations could be completed. This update also set out that the McCloud costs would fall into the "member cost" category of the control element of the valuations process. It is also noted that by considering the increased value as a result of the McCloud remedy, scheme cost control valuation outcomes will show greater costs than otherwise would have been expected.

The reformed public service schemes in Northern Ireland incorporate similar age-based transitional protections. The Department of Finance ran a consultation from 19 August 2020 to 18 November 2020 consulting on proposals to 1) remove discrimination in unfunded public service schemes made under the Public Service Pensions Act (Northern Ireland) 2014 for

the future; and II) remedy the effect of any discrimination scheme members may have incurred since April 2015. The Department of Finance issued its consultation response on 25 February 2021. It proposes to proceed with the deferred choice underpin. This approach means all eligible members will receive a choice at the point of retirement whether to take legacy or reformed scheme benefits for the period between 1 April 2015 and 31 March 2022, known as the remedy period.

All public servants who continue in service from 1 April 2022 onwards will do so as members of their respective reformed scheme (alpha pension scheme). These proposals have been developed at the Collective Consultation Working Group, which is the recognised forum for consultation on pension policy for devolved schemes and where both public service employers and employees are represented.

Work is progressing on the legislative steps required to implement the remedy and reformed scheme. The actuarial liability as at 31 August 2022 includes accrual for management's best estimate of the higher expected costs to implement the remedy and reformed scheme under the proposals. Should there be any changes to the proposals, the amounts recognised would need to be revised.

10.3 GMP Indexation and Equalisation

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. All of the public service schemes, including the LGPS (NI) were contracted out.

On 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs".

The Actuary's standard approach is to value full CPI inflation pension increases on GMPs of members whose State Pension Age (SPA) is on or after 6 April 2016. This is an approximate method of recognising the cost of the Government's commitment to compensate public service scheme members from the removal of the Additional Pension element of the State Pension from this date, and for the outcome of the Lloyds judgement which found GMPs to be illegally sex discriminatory. Government has consulted on its approach to compensating affected members and announced on 23 March 2021 that it would adopt a long-term policy of uprating GMPs in line with CPI inflation for members whose SPA is on or after 6 April 2016. The consultation response recognised that this solution will not address all inequalities for a minority of members. Further guidance is expected from MHCLG (to an undefined timetable) on how they propose to deal with this. It is expected that any remaining gender inequalities will be small and that the Actuary's approach, is in line with current government policy and is a reasonable estimate.

In October 2020 a second ruling in the Lloyds bank case clarified that compensation would be required to members who transferred benefits out since May 1990. At time of writing Government has not yet acknowledged a liability in public service schemes nor indicated an approach to rectifying this. There would be a significant time and cost involved in estimating a potential liability. The Actuary has not made any allowance for a potential liability resulting from this ruling.

10.4 Cost Management in the LGPS

Legislation requires HM Treasury to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable.

The initial result of the cost cap process in NI was that changes to member benefits were needed which would increase employers' cost by 3.2% of pay.

As there is an expectation that any benefit improvements flowing from the cost management process will be backdated to 1 April 2019, and the Public and Commercial Services Union (PCS) and the Fire Brigades Union (FBU) are seeking agreement to launch a judicial review of the Government's decision to pause the cost management process, the Actuary has retained the same approach adopted last year, which is for an allowance to be made for cost cap, broadly consistent with the approach agreed for the 2019 funding valuation, such that the allowance made for the future service element of the estimated cost of benefit changes following the McCloud judgement and the cost cap process will be the minimum of 3.2% of pay.

It is possible that this could potentially overstate the allowance for McCloud / Cost cap in aggregate as the potential benefit changes as a result of Cost cap may be revisited once the remedy for McCloud is known. However, the Actuary has not attempted to recalculate the initial result of the cost cap process in NI that was calculated by the Government Actuary Department (GAD). If this figure was calculated on IAS 19 assumptions, then the cost may be higher than the 3.2% of pay that was calculated by GAD.

Therefore, overall, the Actuary believes that the approach set out above is reasonable for accounting purposes, particularly given the current uncertainties of the benefit changes as a result of the cost cap process.

10.5 ECONOMIC ASSUMPTIONS

The latest actuarial valuation of CITB NI's liabilities took place at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the roll-forward method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS19 purposes at 31 August 2022 were:

	2022	2021
Discount Rate	4.2%	1.7%
CPI Inflation	2.9%	2.7%
Pension Increases	2.9%	2.7%
Pension accounts revaluation rate	2.9%	2.7%
Salary Increases	4.4%	4.2%

MORTALITY ASSUMPTIONS

These assumptions have been based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Assumed life expectancy	31 August 2022	31 August 2021
Males		
Member aged 65 at accounting date	21.8	21.9
Member aged 45 at accounting date	23.2	23.3
Females		
Member aged 65 at accounting date	25.0	25.1
Member aged 45 at accounting date	26.4	26.5

10.6 Reconciliation of Funded Status to Statement of Financial Position

	2022	2021
	£000's	£000's
Fair value of assets	13,628	15,316
Present value of funded defined benefit obligation	(12,501)	(19,266)
Funded Status	1,127	(3,950)
Closing funded defined benefit obligation	(1,127)	(3,950)

10.7 Reconciliation of Unfunded Status to Statement of Financial Position

	2022	2021
	£000's	£000's
Present value of unfunded defined benefit obligation	(80)	(99)
Closing unfunded defined benefit obligation	(80)	(99)

10.8 Reconciliation of Total Status to Statement of Financial Position

	2022	2021
	£000's	£000's
Fair value of assets	13,628	15,316
Present value of funded defined benefit obligation	(12,581)	(19,365)
Funded & Unfunded Status	1,047	(4,049)
Closing total defined benefit obligation	1,047	(4,049)

10.9 Changes to the Present Value of Defined Benefit Obligation are as Follows:

	2022	2021
	£000's	£000's
Opening defined benefit obligation	19,365	18,483
Current Service Cost	470	433
Interest Expense	327	293
Contributions by members	56	53
Actuarial (gains)/ losses – Financial Assumptions	(7,191)	744
Actuarial (gains)/losses – Demographic Assumptions	(127)	0
Actuarial (gains)/losses due to liability experience	56	(272)
Net benefits paid out	(375)	(369)
Past service cost (inc, curtailments)	0	0
Closing defined benefit obligation	12,581	19,365

10.10 Changes to the Fair Value of Assets are as Follows:

	2022	2021
	£000's	£000's
Opening fair value of assets	15,316	12,988
Interest income on assets	259	207
Remeasurement gains/(losses) on assets	(1,800)	2,270
Contributions by the employer	172	167
Contributions by employees	56	53
Net benefits paid out	(375)	(369)
Closing fair value of assets	13,628	15,316

10.11 The Actual Return on Assets is as Follows:

	2022 £000's	2021 £000's
Interest income on assets	259	207
Remeasurement (loss) / gain on assets	(1,800)	2,270
Actual return on assets	(1,541)	2,477

10.12 Asset Allocation

The approximate split of assets for the Fund as a whole is shown in the table below. The Fund is large and largely liquid and as a consequence there will be no significant restriction on realising assets if a large payment is required to be paid.

	2022 Quoted	2022 Unquoted	2022 Total	2021 Total
Equities	38.4%	0.1%	38.5%	43.2%
Property	0.0%	12.3%	12.3%	8.9%
Government Bonds	22.9%	0.0%	22.9%	27.1%
Corporate Bonds	2.2%	0.0%	2.2%	12.9%
Multi Asset Credit	12.7%	0.0%	12.7%	0.0%
Cash	7.0%	0.0%	7.0%	4.8%
Other	0.2%	4.2%	4.4%	3.1%
Total	83.4%	16.6%	100%	100%

10.13 Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 August 2022 and the projected service cost for the year ending 31 August 2023 is set out below. We have not included sensitivity of unfunded benefits on materiality grounds.

Funded LGPS benefits			
Discount rate assumption			
Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£000's)	12,276	12,501	12,726
% change in present value of total obligation	-1.8%	-	1.8%
Projected service cost (£000's)	248	256	264
Approximate % change in projected service cost	-3.0%	-	3.1%
Rate of general increase in salaries			
Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£000's)	12,539	12,501	12,463
% change in present value of total obligation	0.3%	-	-0.3%
Projected service cost (£000's)	256	256	256
Approximate % change in projected service cost	0.0%	-	0.0%
Rate of increases to pensions in payment, deferred pension and revaluation of pension accounts assumptions			
Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£000's)	12,689	12,501	12,313
% change in present value of total obligation	1.5%	-	-1.5%
Projected service cost (£000's)	264	256	248
Approximate % change in projected service cost	3.1%	-	-3.0%

Post retirement mortality assumption			
Adjustment to mortality age rating assumption*	-1 year	Base figure	+1year
Present value of total obligation (£000's)	12,851	12,501	12,151
% change in present value of total obligation	2.8%	-	-2.8%
Projected service cost (£000's)	265	256	247
Approximate % change in projected service cost	3.5%	-	-3.5%

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

10.14 The Net Cost Recognised in the Statement of Comprehensive Net Expenditure:

	2022	2021
	£000's	£000's
Operating Cost		
Current service cost*	470	433
Past service cost (incl. curtailments)	0	0
Financing Cost		
Interest on net defined benefit liability/(asset)	68	86
Pension expense recognised in profit and loss	538	519
Remeasurements in other comprehensive expenditure		
Return on plan assets (in excess of)/below that recognised in net interest	1,800	(2,270)
Actuarial (gains) / losses due to change in financial assumptions	(7,191)	744
Actuarial (gains) / losses due to changes in demographic assumptions	(127)	0
Actuarial (gains) / losses due to liability experience	56	(272)
Total amount recognised in comprehensive net expenditure	(5,462)	(1,798)
Total amount recognised in statement of comprehensive net expenditure	(4,924)	(1,279)
* Allowance for administrative expenses included in current service cost (£000's)	4	4

11. CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

Legal Cases

CITB NI is aware of an ongoing Industrial Tribunal case in relation to the NILGOSC pension scheme which may lead to possible future obligations. It is not possible to assess the timing, likelihood, or amount of any financial impact at this time. CITB NI will continue to monitor the ongoing developments in this area.

12. COMMITMENTS UNDER LEASES

OPERATING LEASES

At 31 August 2022 CITB NI had contracted with tenants for the following future minimum lease payments.

	2021-22	2020-21
	£	£
Not later than one year	25,052	51,628
Later than one year and not later than 5 years		
Later than 5 years	-	3,900
	-	-
Total	25,052	55,528

13. RELATED PARTY TRANSACTIONS

CITB NI is a Non-Departmental Public Body (NDPB) sponsored by the Department for the Economy (DfE). DfE is regarded as a related party with which CITB NI has had various material transactions during the year.

In addition, several Board members are associated with organisations who have undertaken material transactions with CITB NI during the year.

CITB NI received the following funding from DfE.

	2021-22	2020-21
	£	£
Project Income	16,130	51,284
	16,130	51,284

13.1 Outgoing Board Members

CITB NI received levy from the following levy payers associated with Board members. Transactions reported relate to the period 01 September 2021 to the date the Board member's term of office was completed.

	2021-22	2020-21
	£	£
Henry Brothers Ltd	23,325	27,127
Gilbert- Ash Limited	5,750	5,842
McCormack Site Services (Ire) Ltd	3,641	3,882
Vaughan Developments Limited	2,083	1,977
	34,799	38,828

Funding received and accrued in relation to European funding partnerships:

	2021-22	2020-21
	£	£
Horizon 20/20 (C.Corken – Belfast Metropolitan College)	9,023	0
	9,023	0

Amounts owed at 31 August 2022 from the above parties amounted to £NIL (2021: NIL).

13. RELATED PARTY TRANSACTIONS (continued)

CITB NI paid & accrued grants to the following levy payers & organisations associated with Board members. Transactions reported relate to the period 01 September 2021 to the date the Board member's term of office was completed.

	2021-22	2020-21
	£	£
Northern Ireland Demolition Association	-	920
Unite the Union	-	10,254
University of Ulster	-	6,196
Henry Brothers Ltd	28,675	28,961
Gilbert-Ash Limited	6,610	10,928
Construction Employers Federation	7,200	-
McCormack Site Services (Ire) Ltd	3,040	1,326
Vaughan Developments Limited	1,680	1,000
	47,205	59,585

Amounts owed to the above parties at 31 August 2022 amounted to £NIL (2021: £7,150).

The Board members associated with grants paid and accrued to the organisations above are as follows:

Construction Employers Federation – D Henry & B Vaughan
Northern Ireland Demolition Association – S Hassard
Unite the Union – C Brolly & J Pollock
University of Ulster – C Mahon
Henry Brothers Ltd – D Henry
Gilbert- Ash Limited – M Bradley
McCormack Site Services (Ire) Ltd – S Hassard
Vaughan Developments Limited – B Vaughan

13.2 Newly Appointed Board Members

CITB NI received levy from the following levy payers associated with Board members. Transactions reported relate to the date from when the Board member was appointed up to 31 August 2022.

	2021-22	2020-21
	£	£
Henry Brothers Ltd	2,592	-
Mascott Construction (Europe) Limited	621	-
QMAC Construction Limited	659	-
	3,872	-

The Board members associated with the levy received from the organisations above are as follows:

Henry Brothers Ltd – J McKeown
Mascott Construction (Europe) Limited – N McKee & J Payne
QMAC Construction Limited – G Graham

Amounts owed by the above parties at 31 August 2022 amounted to £NIL (2021: N/A).

13. RELATED PARTY TRANSACTIONS (continued)

CITB NI paid & accrued grants to the following levy payers & organisations associated with Board members. Transactions reported relate to the period from the date the Board member was appointed up to 31 August 2022.

	2021-22 £	2020-21 £
Combined Facilities Management Limited	32,243	-
Henry Brothers Limited	17,162	-
McLaughlin & Harvey Limited	5,558	-
Edgewater Contracts & Specialist Joinery Limited	1,813	-
Mascott Construction (Europe) Limited	1,550	-
QMAC Construction Limited	200	-
SACRYR UK & Ireland	100	-
	58,626	-

Amounts owed to the above parties at 31 August 2022 amounted to £48,166 (2021: N/A). The balances owed per individual organisation are listed below:

	2021-22 £	2020-21 £
Combined Facilities Management Limited	29,089	-
Henry Brothers Limited	13,464	-
McLaughlin & Harvey Limited	5,413	-
Edgewater Contracts & Specialist Joinery Limited	150	-
Mascott Construction (Europe) Limited	50	-
	48,166	-

The Board members associated with grants paid and accrued to the organisations above are as follows:

Henry Brothers Limited – J McKeown
Combined Facilities Management Limited – G Gordon
Edgewater Contracts & Specialist Joinery Limited – L Graham
Mascott Construction (Europe) Limited – N McKee & J Payne
QMAC Construction Limited – G Graham
McLaughlin & Harvey Limited – S Young
SACRYR UK & Ireland – D McCreadie

To ensure that grant payments are not influenced unduly by Board members, CITB NI has the following arrangements in place:

1. Register of Board members Interests updated regularly.
2. Declaration of Interests stated at every Board meeting.
3. Clear Terms and Conditions of Direct Grant Payment and segregation of duties in place.
4. Grant payments audited annually by Internal Audit.
5. Board member will be excluded from specific agenda items at Board meetings if a decision on grant payments is required, that affects the related organisation.
6. Grant decisions on training in partnership grants, within delegated limits are made by the Executive Management Team excluding Board members.


14. EVENTS AFTER THE REPORTING PERIOD

There were no events between the end of the reporting period and the date the financial statements were authorised for issue which would impact on these accounts.

Date of Authorisation for Issue

The Accounting Officer authorised these financial statements for issue on 27 January 2023.

Appendix 1 Balanced Scorecard

CITB NI Balanced Scorecard (Sept 2021 - Aug 2022)						Performance
CSF No.	Report ed by	Strategy Link	Critical Success Factors	Performance Indicators	12 mth target	YTD
Stakeholders and Customers						
1.1	KP	1,5	Compliance with Government requirements for NDPB's	Internal audit - Compliance awarded satisfactory assurance	Satisfactory Assurance	Satisfactory
1.2	KP	1,5	Compliance with Government requirements for NDPB's	External audit - Unqualified audit opinion	Unqualified audit opinion	Unqualified
2	RB	1,2,5	Contribution to DfE skills strategy	Contribute to five themes (Demand, Quality & Relevance, Productivity, Barriers & Engagement)	5	5
3	RB	1,2,5	Increased employer awareness of services	Employer Tracking Survey - Awareness of services	68%	
4	RB	All	Employers see our services adding value by improving their performance	Employer Tracking Survey - Importance of CITB NI services. Mean score out of 5 (Very important)	> or = 3.5 out of 5	
5	Wm	All	Delivery of organisational objectives	Business Delivery Plan - 50% of 39 actions progressing or complete	20	33
Financial						
6	LL	4	Collection of levy payments due	95% of total Levy recoverable is collected	95%	95%
7	AMcL	1,4	Maximise levy income returned in benefits to industry	80% of budgeted levy income (£3,561,560) is returned in benefits	£2,849,248	£3,189,819
8	AMcL	All	Maintaining grant spend within budget	Management accounts	£1,754,000	£1,699,267
9	AMcL	4	Reduction in working capital reserves	Management accounts - Reduce reserves to an appropriate level	£2,100,000	£2,602,256
Processes						
10	RB	1,2,3,5	Identify training needs of the industry	Completion of training needs research projects	3	3
11	Wm	1,2,3,5	Setting occupational training standards	Progress the strands relevant to NI, in the Construction Skills Strategy (CSS)	10	10
12	IM/RM /AM	1,2,3,5	Small employers use services available to them	Percentage of employers who have less than 10 employees and who have benefited from Tier 1 grant or Tier 2/3 training interventions	15%	16%
People/Competence (Learning and Growth)						
13	ED	All	Organisational knowledge and competence	Leadership competence matrix	70%	77%
14	KP	1,4	Board member participation	Maximum score of 2 (Good) in each of the five areas in Board member appraisal (Teamwork, Communications, Constructive Challenge, Strategic Thinking, Analytical & Effective decision making) (Max Score 2 X 5 X 9 Board members)	90	45
<p>Strategic Plan Aims</p> <ol style="list-style-type: none"> CITB NI is seen as the hub for all training carried out by the construction sector CITB NI should be at the cutting edge of training needs within the NI industry CITB NI should deliver the highest quality in all our endeavours CITB NI should be more commercially minded and identify ways to develop other income streams CITB NI should build strong strategic partnerships to develop and enhance our activities 						
						<p>Traffic light</p> 

APPENDIX 2

BOARD MEMBERSHIP AND ATTENDANCE AT MEETINGS

September 2021 – June 2022

Membership of the Board is determined by the Department for the Economy and through formal appointment by the Minister. The Board members below completed their term of office April and June 2022. Two new education representatives were appointed in April 2022.

Board Chairman:

M Johnston	7 out of 7
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Employer Representatives:

C Boyle, Synergy Innovations	6 out of 7
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B Vaughan, Vaughan Developments Ltd	7 out of 7
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D Martin	7 out of 7
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D Henry, Henry Brothers Ltd	6 out of 7
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Employee Representatives:

S Hassard, McCormack Site Services	1 out of 7
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M Bradley, Gilbert-Ash NI	7 out of 7
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C Brolly, Unite the Union	5 out of 7
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J Pollock, Unite the Union	3 out of 7
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Education Representatives:

C Mahon, UUJ	5 out of 5
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C Corken, Belfast Metropolitan College	0 out of 5
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D McKee, UUJ	2 out of 2
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A Sloane, Belfast Metropolitan College	2 out of 2
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Observer:

DfE Representative	7 out of 7
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Department of Education	3 out of 7
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APPENDIX 2.1

BOARD MEMBERSHIP AND ATTENDANCE AT MEETINGS

August 2022

Membership of the Board is determined by the Department for the Economy and through formal appointment by the Minister. The Board members below were appointed in April and July 2022.

Board Chairman:

N Brady	1 out of 1
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Employer Representatives:

G Gordon, Combined Facilities Management	0 out of 1
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D McCreddie, SACYR UK & Ireland	1 out of 1
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J McKeown, Henry Brothers Ltd	0 out of 1
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Jonathan Payne, Mascott Construction (Europe) Ltd	1 out of 1
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Shauna Young, McLaughlin and Harvey Ltd	1 out of 1
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Employee Representatives:

G Graham, QMAC Construction Ltd	1 out of 1
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C King, Errigal Contracts	1 out of 1
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Lynsey Graham, Edgewater Contracts Ltd	1 out of 1
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K Smyth, 3 interiors Contracts Ltd	1 out of 1
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N McKee, Mascott Construction (Europe) Ltd	1 out of 1
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Education Representatives:

D McKee, Ulster University	1 out of 1
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Aidan Sloane, Belfast Metropolitan College	1 out of 1
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Observer:

DfE Representative	1 out of 1
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Department of Education	0 out of 1
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